



25 September 2014

Dear Shareholder,

### **PRO-RATA NON-RENOUNCEABLE OPTIONS ISSUE**

Pursuant to the prospectus lodged with ASIC on 23 September 2014 (**Prospectus**), 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 on the Record Date) (**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 2019. The Company lodged the Prospectus for the Offer with 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.

### **Action required of Eligible Shareholders**

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for Options pursuant to the Prospectus (**Entitlement**). To take up all of your Entitlement you will need to ensure your application money for your full Entitlement is received by Computershare Investor Services Pty Ltd (**Share Registry**) by no later than 5pm (WST) on 22 October 2014, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form **OR** by making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may wish to accept only part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlement you wish to take up is received by the Share Registry by no later than 22 October 2014, by completing and returning your Entitlement and Acceptance Form (and filling in the number of Options you wish to accept in the space provided on the Entitlement and Acceptance Form.
- You may wish to accept your Entitlement and apply for additional Shortfall Options under the Shortfall Offer (also made pursuant under the Prospectus). To take up all your Entitlement and apply for additional

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Shortfall Options you will need to ensure your application money for the Entitlement you wish to take up and for the Shortfall Options you wish to apply for is received by the Share Registry by no later than 5:00pm (WST) on 22 October 2014, by completing and returning your Entitlement and Acceptance Form (and filling in the number of Shortfall Options you wish to apply for in the shortfall section of the Entitlement and Acceptance Form) together with your cheque, drawn from an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.01 per Option) **OR** by making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.

- You may do nothing. If you choose to do nothing your Entitlement, while you continue to hold the same number of Shares, your interest in the Company will be diluted upon the future exercise of Options and you will receive no value for your Entitlement.

#### Key dates for the Offer

Event	Proposed Date
Lodgement of Prospectus with the ASIC	23 September 2014
Lodgement of Prospectus & Appendix 3B with ASX	24 September 2014
Notice sent to Optionholders	25 September 2014
Notice sent to Shareholders	25 September 2014
Ex date	29 September 2014
Record Date for determining Entitlements	1 October 2014
Prospectus despatched to Shareholders & Company announces despatch has been completed	7 October 2014
Closing Date*	22 October 2014
Securities quoted on a deferred settlement basis	23 October 2014
ASX notified of under subscriptions	27 October 2014
Issue Date / Deferred settlement trading ends	29 October 2014
Despatch of holding statements	3 November 2014
Quotation of Securities issued under the Offer*	6 November 2014

\*The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for Options, please contact your financial adviser or Sarah Shipway, the Company Secretary, on + 61 8 9322 6600.

Yours sincerely

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