

28 January 2014

## PRELIMINARY INTERPRETATION OF SUBRANUM AIRBORNE GEOPHYSICAL SURVEY

### HIGHLIGHTS

- High resolution airborne geophysical survey completed in December 2013 over the Subranum tenement in Ghana, West Africa;
- Preliminary interpretation shows multiple structures striking over nine kms correlating with significant gold in soil anomalies within the tenement;
- The high quality magnetic data shows a great deal of additional structural and lithological detail;
- The high quality radiometric data will aid geological mapping and targeting potassium-rich alteration zones typical of shear zone hosted gold deposits;
- Survey results to be integrated with Cardinal's extensive geological and sample database to select targets for reverse circulation and diamond drilling;
- Ground induced polarization surveys will be considered to further refine targets by identifying sulphidic and/or clay alteration zones; and,
- Survey to be processed and interpreted by Southern Geoscience Consultants Pty Ltd, Perth (SGC).

Cardinal Resources Ltd (ASX: CDV) ("Cardinal" or "the Company"), is pleased to announce the preliminary interpretation of the airborne geophysical survey over the Company's wholly owned Subranum tenement.

From Ghana, Managing Director Archie Koimtsidis said, "This is a very exciting time for the company; the airborne survey geophysical interpretation combined with our existing geological database, will enable Cardinal to prioritise and plan an initial reverse circulation and diamond drill programme on the Subranum tenement in the second quarter of 2014.

"Historical widely spaced reverse circulation drilling, delineated mineralised horizons over a 9km strike length. As a result, we now plan to develop a more detailed drilling program with closer spaced drilling fences across strike."

### GHANA PROJECTS

Cardinal, through its wholly owned subsidiary, Cardinal Resources Ghana Limited, holds four tenements prospective for gold mineralisation in Ghana in two NE-SW trending granite-greenstone belts; The Bolgatanga Project comprising the Ndongo, Bongo & Kungongo tenements located within the Nangodi and Bole-Bolgatanga Greenstone Belts in NE Ghana, and the Subranum Project located within the Sefwi Greenstone Belt in SW Ghana (Figure 1).

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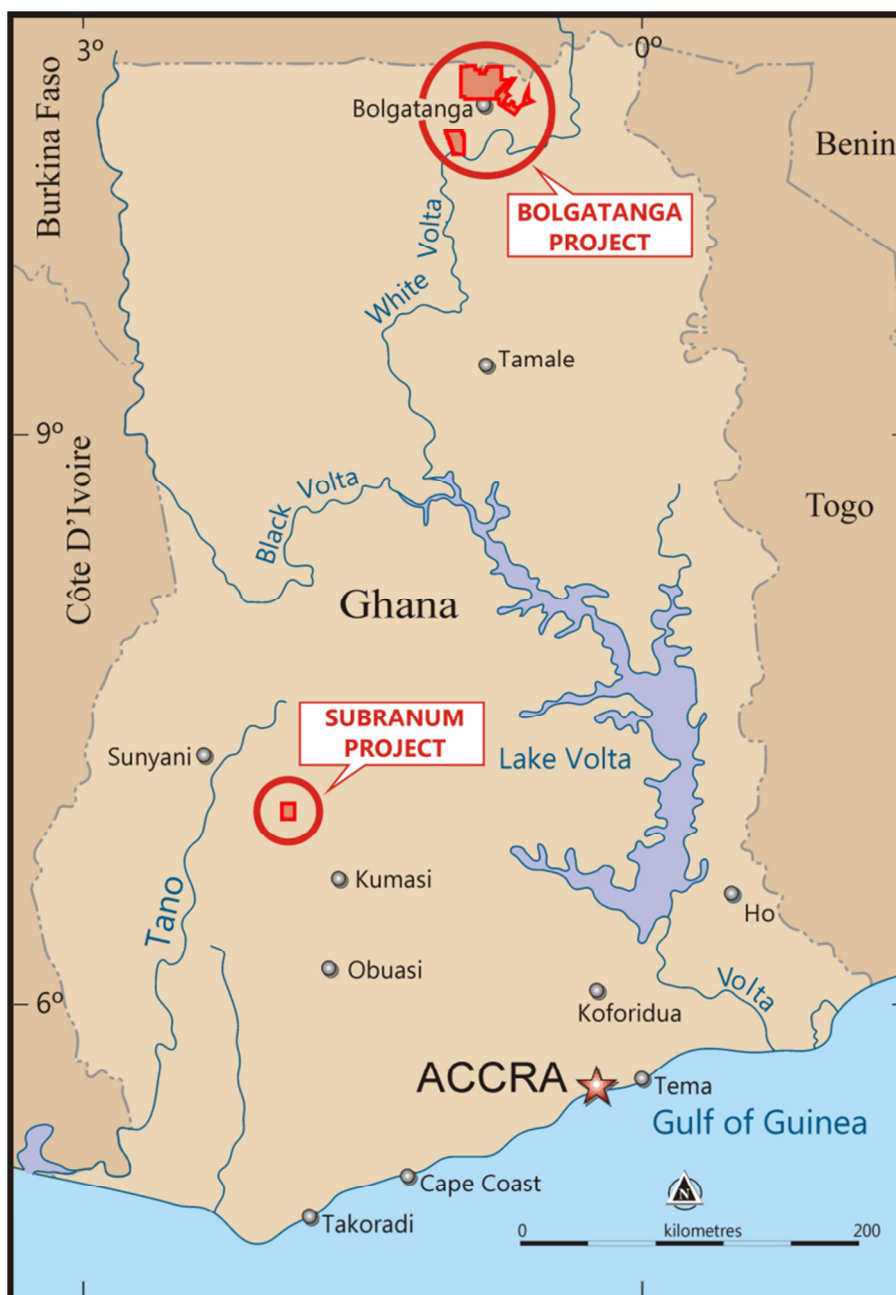


Figure 1: Ghana Regional Map showing Cardinal Projects

## SUBRANUM PROJECT

The Subranum exploration license is located in the Offinso and Ahafo Ano South Districts of the Ashanti Region of SW Ghana, approximately 65 Km northwest of Kumasi. Access to the property is via the sealed Kumasi – Sunyani highway and thence through a good graveled road to the Subranum village.

The license straddles the eastern margin of the Sefwi gold belt and has over eight kms of the prospective sheared contact between Birimian phyllites and greywackes to the east and mafic to intermediate volcanics and volcanoclastics to the west. Granitoid stocks of the Dixcove suite intrude this shear zone. The Bibiani gold mine with 4m oz of historical gold production lies 70 Km south of this sheared contact zone.

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Previous explorers have carried out soil sampling, trenching and RC drilling activities. The soil program outlined a 5km strike soil anomaly at the >30 ppb Au level along the Sefwi belt/ Kumasi basin contact with several 100 ppb gold in soil values within the zone. Trenches across the soil anomaly identified several zones of mineralization associated with quartz veining and sericite carbonate alteration.

**An RC drilling program carried out by Western Minerals between 1996 and 1999, reported the following notable results: 4m @ 47g/t Au from 7m, 6m @ 7.25g/t Au from 15m, 13m @ 17.85g/t Au from 20m and 12m @ 8.56g/t Au from 76m.**

**A subsequent exploratory drill program carried out by Newmont between 2009 and 2010, consisted of 31 RC holes totaling 2,881m drilled on fences at varying intervals across the entire strike of the main soil anomaly. This program reported a maximum gold intersection of 1m @ 35.90 g/t and four other 1m intersections in excess of 5g/t.**

Gold mineralization appears to be related to quartz veining and alteration halos within the country rocks characterized by weak to moderate sericite –silica-carbonate alteration. Sulphides are rare.

Whilst high tenor gold values tend to coincide with zones of stronger quartz vein development, broader zones of lower grade persist into the altered hanging wall and footwall, even where quartz veining is absent.

### **Regional Airborne Geophysical Survey**

Aeromagnetic and radiometric data over the Subranum Project were previously available from a government sponsored survey flown at 400m line spacing and in 2012 this data set was processed by Southern Geoscience Consultants, Perth, Western Australia (SGC) (Figure 2). Although the data is very useful, in a regional context, the line spacing and the spatial resolution is relatively low for detailed exploration.

In order to significantly advance our geological understanding and provide focused exploration targets, a new survey was designed with a much higher resolution and closer line spacing. This airborne survey was undertaken by Terrascan Airborne GmbH (Figure 3) and supervised by SGC in Perth.

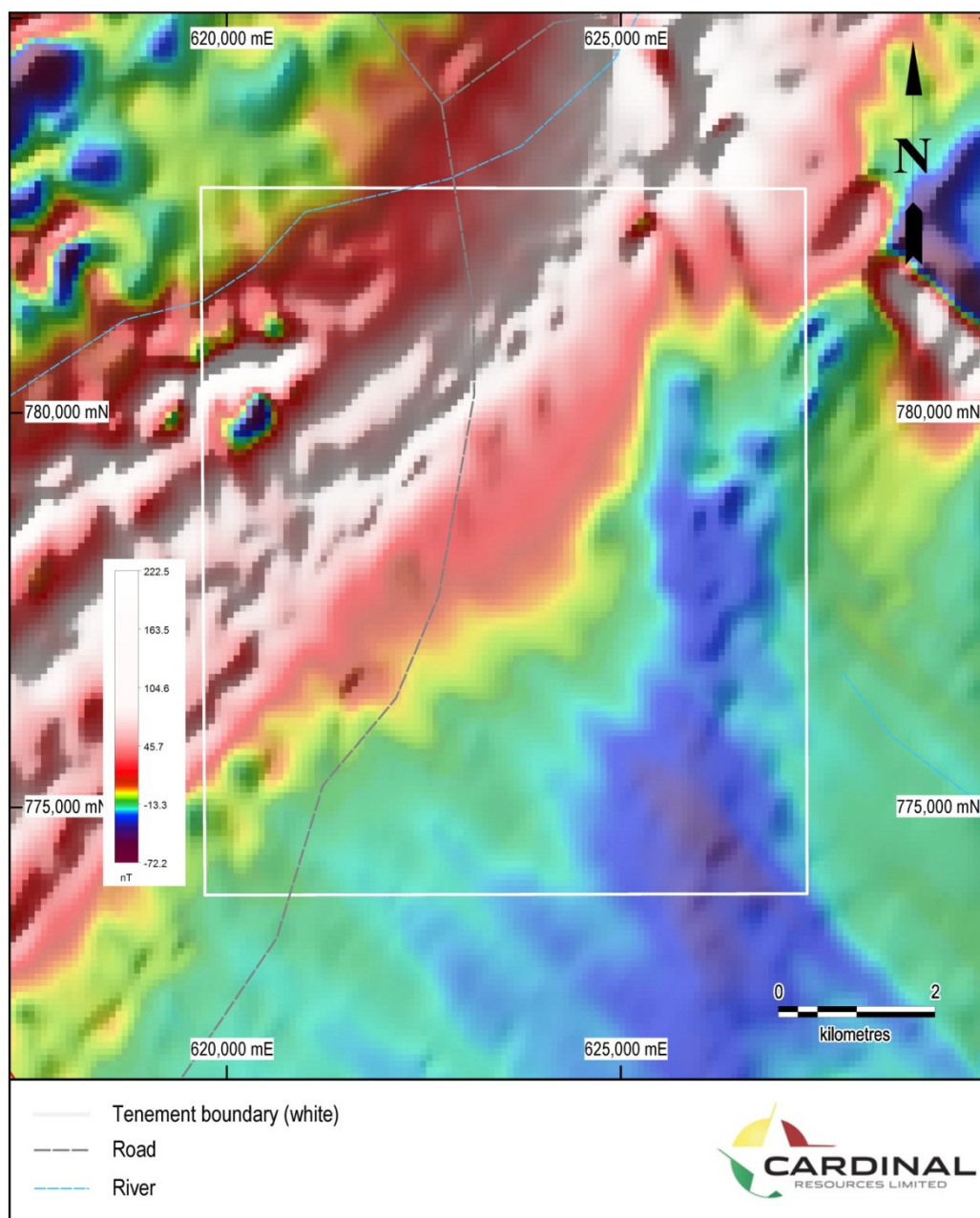
### **The 2013 Subranum airborne survey had the following parameters:**

- Line Direction: NW-SE
- Line Spacing: 75m
- Flight Height: 50m
- Measured Parameters: magnetics, radiometrics and elevation

### **Preliminary Interpretation**

The final data from the survey has recently been received and processed by SGC.

The new high quality magnetic data (Figure 4) shows a great deal of structural and lithological detail. This can be compared with the regional magnetic data over the same area is shown in Figure 2 and clearly illustrates the increased information obtained by the new survey.



**Figure 2: Historical Regional Airborne Magnetic Survey  
Total Magnetic Intensity (Reduced to Pole) 400m line spacing**

The new survey also collected radiometric data (Figure 5) which will be a valuable aid in geological mapping and targeting the potassium-rich alteration zones typical of shear zone hosted gold deposits.

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Preliminary interpretation has been carried out as shown in Figure 6. It shows a system of sub-parallel NE-SW striking shear zones offset in places by both N-S and E-W striking cross faults.

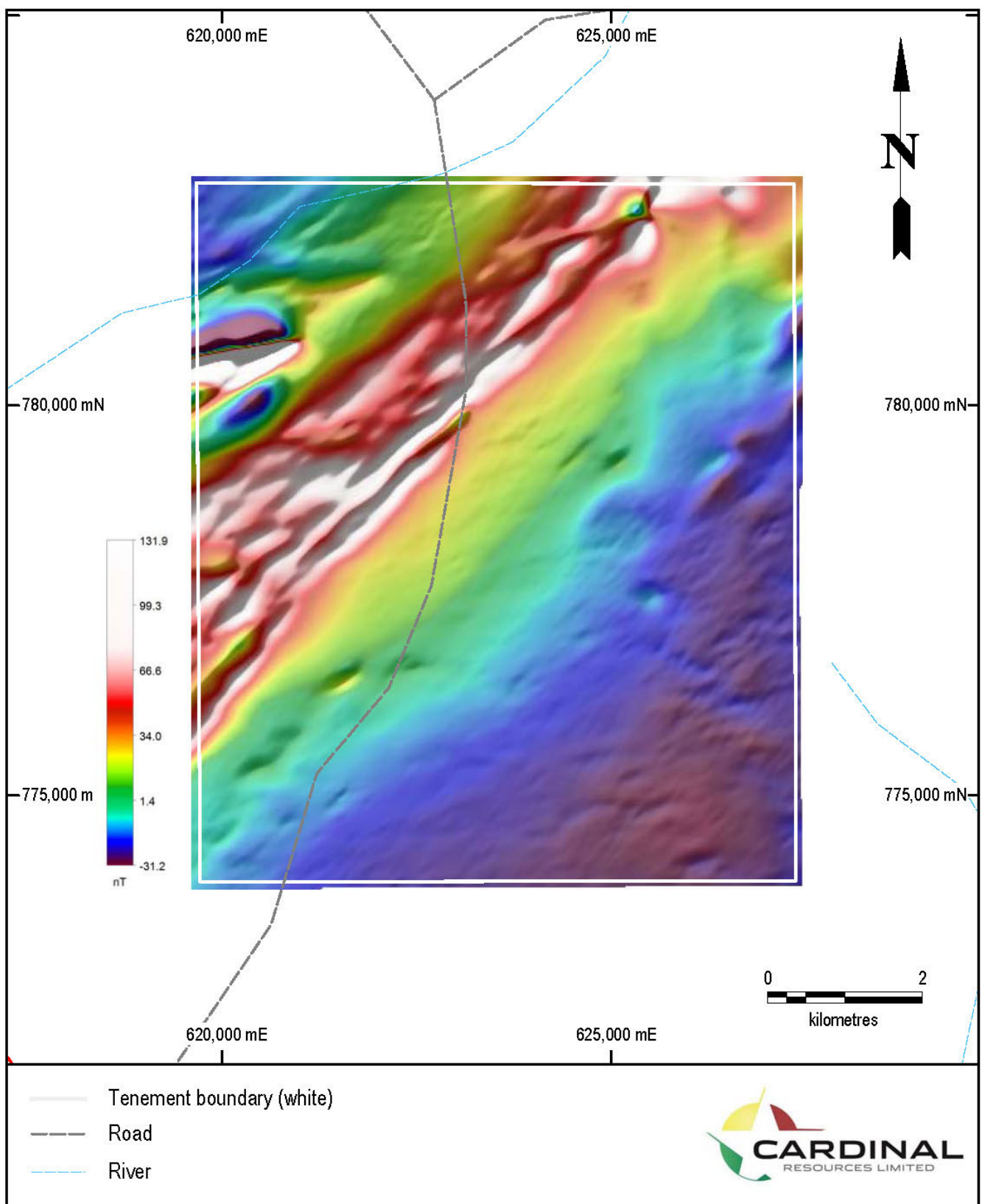
The boundary between magnetic volcanics/volcaniclastics to the west and non-magnetic Birimian sediments to the east is clearly seen in the magnetic data. The close relationship between the initial interpreted structures and gold anomalies in soils and RC drilling is shown in Figure 7 and Figure 8.



**Figure 3: Terrascan survey aircraft on location, Ghana**

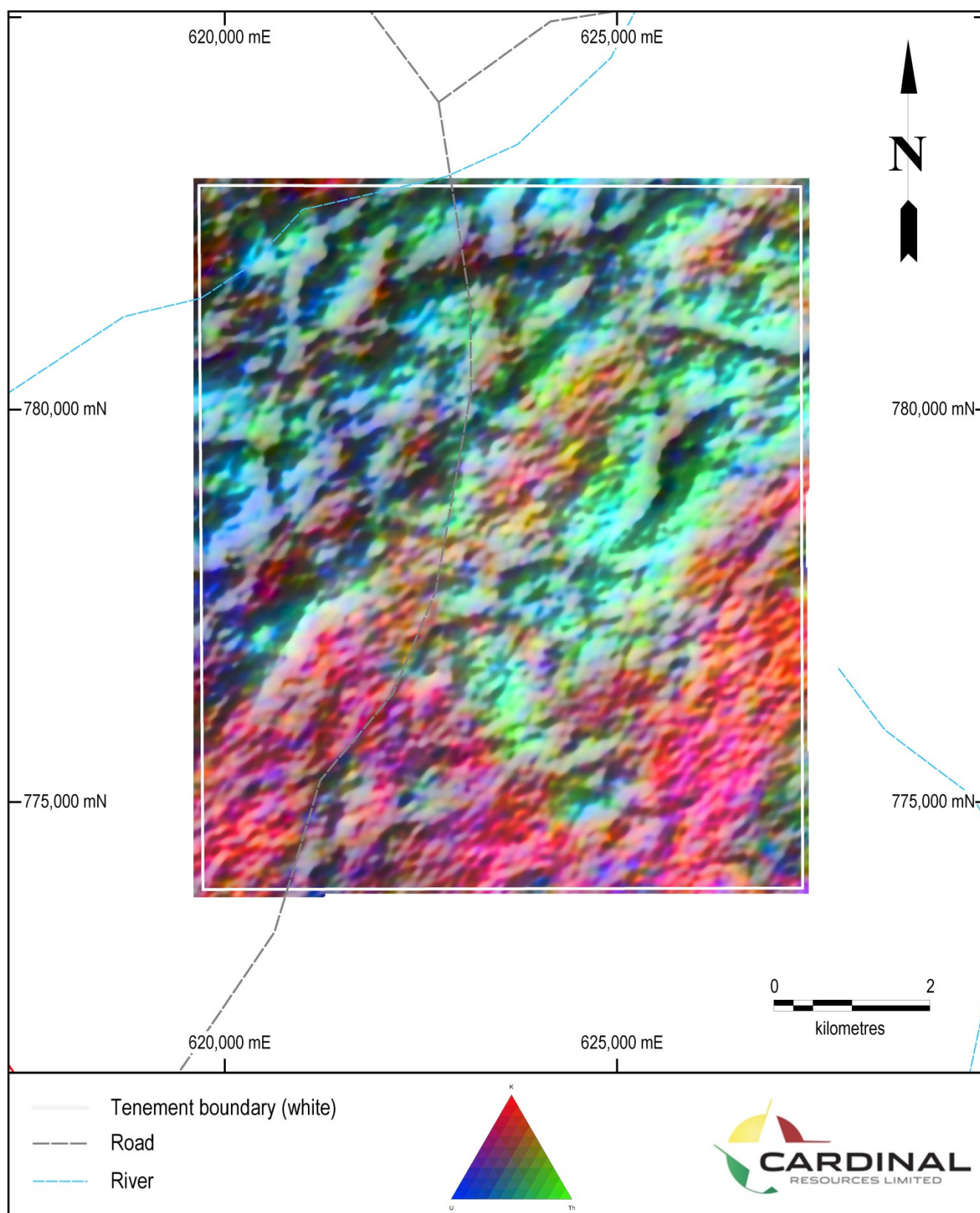
Final interpretation will be carried out by SGC and integrated with Cardinal's extensive geological and sampling database to select targets for RC and diamond drilling.

Ground induced polarization surveys will be considered to further refine the targeting by identifying sulphidic and/or clay alteration zones.

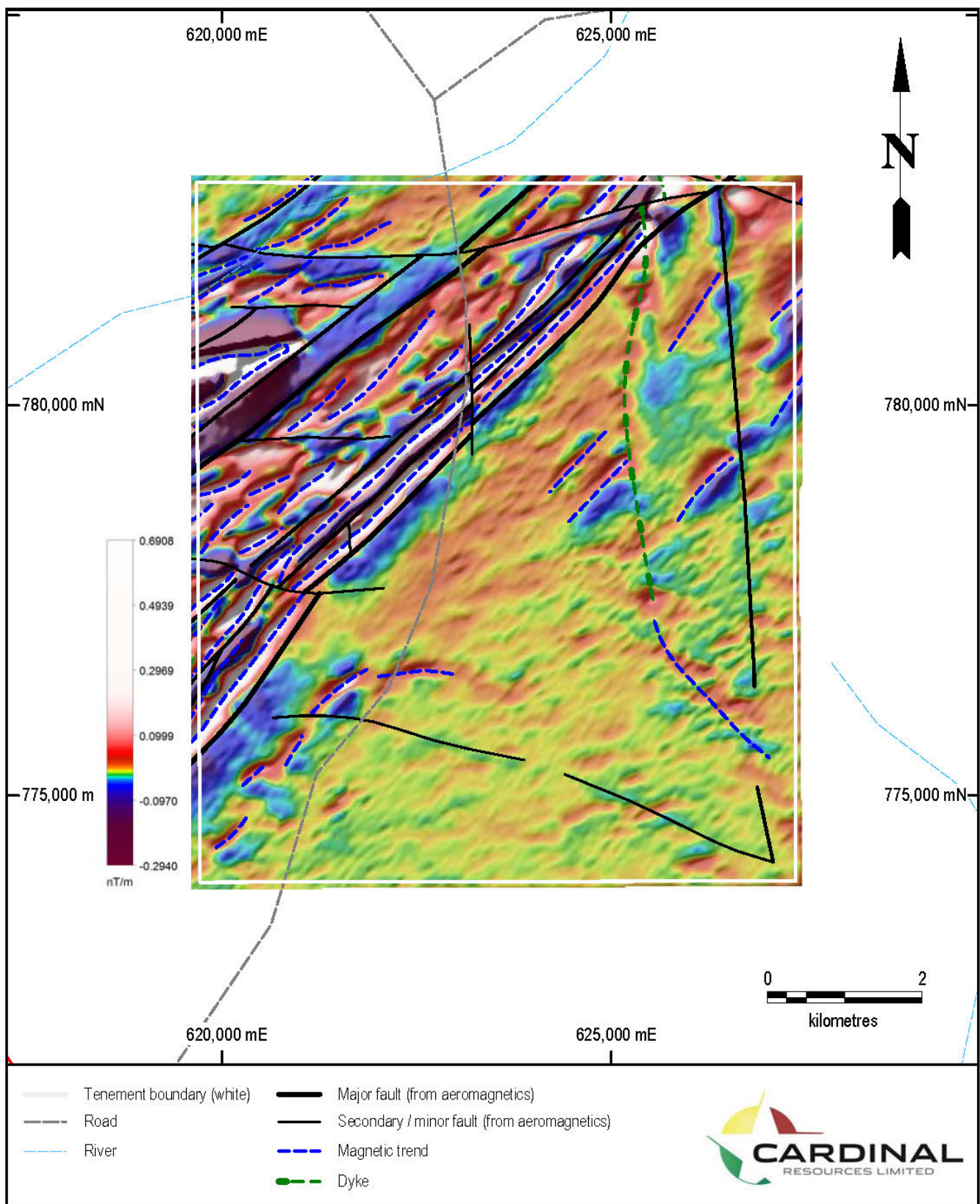


**Figure 4: 2013 detailed 75m line spacing survey  
Total Magnetic Intensity (Reduced to pole)**

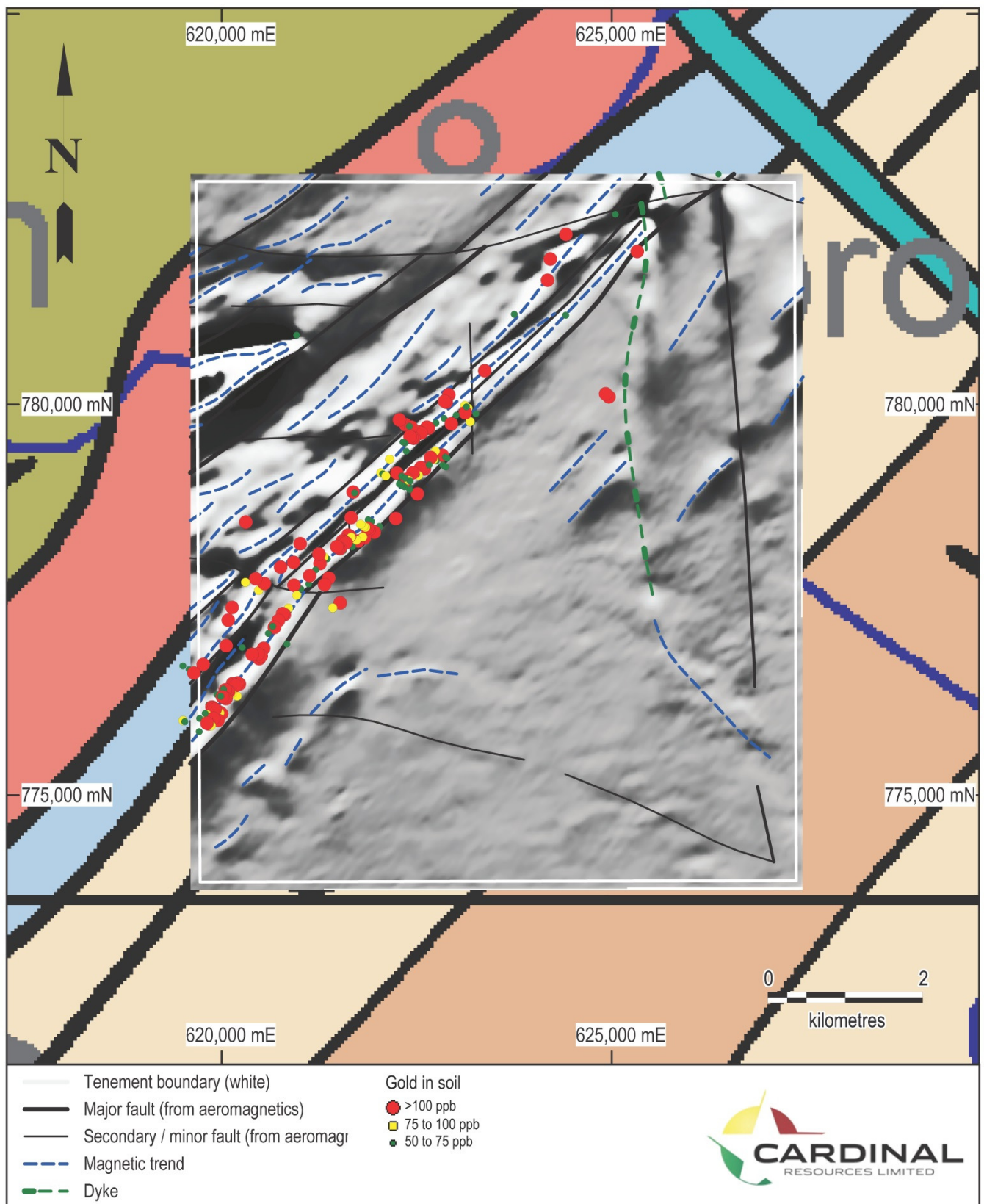




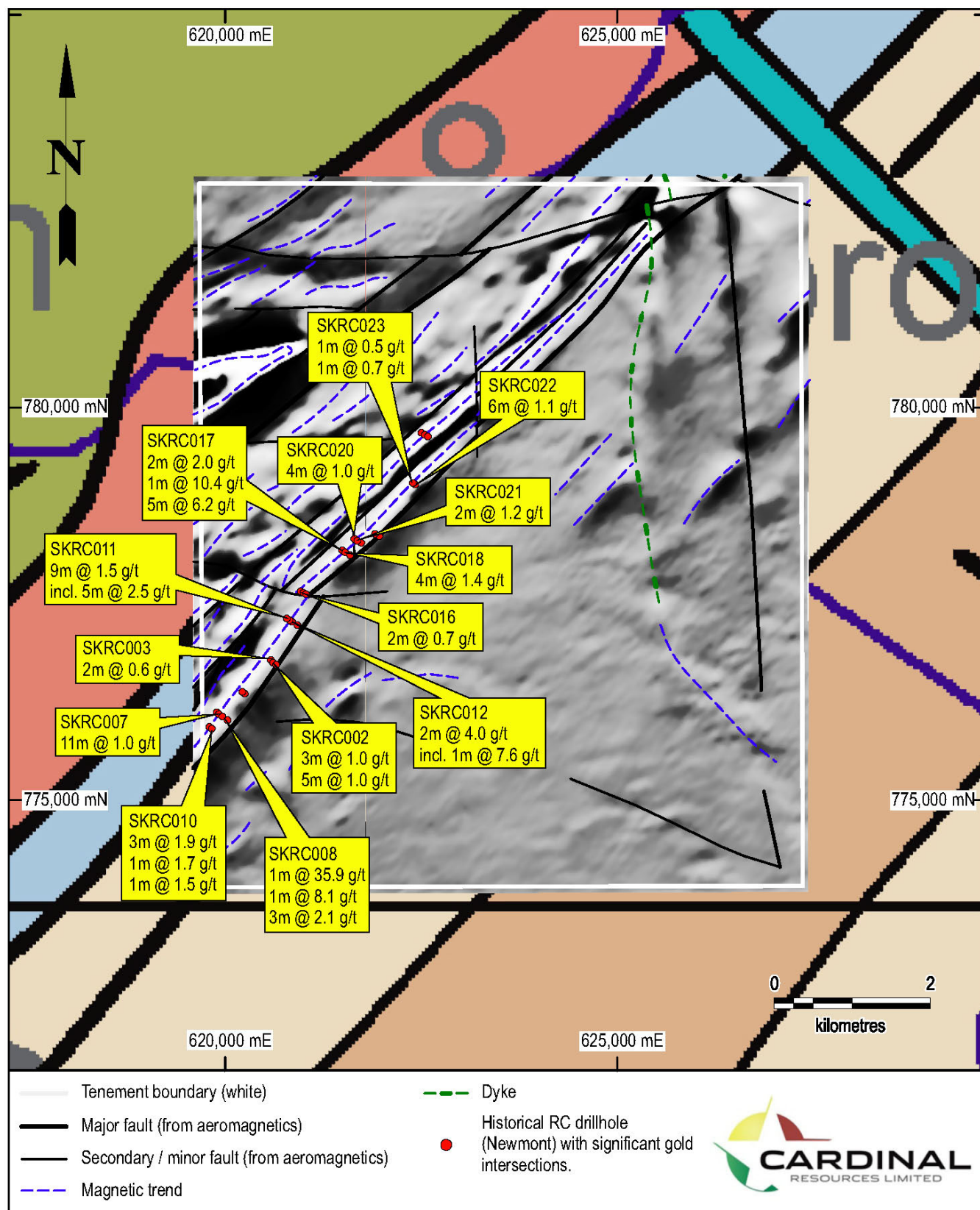
**Figure 5: 2013 detailed 75m line spacing survey**  
**Ternary radiometric image (potassium = red, uranium = blue, thorium = green)**







**Figure 6: Historical gold soil anomalies over magnetic greyscale image.**



**Figure 8: Historical RC drillholes (Newmont) with significant gold intersections highlighted. Magnetic greyscale image in background.**

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**Competent Person's Statement**

The information in this report that relates to geophysical results and interpretation for the Subranum Project is based on information compiled by Mr William Peters, a Consulting Geophysicist (Crosmin Pty Ltd) at Southern Geoscience Consultants. Mr Peters is a Fellow of the Australasian Institute of Mining and Metallurgy and Chartered Professional (Geology), and has sufficient experience which is relevant to the type of activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Peters consents to the inclusion in this report of the matters reviewed by him in the form and context in which they appear.

Information in this report that relates to the Subranum Project is based on information compiled by Mr Paul Abbott, a full time employee of Cardinal Resources Limited, who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Geological Society of South Africa. Mr Abbott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Abbott consents to the inclusion in this report of the statements based on his information in the form and context in which it appears.

**Disclaimer**

Certain statements contained in this announcement, including information as to the future financial or operating performance of Cardinal Resources Limited 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;
- are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Cardinal Resources Limited, 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 Limited 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.

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**Table 1: Significant drill intercepts  $\geq 1\text{m}$  @0.5 g/t**

Hole-ID	Easting	Northing	Dip (°)	Azim(°)Mag	Depth (m)	From (m)	To (m)	Width (m)	Au (g/t)	Lithology
SKRC001	9523	4896	-60°	307.5°	36	19	22	3	1.11	quartz vein
						49	50	1	0.92	granitoid
						68	69	1	0.79	granitoid
SKRC002	9562	4896	-60°	307.5°	49	59	60	1	2.60	Metavolcanic
						68	77	5	1.00	granitoid
						76	77	1	0.51	granitoid
SKRC003	9588	4895	-60°	307.5°	49	42	44	2	0.58	granitoid
SKRC007	9567	5247	-60°	307.5°	37	0	2	2	1.90	quartz vein
						6	11	5	1.04	quartz vein
SKRC008	9619	5247	-60°	307.5°	28	30	31	1	35.90	quartz vein
						47	48	1	8.05	metasediment
						63	65	3	2.06	Metavolcanic?
SKRC010	9606	5501	-60°	307.5°	55	12	15	3	1.94	quartz vein
						27	28	1	1.73	metasediment
						34	35	1	1.50	metasediment
						37	40	3	0.52	metasediment
SKRC011	9848	7897	-60°	307.5°	67	65	70	5	2.50	quartz vein, sediment
SKRC012	9883	7897	-60°	307.5°	73	19	20	1	7.68	quartz vein
						45	47	2	1.70	quartz vein
SKRC016	10142	8899	-60°	307.5°	61	79	81	2	0.69	metasediment
SKRC017	10216	9124	-60°	307.5°	55	1	3	2	2.03	red lateritic clay
						15	16	1	10.40	quartz vein
						29	34	5	6.20	quartz vein, saprolite
SKRC018	10247	9133	-60°	307.5°	55	64	68	4	1.39	metavolcanic ?
SKRC020	10268	9297	-60°	307.5°	97	2	5	3	1.19	red lateritic clay, saprolite
						21	22	1	2.10	quartz vein
SKRC021	9594	5100	-60°	307.5°	79	46	48	2	1.18	quartz vein, metavolcanic?
SKRC022	9565	5247	-50°	307.5°	60	66	69	3	1.40	metasediment
						71	72	1	2.24	metasediment
						74	76	2	0.69	metasediment

## JORC Code, 2012 Edition – Table 1

### Preliminary Interpretation of Subranum Airborne Geophysical Survey

#### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	<i>Historical sampling at the Subranum Prospect comprised streams and soils (BLEG), regolith surveys, trenching, gradient array IP ground geophysical surveys and RC drilling.</i>  <i>Sampling is carried out under QAQC procedures as per industry standards.</i>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<i>Trenches were dug across soil anomalies</i>  <i>Several zones of mineralization associated with quartz veining and sericite carbonate alteration were reported.</i>
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	<i>Quartz veins are reported to be trending 040° and dipping 50° to 70° east.</i>  <i>Gradient array IP/Resistivity and magnetic surveys located two sub parallel resistive structures: the eastern resistive feature is associated with the soil anomalies, while the western feature is lithological. The zone of elevated Au in soil values is also associated with a high magnetic anomaly</i>
	<i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems.</i>	<i>Reverse circulation drilling was used to obtain 1m samples. Unknown weights of samples were pulverised for fire assay.</i>

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Criteria	JORC Code explanation	Commentary
	<i>Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	
<i>Drilling techniques</i>	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	<i>Reverse circulation drilling at -60° and 308° magnetic azimuth</i>
<i>Drill sample recovery</i>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<i>No records are available on chip sample recoveries</i>
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	<i>Dry samples were collected through a cyclone and split which ensured representative samples were obtained</i>
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	<i>No sample bias was recorded, but was unlikely as samples were collected through a cyclone</i>
<i>Logging</i>	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	<i>Chip samples were geologically logged. No Mineral Resource estimation was done</i>
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	<i>Logging was quantitative. No photographs of the chip trays were located</i>
	<i>The total length and percentage of the relevant intersections logged.</i>	<i>All holes were logged in full. No percentages of the intersections were recorded</i>
<i>Sub-sampling techniques and sample preparation</i>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	<i>One diamond tail was drilled, with the core cut in half and sampled</i>
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	<i>Chips riffle split and sampled dry.</i>



Criteria	JORC Code explanation	Commentary
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<i>No sample preparation techniques were reported</i>
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	<i>Field QC procedures involved the use of commercial certified reference material (CRM's) for assay standards, in house blanks and duplicates. The insertion rate was between 1:10 to 1:20</i>
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	<i>Field duplicates were taken of riffled samples, approximately every 20 samples.</i>
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	<i>The sample sizes are considered appropriate to give an accurate indication of gold mineralisation contained within the samples.</i>
<i>Quality of assay data and laboratory tests</i>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<i>Industry standard fire assaying techniques were used. This technique is considered to be a total digest of gold.</i>
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	<i>The instrument is serviced and calibrated once a year.</i>
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	<i>Field QC procedures involved the use of commercial certified reference material (CRM's) for assay standards, in house blanks and duplicates. The insertion rate was between 1:10 to 1:20</i>  <i>Acceptable levels of accuracy and precision were obtained</i>
<i>Verification of sampling and</i>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	<i>SRK UK personnel independently verified the data and produced sections of the mineralised ore bodies using Leapfrog software</i>

Criteria	JORC Code explanation	Commentary
assaying	<i>The use of twinned holes.</i>	<i>Five twinned holes were drilled by Newmont to replicate holes previously drilled by Western Minerals. Results were within acceptable limits.</i>
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	<i>Documentation of primary data, data entry procedures, data verification and data storage protocols were not reported.</i>
	<i>Discuss any adjustment to assay data.</i>	<i>No adjustments were made to any assay data.</i>
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	<i>Hand held GPS's were used to locate collar and trench positions, with an accuracy of +/-6m.  No down hole surveys were recorded as all holes were drilled by reverse circulation techniques</i>
	<i>Specification of the grid system used.</i>	<i>WGS84 Sector 30N, with baseline at 218° Magnetic and lines at 400m intervals and stations at 50m along lines.</i>
	<i>Quality and adequacy of topographic control.</i>	<i>No topographic controls were reported, although regolith mapping was completed, which would have had topographic controls</i>
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	<i>The exploratory drill programme on Subranum consisted of 31RC holes totalling 2,881m. One hole was diamond tailed for 60m. The holes were drilled on 11 fences at varying intervals across the entire strike of the soil anomaly. Some of the drill collars were so planned as to validate Western Minerals reported drill results.</i>
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	<i>The data spacing and distribution of the geochemical programme was considered to be adequate to establish a degree of geological continuity for subsequent trenching and reverse circulation drilling.</i>
	<i>Whether sample compositing has been applied.</i>	<i>No sample compositing was applied.</i>
Orientation of	<i>Whether the orientation of sampling achieves unbiased sampling of</i>	<i>Inclined drill holes at -60° achieved unbiased sampling of possible</i>

Criteria	JORC Code explanation	Commentary
<i>data in relation to geological structure</i>	<i>possible structures and the extent to which this is known, considering the deposit type.</i>	<i>structures as the quartz veins trended 040° and dipped 50° to 70° east.</i>
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	<i>No orientation based sampling bias has been identified in the data to date.</i>
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	<i>Sample security was not reported in any documentation.</i>
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	<i>Sampling techniques and procedures, as well as data, are regularly reviewed internally. To date, no external audits have been completed on the Subranum Prospect.</i>

## Section 2 Reporting of Exploration Results

(Criteria listed in section 1 will also apply to this section where relevant)

Criteria	JORC Code explanation	Commentary
<i>Mineral Tenement and Land Status</i>	<i>Type, name/reference number, location and ownership including agreements or material issues with third parties including joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	<p><i>The Subin Kasu Prospecting Licence, also known as the Subranum Prospecting Licence, is located in the Ashanti Region of Ghana. It is 65 km northwest of Kumasi and about 60 km east of Newmont's Ahafo gold plant site. The Prospecting Licence covers an area of 68.7 km<sup>2</sup> and was granted to Newmont for a 2 year period on January 6<sup>th</sup> 2009.</i></p> <p><i>Cardinal Resources Subranum Limited ("<b>Cardinal Subranum</b>") a Ghanaian registered Company and a wholly owned subsidiary of Cardinal Resources Limited (<b>Cardinal</b>) (ASX: CDV), has entered into a Sale and Purchase agreement with Newmont Ghana Gold Limited (a subsidiary of Newmont Mining Corporation) for the purchase of Subin Kasu Prospecting Licence (the "<b>Subranum Project</b>").</i></p>

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Criteria	JORC Code explanation	Commentary
		<p>Subject to the approval of the sale by the relevant Minister for the Ghanaian Mining Act, Cardinal Subranum will acquire 100% of the Subin Kasu Prospecting Licence and pay to Newmont Ghana Gold Limited US\$50,000 on or before 10 days after the approval date, US\$50,000 on the first anniversary of the approval date and a final \$100,000 on the second anniversary date. In addition Cardinal Subranum will be required to spend US\$250,000 on exploration within the first year from approval and a further US\$750,000 in the second year.</p>
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	There is security of tenure at this time and there are no known impediments to operate at Subranum.
Exploration Done by Other Parties	Acknowledgment and appraisal of exploration by other parties.	<p>From 1996 – 1999, Western Minerals carried out soil sampling, trenching and Reverse Circulation drilling activities.</p> <p>The 7,000 soil sample programme outlined a 5km strike soil anomaly at the &gt;30 ppb Au level along the Sefwi belt/ Kumasi basin contact. There were several 100 ppb gold in soil values within this zone. Trenches across the soil anomaly identified several zones of mineralization associated with quartz veining and sericite carbonate alteration. Subsequent to trenches, 1,300m RC drilling was undertaken with the following notable results reported: 4m @ 47g/t Au from 7m, 6m @ 7.25g/t Au from 15m, 13m @ 17.85g/t Au from 20m and 12m @ 8.56g/t Au from 76m.</p> <p>In January 2003 Cambrian Mining PLC signed an agreement to acquire a 75% interest in the Subranum Prospect. Trenching and pitting was done</p>

Criteria	JORC Code explanation	Commentary
		<i>over the anomalous geochemical areas during 2003-2004.</i>
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation</i>	<p><i>Subranum straddles the eastern margin of the Sefwi Greenstone Belt and has nine kms of the prospective sheared contact between Birimian metasediments to the east and metavolcanics / volcanoclastics to the west.</i></p> <p><i>The deposit type is structurally controlled, shear-hosted quartz veins occurring along lithological contacts.</i></p>
<i>Drill hole information</i>	<p><i>A summary of all information material to the understanding of the exploration results including tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <li><i>• Easting and northing of the drill hole collar</i></li> <li><i>• Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar</i></li> <li><i>• Dip and azimuth of the hole</i></li> <li><i>• Down hole length and interception depth</i></li> <li><i>• Hole length</i></li> </ul>	<i>See Table 1 Significant drill intercepts</i>
	<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	<i>See Table 1 Significant drill intercepts</i>
<i>Data aggregation methods</i>	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	<i>No weighted averaging nor cutting of high grade values was undertaken.</i>
	<i>Where aggregated intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	<i>No aggregated intercepts were undertaken.</i>

Criteria	JORC Code explanation	Commentary
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	<i>No metal equivalent values were undertaken.</i>
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of exploration results.</i>	<i>The geometry of the mineralisation is not fully known as no systematic drilling has been done in the targeted areas.</i>
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	<i>The geometry of the mineralisation possibly dips at 50° to 60° south east</i>
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	<i>As down hole lengths were reported, true widths are not yet known over the strike length of the deposit</i>
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plane view of drill hole collar locations and appropriate sectional views.</i>	<i>Appropriate maps accompany this announcement.</i>
<i>Balanced Reporting</i>	<i>Where comprehensive reporting of all Exploration Results is not practical, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	<i>See Table 1 Significant drill intercepts</i>
<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observation; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	<p><i>The new geophysical survey results are included as images. The structures shown are interpreted from preliminary data and are subject to possible change in final interpretation. Interpretation of airborne geophysical data is by its nature subject to ambiguity, but at this early stage we have reasonable confidence in the structures shown.</i></p> <p><i>Ground geophysics was also employed to generate additional exploration datasets. Four (4) blocks each of gradient array IP/Resistivity and magnetic surveys were conducted on the property; (1block = 1km x 1km). These located two sub-parallel resistive structures. The eastern resistive feature is associated with the soil anomalies, while the western feature is lithological.</i></p>

Criteria	JORC Code explanation	Commentary
		<p><i>The zone of elevated Au in soil values is also associated with a high magnetic anomaly.</i></p> <p><i>No bulk sampling, metallurgical, mineralogical or geotechnical assessments have been completed.</i></p>
Further Work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large – scale step – out drilling).</i>	<i>Ground geophysical surveys are planned to assess anomalous geochemical targets on Subranum, with Reverse Circulation and diamond drilling to follow.</i>
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	<i>Airborne geophysical targets on Subranum will be assessed with a combination of geochemistry, ground geophysics and drilling.</i>