

25 September 2014

Dear Optionholder,

PRO-RATA NON-RENOUNCEABLE OPTIONS ISSUE

As announced on 10 September 2014, Cardinal Resources Limited (ACN: 147 325 620) (**Company**) is undertaking a one-for-two pro rata non-renounceable rights issue (being, one (1) Option for every two (2) Shares held at that time) (**Rights Issue or Offer**) of 45,678,288 options for fully paid ordinary shares (**Options**) to raise approximately \$456,782. The price payable on application for each Option is 1 cent. The Options issued under the Rights Issue will have an exercise price of 15.0 cents exercisable on or before 30 September 2016. The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 24 September 2014.

Funds raised (after paying for the expenses of the Offer) will be applied towards progressing exploration on the Ghanaian projects and towards general working capital of the Company.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5pm (WST) on 1 October 2014, whose registered address is in Australia or New Zealand.

All shares issued on exercise of the Options will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued up to 45,678,288 Options resulting in total Options on issue of up to 56,678,288.

Optionholders

The terms and conditions of the Options you currently hold do not entitle you to participate in the Rights Issue unless you exercise your options in time for new shares to be issued and to be entered on the Company's register of members on or before 5pm (WST) on 1 October 2014 (**Record Date**).

To exercise your options and therefore participate in the Rights Issue, you will need to deliver the following to Computershare Investor Services Pty Ltd, Level Two, 45 St George's Terrace, PERTH WA 6000;

- A notice of exercise of options;
- An options certificate (where the options are certified) or a copy of a holding statement (where the
 options are certified) or a copy of a holding statement (where the options are uncertified) in respect to
 those options to be exercised; and
- Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "Cardinal Resources Limited".

To ensure that your new shares are issued prior to the Record Date, the above must be received by Cardinal Resources Limited no later than 29 September 2014. If received after this date, the issue of new shares prior to the Record Date cannot be assured.



Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires immediate attention. If you have any queries concerning the Rights Issue, please contact your financial adviser or Sarah Shipway, the Company Secretary, on + 61 8 9322 6600.

Yours sincerely

Archie Koimtsidis Managing Director **Cardinal Resources Limited** P: +233 (0)26 190 52 20 Skype: cardinal.archie