

25 November 2014

CARDINAL ACQUIRES NDONGO NORTH CONCESSION

Cardinal Resources Limited (ASX: CDV) (**Cardinal** or the **Company**), is pleased to announce that through its wholly owned subsidiary of Cardinal Resources Ghana Limited (**Cardinal Ghana**), that it has entered into an Asset Sale Agreement with Savannah Mining Limited (**Savannah**) to purchase the highly prospective **Ndongo North** Concession adjacent to the existing Ndongo tenement area (**Ndongo** or **Ndongo Prospect**) within the Bolgatanga project area in North-East Ghana (see Figure 1).

Cardinal Resources Managing Director Archie Koimtsidis commented “The purchase of Ndongo North from Savannah on the revised terms outlined below enables Cardinal to pursue the opportunity that we believe lies within this highly prospective complex geological formation whilst continuing to focus our attention on Namdini, where we have been achieving promising results.

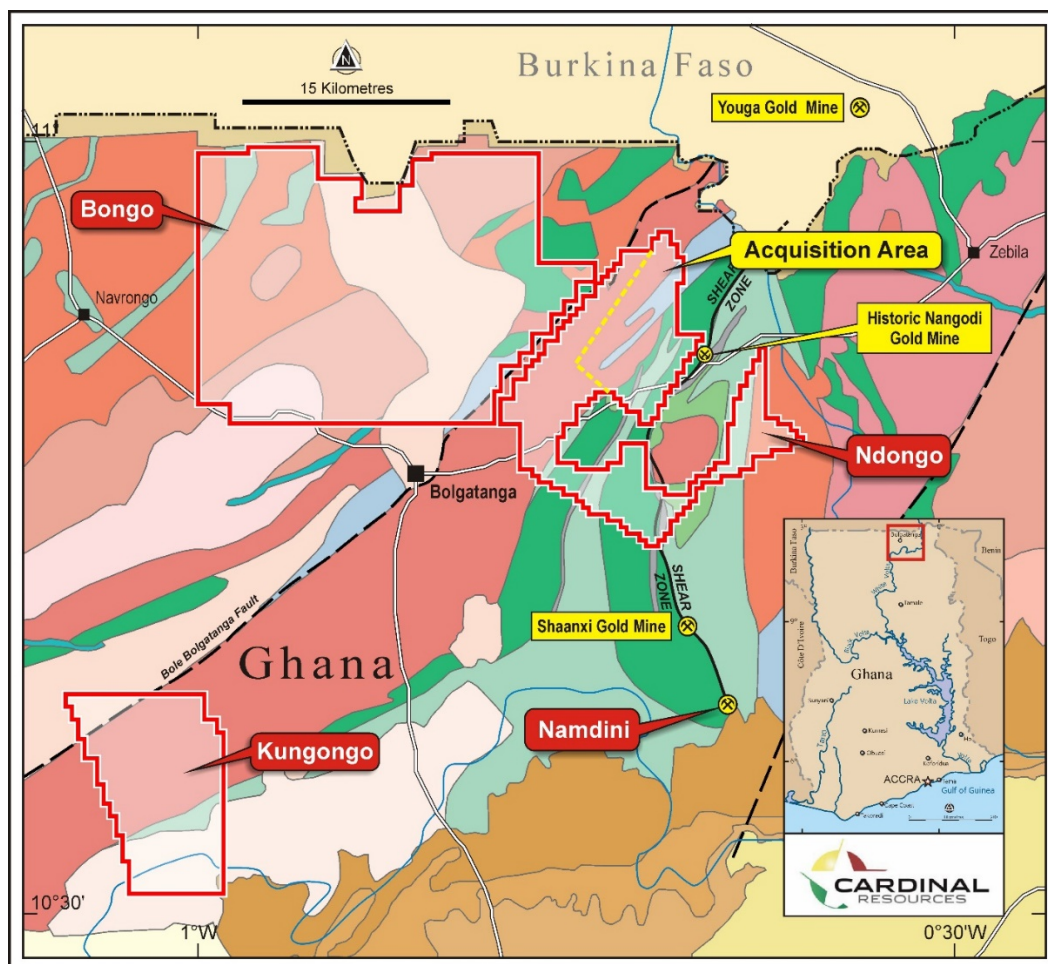


Figure 1: Acquisition area adjacent to the existing Ndongo tenement

“Importantly, it cements further our existing business arrangement with Savannah to pursue exploration and development opportunities in Ghana. Savannah’s deep local relationships in the Bolgatanga region provide a unique foundation for Cardinal to leverage these relationships for the mutual benefit of all stakeholders. We will continue to pursue these opportunities with Savannah as they are presented to us.”

Background

On 21 January 2014, Cardinal announced that it had established a joint venture over the **Ndongo North** Concession with Ghanaian resident Yaw Owusu Yeboah (**Yeboah**). Further details of the joint-venture arrangement can be found in the announcement to the ASX on 21 January 2014.

Amongst other key terms of the joint-venture agreement with Yeboah as outlined in the announcement of 21 January 2014, Cardinal was required to spend US\$500,000 on exploration drilling on the Concession within the first two years of the Asset being transferred or assigned to Cardinal Ghana to maintain a 51% interest in the joint venture and, subject to shareholder approval, issue up to 6,000,000 performance shares in the Company that, upon conversion, rank *pari passu* with ordinary shares. In addition, in the event that Yeboah's 49% Joint Venture interest was compulsorily acquired by Cardinal Ghana, a 3% Net Smelter Gold Royalty would be payable on gold produced from the Concession.

On 25 July 2014 Cardinal announced to the ASX that it had entered into an agreement with Savannah to pursue exploration and development opportunities in Ghana.

Yeboah and Savannah have executed an agreement assigning all of Yeboah's interests in the Ndongo North Concession joint-venture to Savannah for US \$100,000.

Summary of Key Terms of the Asset Sale Agreement between Cardinal and Savannah

Cardinal, through its wholly owned subsidiary Cardinal Ghana, has entered into an Asset Sale Agreement with Savannah for the purchase of Savannah's interest in the Ndongo North Concession adjacent to Cardinal's existing Ndongo Concession. The Ndongo North Concession area is approximately 64kms².

The key terms of the Asset Sale Agreement between Cardinal and Savannah are:

1. The payment of US\$100,000 to Savannah;
2. Subject to shareholder approval, the issue of 60 Performance Shares in the capital of Cardinal, each of which will convert to 100,000 Cardinal Shares ranking equally with the existing Cardinal Shares in the proportions set out below upon satisfaction of achieving a minimum JORC Inferred Resource of gold ounces within the Ndongo North Concession (**Performance Hurdles**) by no later than five years after the date on which the Performance Shares are issued;

Performance Shares	Performance Hurdles (JORC Inferred Au Resource)	Conversion to Ordinary Shares
10	500,000 ounces	1,000,000
5	750,000 ounces	500,000
5	1,000,000 ounces	500,000
5	1,250,000 ounces	500,000
5	1,500,000 ounces	500,000
5	1,750,000 ounces	500,000
5	2,000,000 ounces	500,000
5	2,250,000 ounces	500,000
5	2,500,000 ounces	500,000
5	2,750,000 ounces	500,000
5	3,000,000 ounces	500,000
60		6,000,000

3. In the event that Cardinal sells, transfers or otherwise disposes of all or part of the Ndongo North Concession to a third party prior to the issuing of any non-voting Performance Shares, then Savannah will be entitled to an amount equal to 49% of the sale proceeds less any related selling costs, exploration and mining costs (plus a fixed 30% overhead amount), purchase costs in connection with the acquisition of the Ndongo North Concession, and any other costs incurred with respect to the sale;
4. A royalty at a rate of 3% of the gross proceeds paid under sales contracts (net of GST and/or VAT) entered into in respect of gold product derived from the Ndongo North Concession; and,
5. In the event that Cardinal surrenders or abandons all or part of the Ndongo North Concession, it shall first offer the Ndongo North Concession to Savannah for a consideration of \$1.00.

Extensive details in relation to the proposed Agreement and any further formal legal agreements in respect of the transaction will be contained in Cardinal's Notice of General Meeting, relating to this transaction which will be sent to shareholders in due course.

For further information contact:

Archie Koimtsidis
Managing Director

Cardinal Resources Limited

P: +233 (0)26 190 52 20
Skype: cardinal.archie

Disclaimer

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This Announcement contains summary information about Cardinal, its subsidiaries and their activities which is current as at the date of this Announcement. The information in this Announcement is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Cardinal.

By its very nature exploration for minerals is a high risk business and is not suitable for certain investors. Cardinal's securities are speculative. Potential investors should consult their stockbroker or financial advisor. There are a number of risks, both specific to Cardinal and of a general nature which may affect the future operating and financial performance of Cardinal and the value of an investment in Cardinal including but not limited to economic conditions, stock market fluctuations, gold price movements, regional infrastructure constraints, timing of approvals from relevant authorities, regulatory risks, operational risks and reliance on key personnel and foreign currency fluctuations.

Certain statements contained in this announcement, including information as to the future financial or operating performance of Cardinal Resources and its projects, are forward-looking statements that:

- may include, among other things, statements regarding targets, estimates and assumptions in respect of mineral reserves and mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions;

Cardinal Resources Limited ABN 56 147 325 620

www.cardinalresources.com.au

Ghana: Durugu Residential Area, Kumbosco, Bolgatanga, Ghana P: +233 (0) 261905220 SKYPE: cardinal.archie

Australia: Level 1, 115 Cambridge Street, West Leederville, Perth, 6007 P: +61 (8) 9322 6600 F: +61 (8) 9322 6610

- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Cardinal Resources, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and,
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Cardinal Resources disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements.

All forward looking statements made in this announcement are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

No verification: Although all reasonable care has been undertaken to ensure that the facts and opinions given in this Announcement are accurate, the information provided in this Announcement has not been independently verified.