

31 October 2013

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2013

Cardinal Resources Limited (ASX: CDV) ("Cardinal" or "the Company"), an African gold focused exploration company, is pleased to present to shareholders its Quarterly Activities report for the period ended 30 September 2013.

HIGHLIGHTS

- **New anomalous zone discovery – possible 2km strike length within the Bolgatanga Project, Ghana;**
- **200m anomalous zone (>100 ppb gold) delineated in the western portion of the Ndongo Prospect, open to NE and SW;**
- **Anomalous zone (>50ppb gold) continues a further 200m along strike to the NE;**
- **Artisanal shaft wallrocks (randomly collected from the artisanal "waste dump") of silicified, sulphide-bearing greywackes assayed up to 2.1 g/t gold;**
- **300m anomalous zone (>100 ppb gold) occurs 500m SW along strike;**
- **Extensive artisanal mining activities in the area;**
- **Aeromagnetic Survey has now completed for Ndongo and Bongo tenements within the Bolgatanga Project – expected time of survey completion is mid November 2013;**
- **New tenement opportunities being assessed within proximity of the Bolgatanga Project area, Ghana.**

GHANA AND DRC GOLD PROJECTS

Cardinal is the beneficial owner of the Bolgatanga Project area and the Subranum Project comprising circa 734 km² of granted tenements in Ghana (Figure 1). Cardinal has also secured an option to acquire a 60% interest in a joint venture, to be established over two exploitation licences currently held by Société Minière de Kilo-Moto (a state owned resources company based in the Democratic Republic of Congo ("DRC")) which are located over the Kilo-Moto greenstone belt in the far north eastern region of the DRC.

GHANA

Bolgatanga Project

Ndongo Prospect Geochemical Sampling

During this quarter geochemical sampling on the Ndongo Prospect continued along grid lines of 200m x 50m, using the custom-built soil drill rig. 417 holes were drilled totalling 979m, with 621 samples taken. 44 blanks and commercial standards were inserted into the sample stream for QAQC protocols.

Geochemical sampling continued on the Ndongo Far East area, along grid lines of 200m x 50m. 502 holes were drilled totalling 1,438m, with 982 samples taken. 70 blanks and commercial standards were inserted into the sample stream for QAQC protocols.

Infill geochemical sampling was completed over the Ndongo West anomalous area, along grid lines of 50m x 25m. 76 holes were drilled totalling 185.50m, with 105 samples taken. 8 blanks and commercial standards were inserted into the sample stream for QAQC protocols.

Cardinal Resources Limited ABN 56 147 325 620

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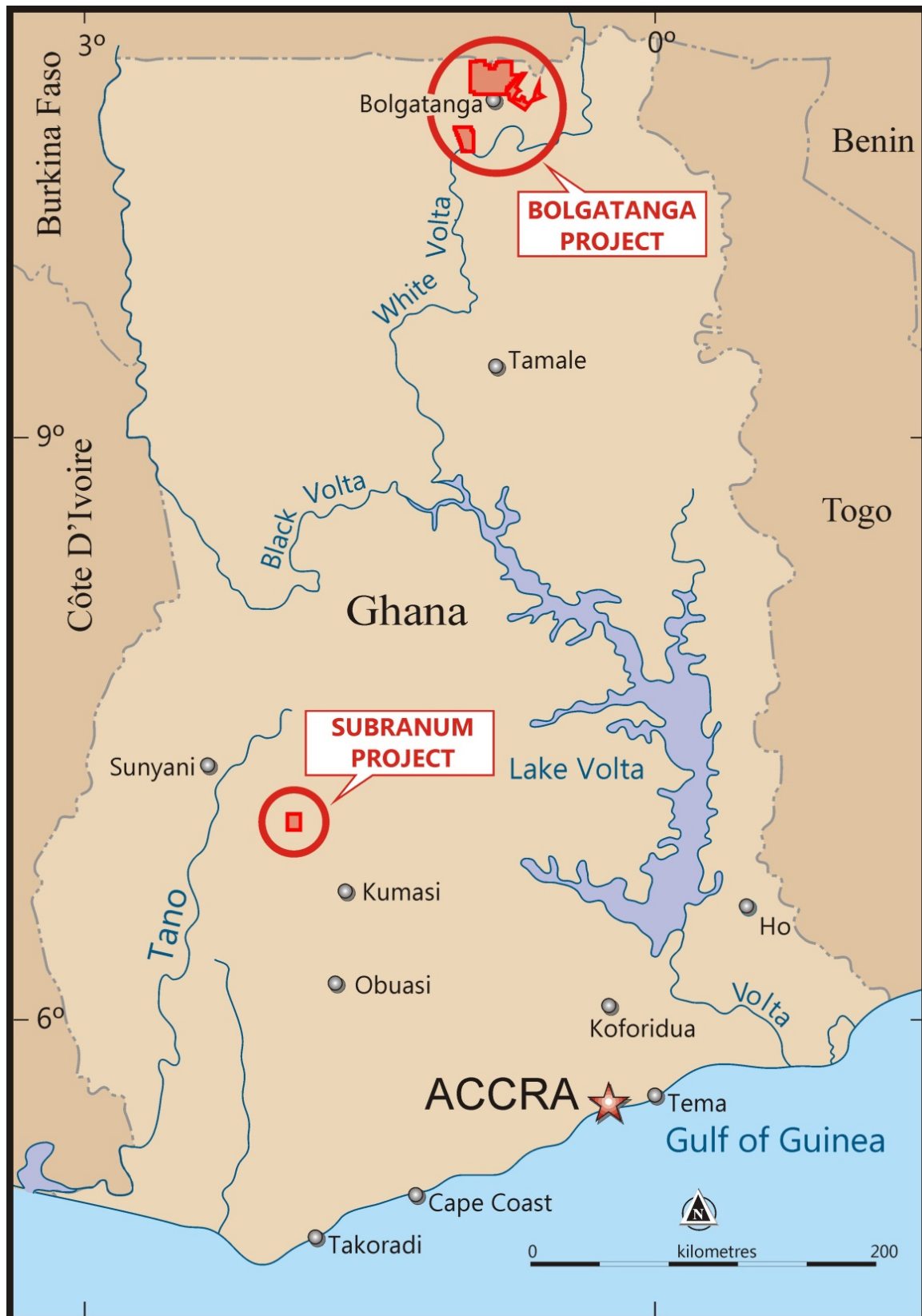


Figure 1: Cardinal Resources Tenements in Ghana

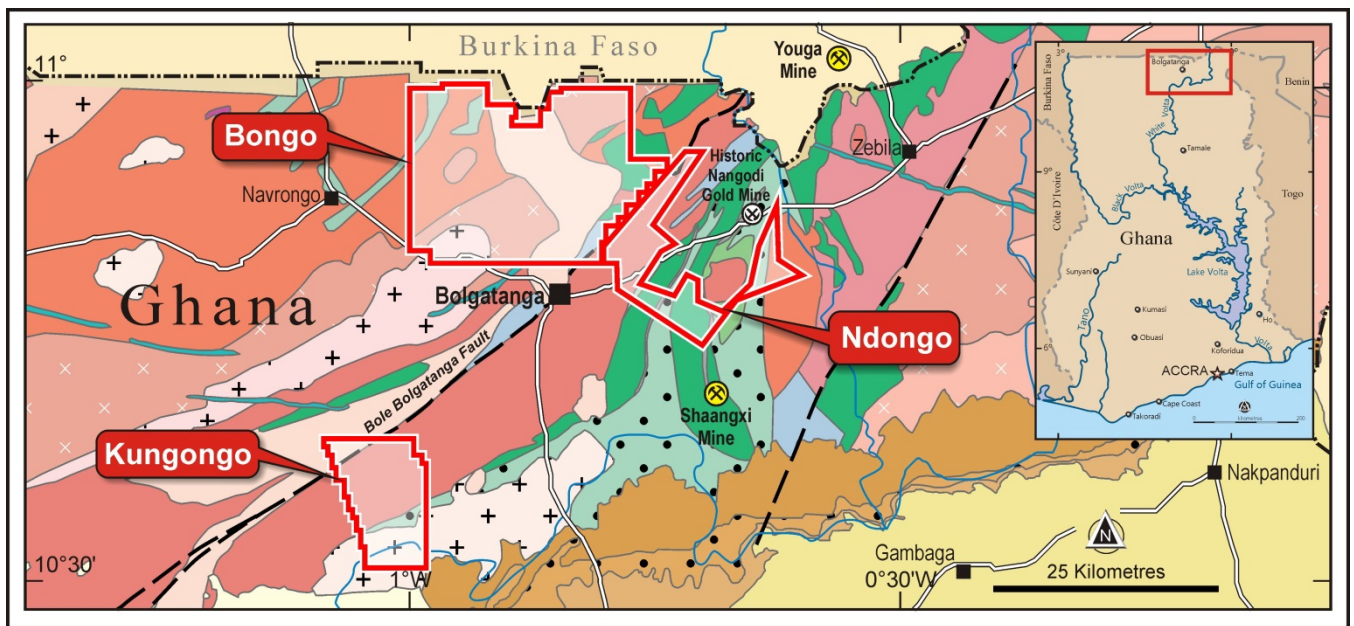


Figure 2: Bolgatanga Project Tenements

METHOD	No. Holes	Total (m)	No. Samples	Blanks	Stds
Drilling (Ndongo)	417	979.00	621	22	22
Drilling (Ndongo Far East)	502	1,438.50	982	34	36
Conventional (Manual)	-	-	-	-	-
Infill Drilling (Ndongo West)	76	185.50	105	4	4
Rock Chips	-	-	-	-	-
TOTALS	995	2,603.00	1,708	60	62

Table 1: Q3 2013 Geochemical Sampling

Ndongo Prospect Geochemical Infill Sampling

Geochemical sampling in the previous quarter over the **Ndongo West** area delineated anomalous zones along strike (26 September 2013 ASX announcement, “Bolgatanga Ndongo West Geochemical Results”) which required infill sampling to further delineate this anomalous zone (Figure 3).

An **active artisanal shaft** was found on Line 5 (Figure 4 and Image 1). The artisanal shaft is reported to be about 30m deep with activities spread over at least 8 years. Higher grade quartz veins are mined, with visible gold grains observed in some of the ore (grades and width unknown). The sulphide-bearing, silicified greywacke wallrocks are **regarded as waste** and stockpiled in dumps near the mine shaft (Image 2). Some random samples were taken from the waste dump and assayed from 0.4 g/t to 2.1 g/t gold (see Appendix 1).

These silicified greywacke wallrocks are very similar in composition to the sulphide-bearing silicified greywacke wallrocks found at a small scale artisanal mine located along the regional Bole-Bolgatanga Fault Zone, near Cardinal’s Kungongo tenement, which graded between 4.8 g/t and 10.5 g/t (11 February 2013 ASX announcement, “Exploration and Technical Update”).

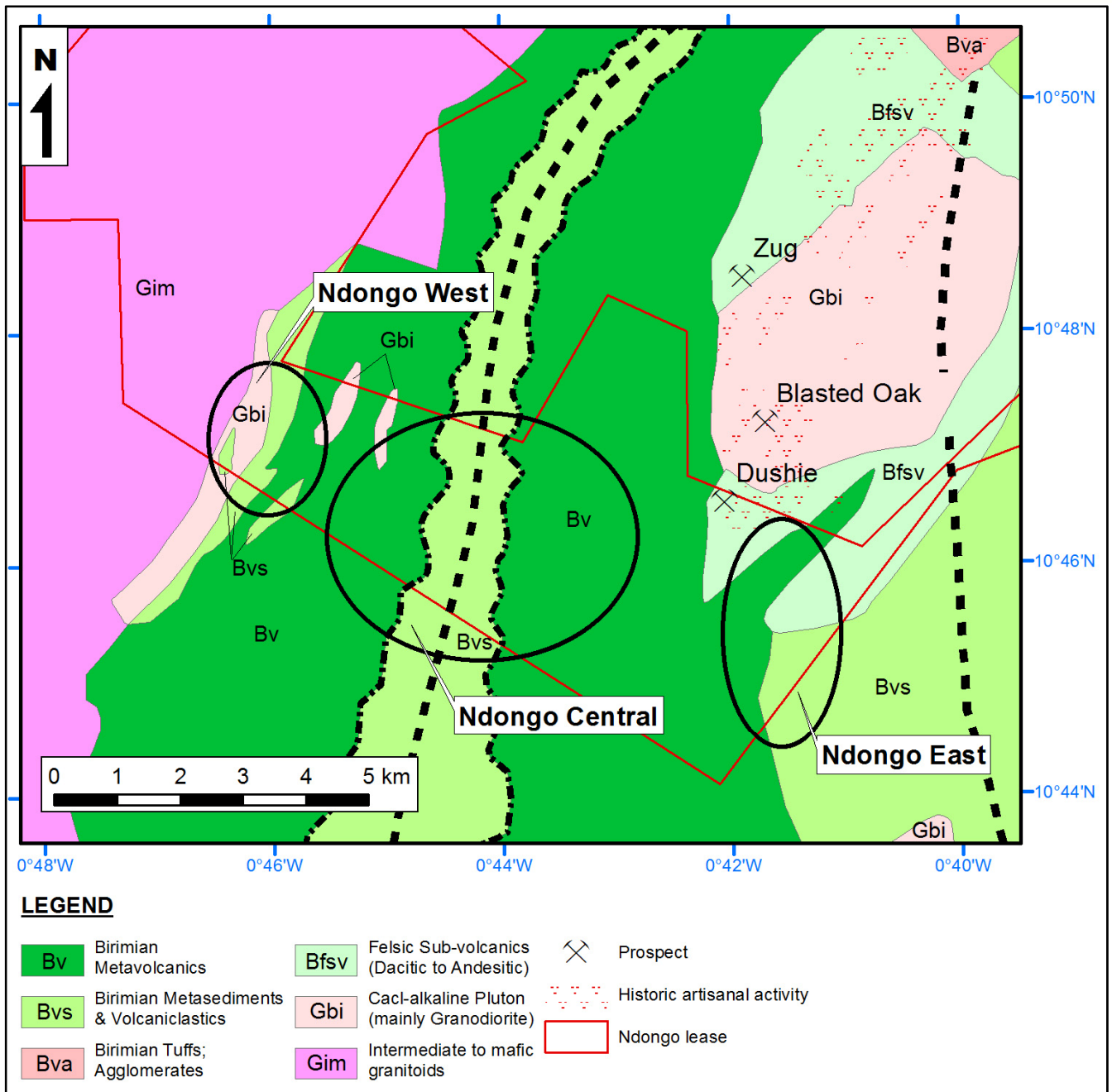


Figure 3: Original Ndongo Geochemical Grid (200m x 50m)
(Ndongo West NE from Corner Point 1)

After receiving the results of the artisanal wallrocks, 3 infill lines at 50m line spacings NE from the artisanal mine were drilled and sampled at 25m intervals along the lines to determine the mineralised strike extension. 17 holes were drilled, totalling 40m, with 24 samples taken and 1 blank and 1 standard inserted for QAQC protocols.

Only 3 lines were able to be sampled (Lines 5A, 5B, 5C) due to seasonal farming activities. Anomalous values (>100 ppb gold) were found along strike confirming strike continuity over 200m to the north east from this mine, with values ranging between 148 ppb – 826 ppb gold (see Appendix 1).

Infill lines SW from this mine were not possible due to seasonal farming activities.

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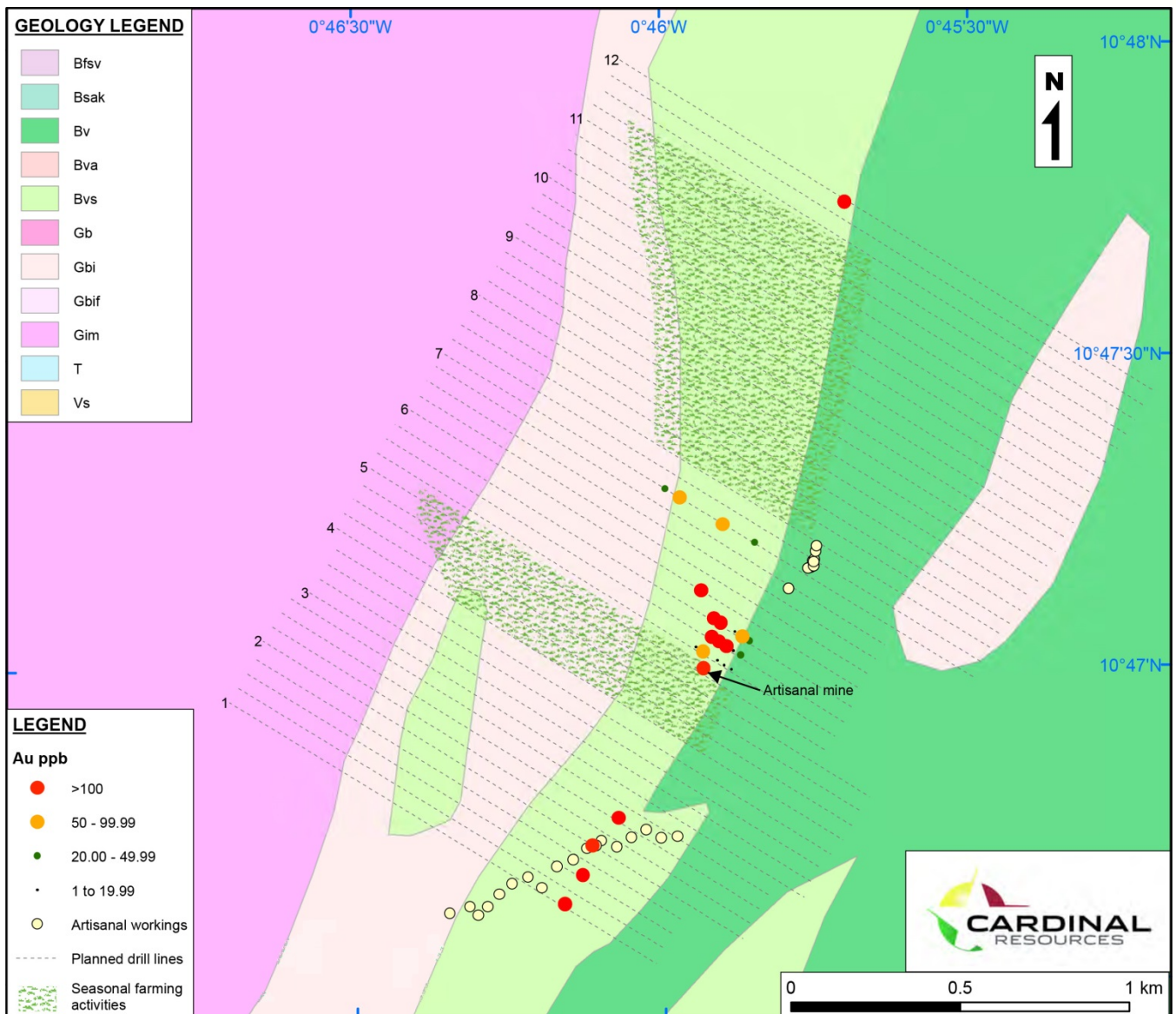


Figure 4: Ndongo West Geochemical Grid (50m spacings) & Gold-in-Soil Anomalies

All anomalous samples contained weathered greywacke fragments, indicating that the sulphide-bearing, silicified greywackes found at the artisanal shaft extend over this 200m strike length.

Two anomalous samples (>50ppb gold) on Line 7 along strike indicates that the anomalous zone could continue for at least another 200m.

An anomalous value (>100ppb gold) was found on Line 12 in a similar position to the other anomalies to the SW, indicating a possible extension of this anomalous zone between Lines 7 and 12, **a distance of 1,000m**. This area is temporarily inaccessible due to seasonal farming activities, but once crops have been harvested, this area will be sampled.



Image 1: Artisanal Shaft at Ndongo West



**Image 2: Waste Dump from Artisanal Shaft at Ndongo West
(randomly sampled – see Appendix 1)**



Image 3: Extensive Artisanal Workings at Ndongo West

Extensive further artisanal workings were encountered between Lines 1 - 3 (Figure 4 and Image 3), which are encouraging signs that the area contains gold mineralisation.

Sheared smokey quartz pieces from artisanal workings on Line 2 (600m SW along strike from the artisanal shaft) were sampled and contained 0.5 g/t gold (see Appendix 1).

Due to the extensive artisanal workings between Lines 1 - 3, infill lines were drilled 50m apart and sampled at 25m intervals along lines. 5 lines were drilled and sampled with 76 holes drilled, totalling 185.50m. 105 samples were taken with 4 blanks and 4 standards inserted for QAQC protocols. The 6th line (Line 2C) was uncompleted at that time due to local community issues, which have since been resolved.

Additional geochemical sampling is planned to further delineate these anomalies once the area becomes accessible again, which is expected to be November – December 2013.

Ndongo Prospect Far East Geochemical Sampling

Geochemical sampling was carried out over a Birimian metasediment (Bvs) - granitoid (Gbif) contact in the far east of the Ndongo Prospect (Figure 5). 502 holes were drilled totalling 1,438.50m. 982 samples were taken with 34 blanks and 36 standards inserted into the sample stream for QAQC protocols.

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Several anomalous samples (>50ppb Au) were located within the first 16 lines in the SW corner of this area. Results are awaited for the remaining lines drilled.



Figure 5: Ndongo Prospect Far East Geochemical Sampling
(yellow=>50ppb Au; red=>100ppb Au)

Bongo and Kungongo Prospects

The airborne geophysical survey over the Bongo and Kungongo Prospects is currently underway. After processing of this new data, target areas will be identified to aid further exploration.

SUBRANUM PROJECT

There were no activities on the Subranum Project area during this period.

The airborne geophysical survey will be completed at the Subranum Project after the survey of the Bolgatanga Project area has been finalised covering the Ndongo, Kungono and Bongo Prospects.

DEMOCRATIC REPUBLIC OF CONGO ("DRC")

Cardinal has executed an Option Agreement with CONNECTIONS SPRL, a company domiciled in the DRC, to acquire certain exploitation rights in the DRC ("Option Agreement").

Under the terms of the Option Agreement, Cardinal paid an Option Fee of US\$50,000, being an option to acquire a 60% interest in a joint venture to be established in the DRC. On exercise of the option, Cardinal is required to pay a further US\$500,000 to acquire its interest as contemplated by the Option Agreement.

Two exploitation licences currently held by Société Minière de Kilo-Moto (a state owned resources company based in the DRC) PE 5051 and 5053, are located over the Kilo-Moto greenstone belt in the far north eastern portion of DRC, which are the subject of the Option Agreement.

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Subject to DRC in-country geopolitical and civil circumstances and financial market conditions, a site visit by Mr Paul Abbott, Cardinal's Exploration Manager is being planned for the first half of 2014.

CORPORATE ACTIVITY

Cardinal Resources Ltd has executed a Confidentiality Agreement to review the exploration data of an ASX listed West African exploration company. Subject to a satisfactory review of the exploration data, the Cardinal board would then consider potential commercial terms with the counter party.

Cardinal continues to progress discussions with other companies in relation to potential corporate opportunities, however, no definitive agreements have been reached with any potential counterparty and all discussions remain only indicative.

Cardinal is committed to reviewing West African exploration and near term production opportunities with a view to completing commercial transactions that add shareholder value.

Capital Structure

As at the date of this report the Company has following capital structure;

Capital Structure	Tradeable	Escrowed	Total
Fully Paid Ordinary Shares (CDV)	55,143,782	18,212,794	73,356,576
Listed Options Ex. \$0.20 on or before 30 June 2014 (CDVO)	49,127,180	7,530,440	56,657,620
Unlisted			
- Options Ex. \$0.20 on or before 31 December 2015	-	11,000,000	11,000,000
- Class A Performance Shares	-	50	50
- Class B Performance Shares	-	50	50

Cash Balance

The Company's cash balance at 30 September 2013 was approximately \$3.61 million.

Managing Director's Statement

Managing Director Archie Koimtsidis said "The discovery at Ndongo West brings the anomalous zones within the Ndongo prospect to approximately 7km of strike. We continue to be provided with very encouraging results from the work that we are undertaking at the Ndongo Prospect located within the Bolgatanga Project. Our geochemical infill results on the Ndongo Central Zone, have kept the overall average of 380ppb (100ppb cut-off) over the 3km of strike and confirmed our refolding folding geological model.

"The aeromagnetic survey that is currently underway here in Ghana, will provide additional important information that we will combine with our existing data to refine drill targets along the estimated 120kms of interpreted gold bearing shear structures located within our Bolgatanga and Subranum Project areas."

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Competent Persons Statement

Information in this report that relates to the Bolgatanga Project and Subranum Project is based on information compiled by 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. Paul 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Paul Abbott consents to the inclusion in this report of the statements based on his information in the form and context in which it appears.

Notes on Assaying

Cardinal Resources employs strict QAQC protocols, including regularly inserting blanks and commercially available standards as reference material into the sample sequence. For the data contained in this release, all QAQC results have reported within acceptable limits for the BLEG (bottle roll) assay method used.

APPENDIX 1

Line No	Hole No	Sample No	Smpl Wt(g)	Au 1 (ppb)	Soil Log
1	ND3496	ND05234	2,386	101	Saprolite with weathered greywacke pieces
1B	ND3496B	ND06036	1,853	151	Saprolite with cream mottles
2	Artisanal Workings	NDRX00369	2,422	543	Sheared smokey quartz + silicified greywacke pieces with Fe stains
2B	ND3497B	ND06096	1,285	889	Saprolite with weathered greywacke pieces
3 - 5					Farming activities – area temporarily inaccessible. Artisanal mine on Line 5 (Table 1 and Image 1)
5	Artisanal Dump	NDRX00363	2,630	2,108	Silicified greywacke with sulphide mineralisation (py + po +/- As)
5	Artisanal Dump	NDRX00364	2,633	410	Silicified greywacke with sulphide mineralisation (py + po +/- As)
5	Artisanal Dump	NDRX00365	2,878	841	Silicified greywacke with sulphide mineralisation (py + po +/- As)
5A	ND3532A	ND05684	3,514	88	Silty sand + weathered greywacke pebbles with blk stains
5B	ND3500B	ND05690	2,790	473	Clayey sand + abundant weathered gwke pebbles with blk stains
5B	ND3500B + 25m W	ND05691	2,395	826	Clayey sand + abundant weathered gwke pebbles with blk stains
5B	ND3532B	ND05695	2,685	285	Clayey sand with Fe nodules + weathered gwke pebbles
5C	ND3476C + 25m W	ND05699	2,356	93	Silty clay with Fe nodules + primary fabric
5C	ND3532C	ND05704	2,420	176	Sandy clay + weathered gwke pebbles with blk stains
5C	ND3532C + 25m W	ND05705	1,828	148	Clayey sand + abundant weathered gwke pebbles with blk stains
6	ND3605	ND05499	1,882	179	Sandy clay with Fe nodules + primary fabric
7	ND3642	ND05539	1,863	79	Silty clay + weathered pebbles + primary fabric
7	ND3750	ND05544	1,131	52	Silty sand
7 - 11					Farming activities – area temporarily inaccessible
12	ND3791	ND05649	2,694	110	Silty sand + Fe nodules

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Cardinal Resources Limited

ABN

56 147 325 620

Quarter ended ("current quarter")

30 September 2013

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(448)	(448)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(123)	(123)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	8	8
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	34	34
Net Operating Cash Flows		(529)	(529)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(7)	(7)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		(7)	(7)
1.13	Total operating and investing cash flows (carried forward)	(536)	(536)

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(536)	(536)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(536)	(536)
1.20	Cash at beginning of quarter/year to date	4,156	4,156
1.21	Exchange rate adjustments to item 1.20	(5)	(5)
1.22	Cash at end of quarter	3,615	3,615

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	179
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

	\$'000
Directors' Fees and Remuneration	136
Accounting, bookkeeping, corporate secretarial and administration services	43

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
4.3 Production	-
4.4 Administration	115
Total	615

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	91	240
5.2 Deposits at call	3,006	2,891
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit	518	1,025
Total: cash at end of quarter (item 1.22)	3,615	4,156

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/A	N/A	N/A
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1				
Preference *securities				
Class A Performance Shares	50	-	-	-
Class B Performance Shares	50	-	-	-
7.2				
Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	73,356,576	55,143,782	-	-
*Ordinary securities				
7.4				
Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.5	*Convertible debt securities <i>(description)</i>	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	Options <i>(description and conversion factor)</i>	56,657,620 11,000,000	49,127,180 -	<i>Exercise price</i> \$0.20 \$0.20	<i>Expiry date</i> 30 June 2014 31 December 2015
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Sarah Shipway
Company secretary

Date: 31 October 2013

Print name: Sarah Shipway

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position.

+ See chapter 19 for defined terms.

An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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