



## **FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

This interim financial report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2014 and any public announcements made by Cardinal Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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The Directors are pleased to submit their report on Cardinal Resources Limited for the half-year ended 31 December 2014.

## **DIRECTORS**

The names of the directors who held office during or since the end of the half-year are:

<b>DIRECTOR</b>	<b>TITLE</b>	<b>DATE OF APPOINTMENT</b>	<b>DATE OF RETIREMENT</b>
Archie Koimtsidis	Managing Director	24 December 2012	N/A
Marcus Michael	Executive Director	24 December 2012	N/A
Malik Easah	Executive Director	24 December 2012	N/A
Alec Pismiris	Non-Executive Director	11 November 2010	N/A

## **REVIEW AND RESULTS OF OPERATIONS**

A summary of revenue and result for the half-year is set out below:

	<b>2014</b>	
	<b>Revenue</b>	<b>Result</b>
	<b>\$</b>	<b>\$</b>
Revenue and (Loss)	4,159	1,983,164

During the six month period the exploration and evaluation expenditure was \$1,101,845 administration costs were \$269,211 and impairment expense was \$773,963. Foreign exchange gain was \$157,696 resulting in a total loss for the six months of \$1,983,164.

## **JULY - DECEMBER 2014 REVIEW OF OPERATIONS**

The Board is pleased to provide the following Review of Operations for the half year period to 31 December 2014.

## **GHANA GOLD PROJECTS**

Cardinal is the beneficial owner of the Bolgatanga project area and the Subranum project comprising circa 734 km<sup>2</sup> of granted tenements in Ghana.

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 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).

## **HIGHLIGHTS**

- **Contract signed with Savannah Mining Ltd to drill and develop the Namdini gold Mining License located approximately 12 km SE of Cardinals Ndongo Prospect within the Bolgatanga Project**
- **RC drilling intersected gold mineralisation from surface**
- **Three main gold zones delineated**
- **Two possible gold zones west of main gold zones also discovered**
- **Significant high grade results vertically from surface include:**

- 9m @ 8.46 g/t from 85m
- 2m @ 4.95 g/t from 122m, ending in mineralisation
- 9m @ 4.78 g/t from 55m
- 6m @ 4.50 g/t from 65m
- 10m @ 4.17 g/t from 47m
- 5m @ 4.16 g/t from 50m
- 2m @ 4.16 g/t from 84m
- 2m @ 4.10 g/t from 4m
- 7m @ 4.08 g/t from 89m, including 4m @ 5.59 g/t
- 5m @ 3.78 g/t from 46m
- 17m @ 3.77 g/t from 30m, including 1m @ 44.30 g/t
- 11m @ 3.70 g/t from 10m
- 2m @ 3.48 g/t from 17m
- 5m @ 3.25 g/t from 61m
- Significant wide intersections vertically from surface include:
  - 44m @ 0.90 g/t from 23m
  - 43m @ 2.27 g/t from 87m, including 3m @ 11.71 g/t and 2m @ 6.96 g/t
  - 22m @ 3.03 g/t from 73m
  - 19m @ 1.76 g/t from 69m, including 3m @ 3.57 g/t
  - 14m @ 1.85 g/t from 55m vertical, including 1m @ 7.71 g/t
  - 13m @ 2.10 g/t from 51m vertical
  - 12m @ 3.33 g/t from 102m vertical
  - 10m @ 1.22 g/t from 75m vertical, including 2m @ 2.49 g/t
- Significant shallow gold mineralisation vertically from surface include:
  - 29m @ 1.51 g/t from surface
  - 11m @ 2.59 g/t from 1m
  - 15m @ 1.36 g/t from 2m
  - 14m @ 1.62 g/t from 5m
  - 16m @ 1.93 g/t from 9m
  - 2m @ 3.13 g/t from 11m
  - 18m @ 3.12 g/t from 16m, including 1m @ 24.00 g/t from 26m



Figure 1: Cardinal Resources Tenements in Ghana

**From Bolgatanga, Ghana, Managing Director, Archie Koimtsidis said;**

“Previous RC drilling at Namdini Mining Ltd intercepted some very encouraging gold grades at shallow depths. The RC drilling during this half-year period has increased the gold potential at Namdini with significant high grade and wide intersections both along strike and at depth.

“Three main gold zones were initially delineated with subsequent deeper drilling confirming that Gold Zone 1 and Gold Zone 2 have become amalgamated at depth (Figure 8).

“We are satisfied with the progress of our RC drilling program during this period, although we have faced challenges with delays due to occasional third party tooling failures. Nevertheless, our Company owned drill has allowed us to operate at substantial savings and under budget.

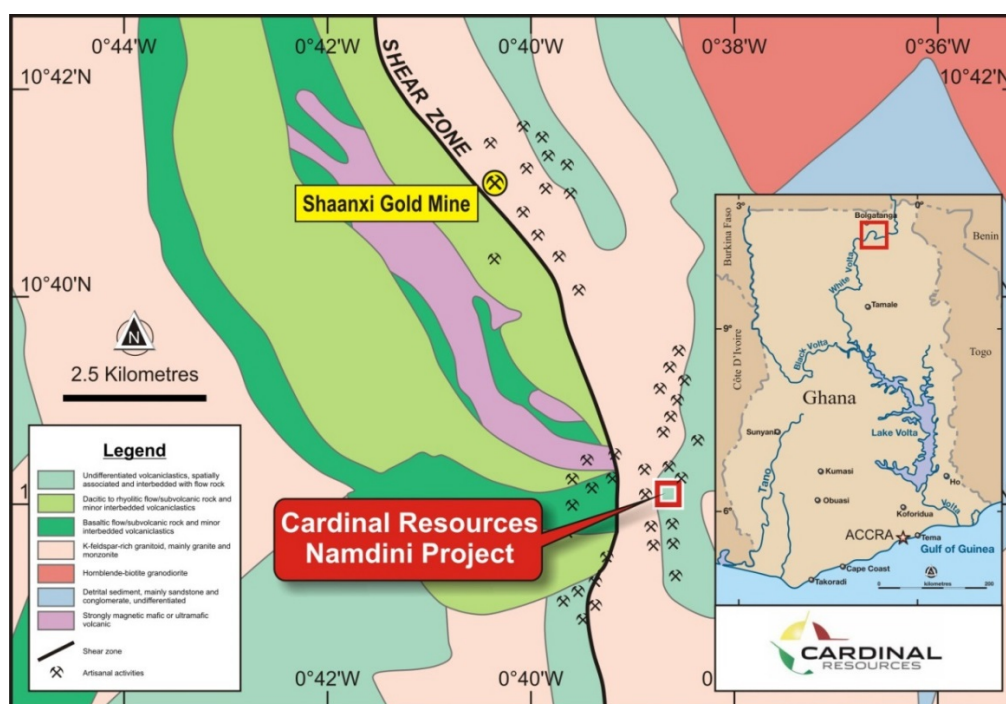
“Savannah Mining Limited (Savannah), a Ghanaian company, is contracted to Cardinal’s wholly owned subsidiary, Cardinal Mining Services Limited, to provide Cardinal the opportunity to expand around its Bolgatanga Project in Ghana. Savannah will provide Cardinal with contracts to explore, develop, operate and pay a royalty to the holders of a Ghanaian resident Mining License providing Cardinal with the opportunity to expand the gold potential adjacent to and along strike from the Namdini Mining Licence.”

## BOLGATANGA PROJECT, GHANA

Exploration activities for this period were mainly comprised of RC drilling at the Namdini Project.

## NAMDINI PROJECT

The Namdini tenement is located approximately 6 km SE of the producing Shaanxi Gold Mine (Figure 2).



**Figure 2: Namdini Proximity Map**

Extensive artisanal mining activities occur all around the Namdini licence attesting to the gold bearing potential of this whole area (Figure 3).



***“ARTISANAL GOLD RUSH”*** for approximately 1km north along strike from Namdini pit



**Figure 3: Artisanal Mining Activities around Namdini**



### Previous Exploration

Previous exploration was comprised of excavating a shallow pit to expose the ore body (Figures 4-5) and the drilling of 5 inclined RC drill holes, all of which intersected very encouraging gold mineralisation at shallow depths.

This successful initial drilling prompted Cardinal, through Savannah, to enter into an agreement with Namdini Mining to delineate further gold mineralisation both along strike and at depth.



Figure 4: Namdini Pit looking north



Figure 5: Namdini Pit showing ore body dipping west



### Local Geology

The geological setting is a Paleoproterozoic Greenstone Belt comprising Birimian metavolcanics, volcaniclastics and metasediments located in close proximity to a major 30 km roughly N-S regional shear zone with splays.

The deposit type comprises sheared and brecciated, hydrothermally altered rocks containing disseminated gold-bearing sulphides (pyrite and arsenopyrite). Alteration is mainly silica-carbonate-chlorite-sericite which alters the grey host rocks to variable greenish colours (Figures 6-7).



**Figure 6: Sheared, highly altered (silica-carbonate-chlorite-sericite) volcaniclastics with sulphides (pyrite & arsenopyrite) from Namdini Pit**



**Figure 7: Brecciated, highly altered (silica-carbonate-chlorite-sericite) volcaniclastics with sulphides (pyrite and arsenopyrite) from Namdini Pit**

Adjacent intrusive sulphide-bearing monzonite granitoids are considered to have been the “heat engine” that mobilised these hydrothermal fluids which altered and mineralised the host rocks of Namdini.

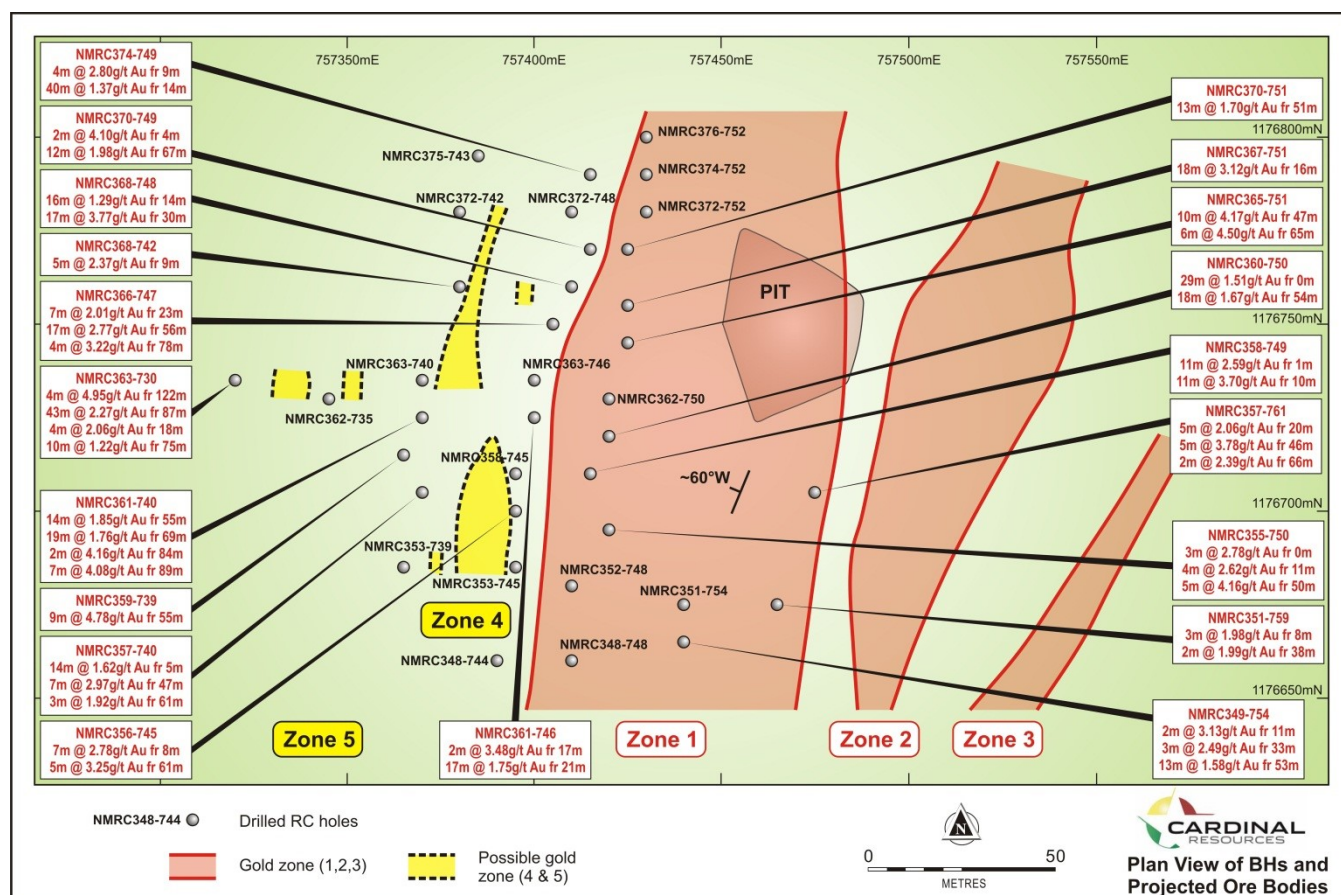
## RC Drilling

The general strike of the host rocks is 010° and dipping at approximately -60° W. The RC drilling is orientated at 90° to the strike of 100° azimuth with all drill holes inclined to the east.

During this period, 39 RC holes were drilled (Table 1 & Figure 8) totalling 4,287m with 4,720 samples submitted to the SGS Laboratory, Ouagadougou, Burkina Faso for assaying by standard fire assay methods. QAQC protocols were observed by the taking of duplicates, and inserting in-house blanks and commercial certified reference material (CRM) as standards.

DRILL METHOD	No. Holes	Total (m)	No. Samples	Duplicates	Blanks	Std
RC Drilling	39	4,287	4,283	218	110	109

**Table 1: Namdini RC Drilling (half year to Dec 2014)**



**Figure 8: Namdini Plan View of Projected Gold Zones and Borehole Collars**

The current RC drilling has delineated five gold zones at Namdini, with approximate dimensions shown on Figure 9. Deeper drilling has confirmed that Gold Zone 1 and Gold Zone 2 have become amalgamated into a single Gold Zone from about 80m vertical depths.

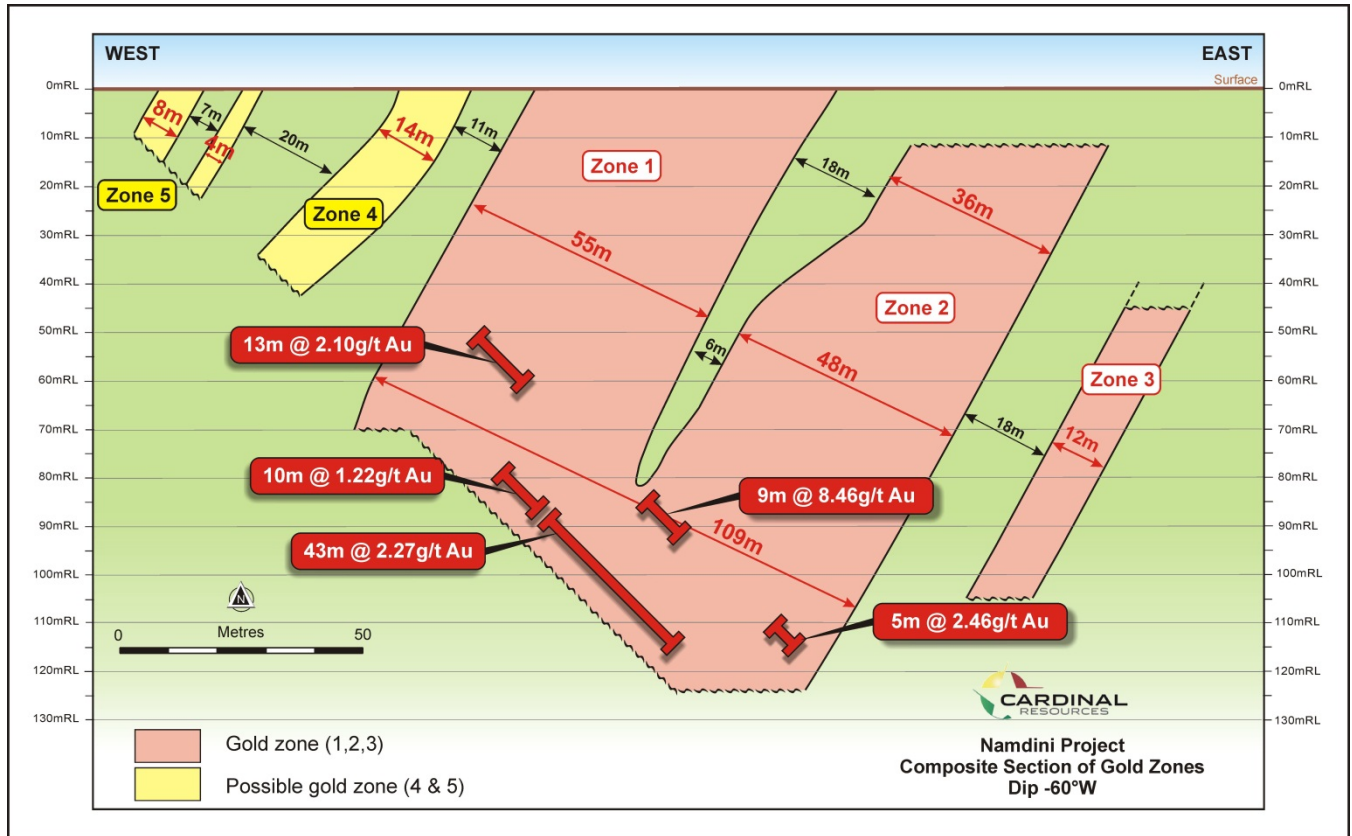


Figure 9: Composite Section of Five Gold Zones Delineated at Namdini

These very encouraging results have assisted with further drill planning to test for depth extensions of the three main gold zones. The repositioning of the drill further west is anticipated to expand the gold potential with the depth continuation of all three gold zones at Namdini.

## NDONGO PROSPECT

### Ndongo Far East Prospect

The airborne geophysical survey over the Ndongo Tenement identified a magnetic body intruded into the low pressure dilation zone around the southern and SE margins of the Pelungu Granite (Figures 10-11).

Previous geochemical sampling in this area delineated anomalous gold-in-soil values around the margins of this magnetic intrusive.

A Gradient Array Induced Polarisation (GAIP) survey over this target area has been planned which should indicate whether any gold-bearing sulphides are developed around the margins of this magnetic intrusive.



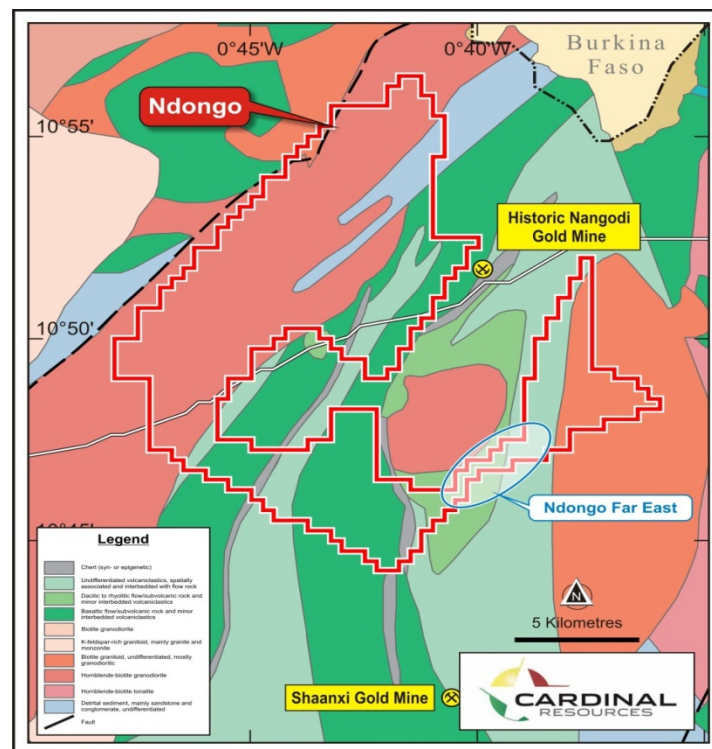


Figure 10: Ndongo Far East Prospect

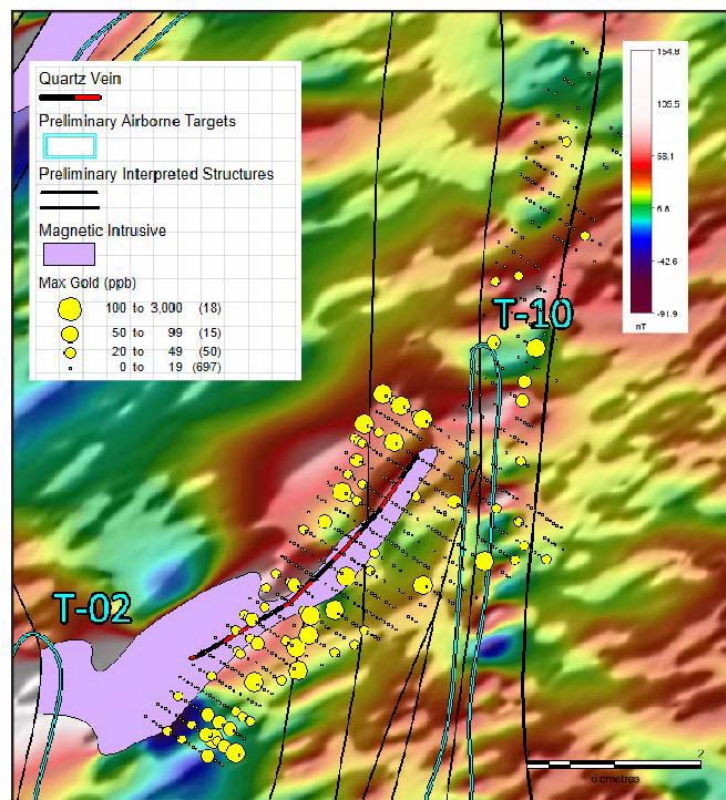


Figure 11: Ndongo Far East Prospect, Magnetic Intrusive and Geochemical Results

### Ndongo North

On 25 November 2014 Cardinal announced that through its wholly owned subsidiary of Cardinal Resources Ghana Limited (**Cardinal Ghana**), that it had 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 (Figure 12). The Ndongo North Concession area is approximately 64km<sup>2</sup>.

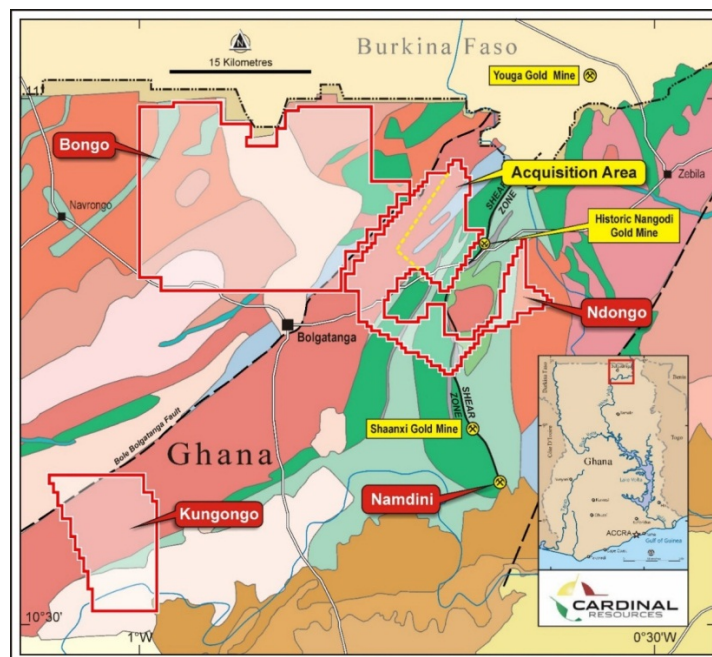


Figure 12: Acquisition area adjacent to the existing Ndongo tenement

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

1. The payment of US\$100,000 to Savannah;
2. The issue of 60 Performance Shares in the capital of Cardinal, approved at the Shareholder Meeting held on 4 February 2015, 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;

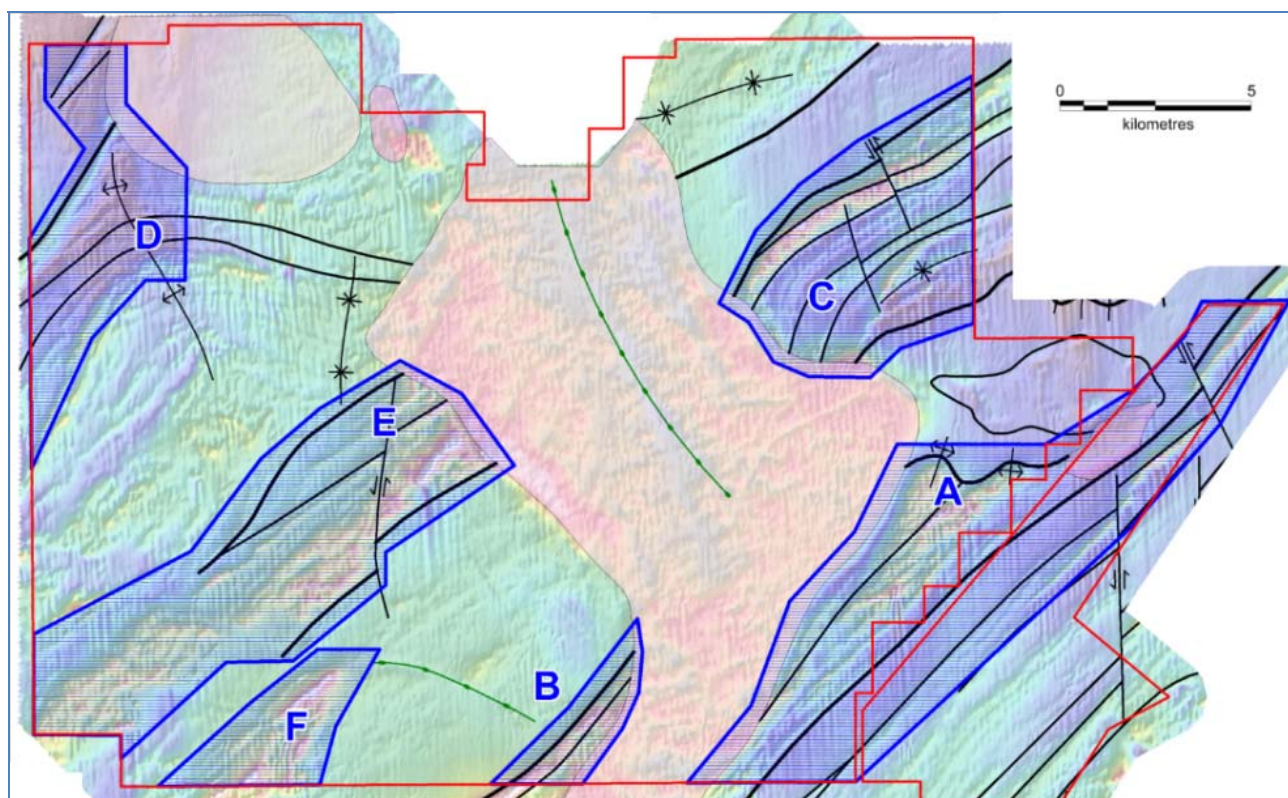
Performance Shares	Performance Hurdles (JORC Inferred Au Resource)	Conversion to Ordinary Shares
10	500,000 ounces	1,000,000
5	750,000 ounces	500,000
5	1,000,000 ounces	500,000
5	1,250,000 ounces	500,000
5	1,500,000 ounces	500,000
5	1,750,000 ounces	500,000
5	2,000,000 ounces	500,000
5	2,250,000 ounces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

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 are contained in Cardinal's Notice of General Meeting released on the ASX on 19 December 2014.

## BONGO PROSPECT

The airborne geophysical survey over the Bongo Prospect delineated six interpreted target areas containing approximately 40 km of possible mineralised structures (Figure 13).



**Figure 13: Bongo – 2013 Airborne Survey Magnetic Image with Preliminary Interpretation and Six Target Zones**

During this period field mapping over portions of Target C located magnetised mafic outcrops adjacent to an ultramafic unit. Rock chip sampling was completed over the magnetised mafic outcrops and sent for multi-element analyses to determine their base metal potential. The analyses indicate there may be some base metal potential, which requires a ground geophysical survey to determine the extent of the magnetic rock unit and geochemical sampling to determine its base metal content.

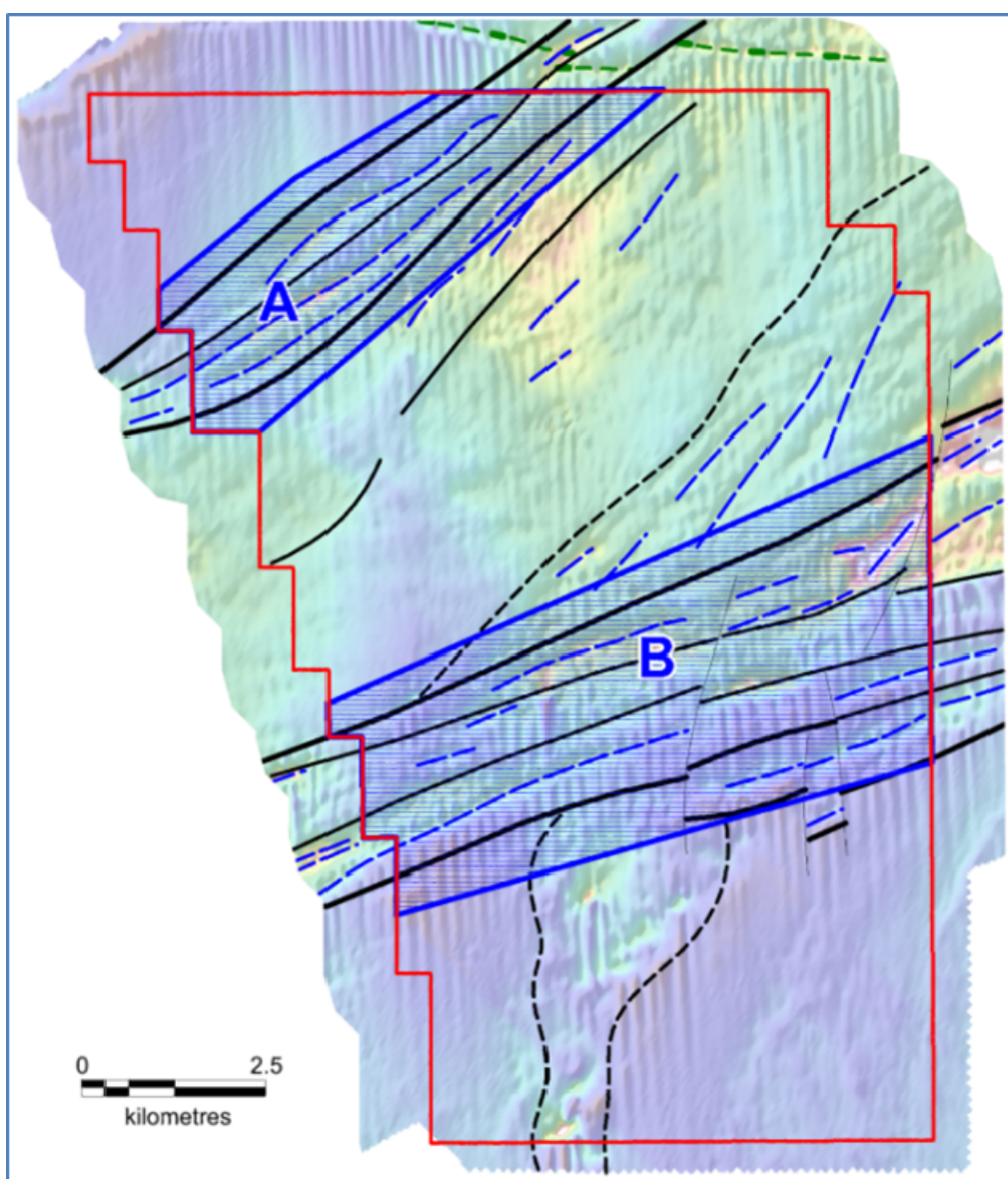


**KUNGONGO PROSPECT**

The airborne geophysical survey over the Kungongo Prospect delineated two interpreted target areas containing approximately 30 km of possible mineralised structures (Figure 14).

Target A occurs over an approximate 6 km long portion of the SW extension of the regional Bole-Bolgatanga Fault (Shear) Zone which extends over northern Ghana. Target B occurs over an approximate 7 km long area underlain by Birimian greenstones and granitoids.

During this period further reconnaissance field checking of airborne geophysical targets was completed over Target A.



**Figure 14: Kungongo – 2013 Airborne Survey Magnetic Image with Preliminary Interpretation and Two Target Zones**

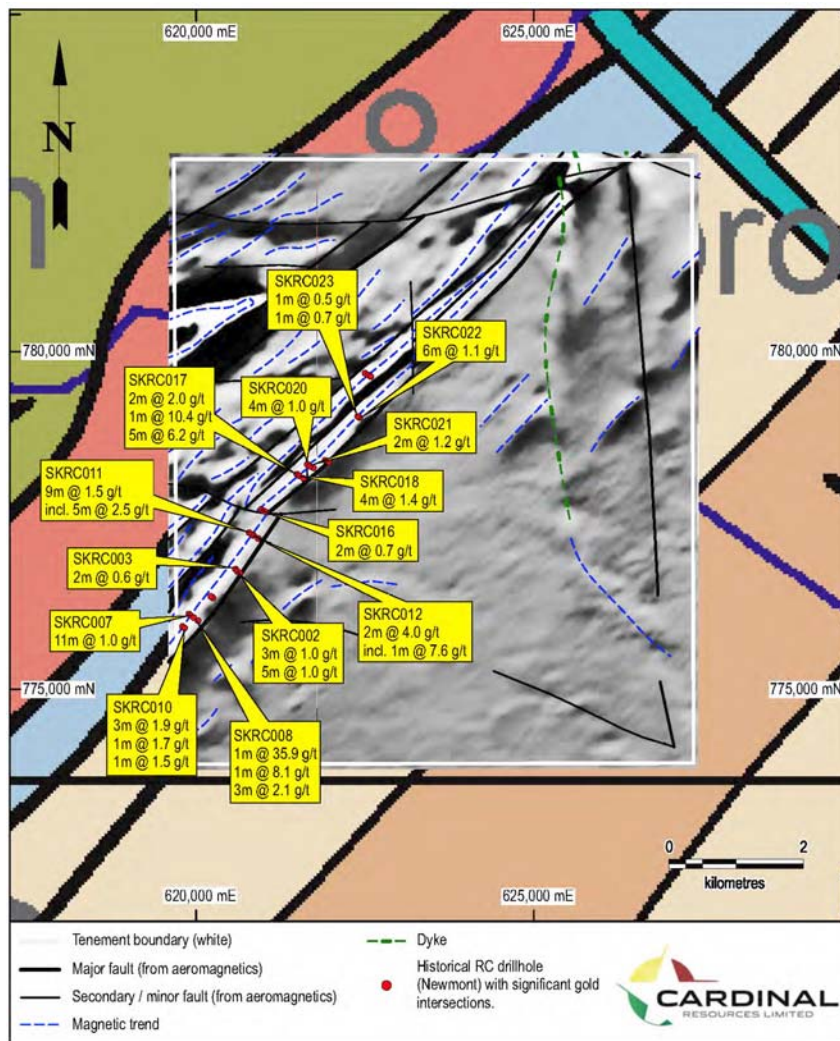
### SUBBRANUM PROJECT

Previous exploration at Subbranum has established that the significant anomalous zone has a 5.2km strike length. Previous drilling, however, had been on 11 fences of varying distances between 200m to >500m apart (Figure 15).

To properly evaluate the gold mineralisation contained within these anomalous zones, Cardinal proposes that a systematic diamond drilling program should be undertaken at regular intervals across the strike length of these anomalies. This proposed program will then determine whether the gold mineralisation is continuous or not, and whether there is a plunge to the mineralisation.

Cardinal's proposed diamond drill program of 5,100m will concentrate on the 3 high priority targets, namely the SW Target (1,500m), the Central Target (2,100m) and the NE Target (1,500m).

A time frame for this proposed drill program is being planned subject to seasonal conditions.



**Figure 15: Historical RC Drill Holes (Newmont) with significant gold intersections highlighted. Magnetic greyscale image in background.**

Cardinal will concentrate its future exploration activities on its projects in Ghana and will continue to pursue other exploration opportunities in Africa.

### Competent Person's Statement

The information in this report that relates to geophysical results and interpretation is based on information compiled by Mr William (Bill) Peters, a Consulting Geophysicist 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 2004 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.

### JORC 2012

The Company confirms it is not aware of any new information or data that materially affects the information included in market announcements relating to exploration activities carried out at the Bolgatanga Project and all material assumptions and technical parameters underpinning the exploration activities in those market announcements continue to apply and have not been changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 18.

This report is made in accordance with a meeting of directors.



### ARCHIE KOIMTSIDIS

Managing Director

Cardinal Resources Limited

Dated this 10 March 2015



## Auditor's Independence Declaration

To those charged with the governance of Cardinal Resources Limited

As auditor for the review of Cardinal Resources Limited for the year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.



Somes Cooke



Kevin Somes  
Partner

Perth

10 March 2015

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Australian Dollar (\$)		31 December 2014 \$	31 December 2013 \$
	Note		
<b>REVENUE</b>		<b>4,159</b>	<b>18,170</b>
<b>EXPENDITURE</b>			
Administration expenses		(269,211)	(268,363)
Exploration and evaluation expenditure		(1,101,845)	(879,662)
Impairment expense	6	(773,963)	(6,814,500)
Foreign exchange gain / (expense)		157,696	(59,909)
<b>LOSS BEFORE INCOME TAX</b>		<b>(1,983,164)</b>	<b>(8,004,264)</b>
Income tax benefit / (expense)		-	-
<b>LOSS AFTER INCOME TAX</b>		<b>(1,983,164)</b>	<b>(8,004,264)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that may be reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		(10,584)	144,987
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF THE COMPANY</b>		<b>(1,993,748)</b>	<b>(7,859,277)</b>
<b>BASIC AND DILUTED LOSS PER SHARE</b>	3	<b>(\$0.02)</b>	<b>(\$0.11)</b>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Australian Dollar (\$)	Note	31 December 2014 \$	30 June 2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		940,883	909,980
Trade and other receivables		11,357	6,452
Other assets	4	35,350	33,039
<b>TOTAL CURRENT ASSETS</b>		<b>987,590</b>	<b>949,471</b>
<b>NON-CURRENT ASSETS</b>			
Capitalised exploration and evaluation	5	-	771,450
Plant and equipment		616,538	556,636
<b>TOTAL NON-CURRENT ASSETS</b>		<b>616,538</b>	<b>1,328,086</b>
<b>TOTAL ASSETS</b>		<b>1,604,128</b>	<b>2,277,557</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		123,357	127,366
<b>TOTAL CURRENT LIABILITIES</b>		<b>123,357</b>	<b>127,366</b>
<b>TOTAL LIABILITIES</b>		<b>123,357</b>	<b>127,366</b>
<b>NET ASSETS</b>		<b>1,480,771</b>	<b>2,150,191</b>
<b>EQUITY</b>			
Issued capital	7	13,915,061	12,871,486
Reserves	8	241,339	(28,830)
Accumulated losses		(12,675,629)	(10,692,465)
<b>TOTAL EQUITY</b>		<b>1,480,771</b>	<b>2,150,191</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Australian Dollar (\$)	SHARE CAPITAL \$	OPTIONS RESERVE \$	FOREIGN EXCHANGE RESERVE \$	ACCUMULATED LOSSES \$	TOTAL EQUITY \$
<b>Balance at 1 July 2014</b>	<b>12,871,486</b>	<b>263,816</b>	<b>(292,646)</b>	<b>(10,692,465)</b>	<b>2,150,191</b>
Total comprehensive income	-	-	(10,584)	(1,983,164)	(1,993,748)
Shares and options issued during the period	1,144,000	280,753	-	-	1,424,753
Share issue expenses	(100,425)	-	-	-	(100,425)
<b>Balance at 31 December 2014</b>	<b>13,915,061</b>	<b>544,569</b>	<b>(303,230)</b>	<b>(12,675,629)</b>	<b>1,480,771</b>
<b>Balance at 1 July 2013</b>	<b>12,871,486</b>	<b>1,666,316</b>	<b>(93,912)</b>	<b>(2,129,617)</b>	<b>12,314,273</b>
Loss for the period	-	-	-	(8,004,264)	(8,004,264)
Other comprehensive income	-	-	144,987	-	144,987
Total comprehensive income for the period	-	-	144,987	(8,004,264)	(7,859,277)
Shares and options issued during the period	-	-	-	-	-
Share issue expenses	-	-	-	-	-
<b>Balance at 31 December 2013</b>	<b>12,871,486</b>	<b>1,666,316</b>	<b>51,075</b>	<b>(10,133,881)</b>	<b>4,454,996</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

## CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

Australian Dollar (\$)	31 December 2014 \$	31 December 2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments for exploration and evaluation	(885,138)	(1,108,151)
Payments to suppliers and employees	(311,509)	(282,655)
Interest received	2,465	20,544
Other – GST	-	1,717
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>(1,194,182)</b>	<b>(1,368,545)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(18,013)	(561,654)
Proceeds from term deposit	-	517,900
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	<b>(18,013)</b>	<b>(43,754)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of shares and options net of capital raising costs	1,341,463	-
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>	<b>1,341,463</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>129,268</b>	<b>(1,412,299)</b>
Exchange rate adjustment	(98,365)	95,984
Cash and cash equivalents at the beginning of the half-year	909,980	3,634,269
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR</b>	<b>940,883</b>	<b>2,317,954</b>

The above consolidated statement of cash flows should be read  
in conjunction with the accompanying notes

**NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT**

The consolidated half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures that the financial statements and notes also comply with International Financial Reporting Standard IAS 134.

The half-year report does not include full disclosures of the type normally included in an annual financial report. The half-year report is intended to provide users with an update on the latest annual financial statements of the Group. It is recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2014, together with any public announcements made during the half-year.

The half-year report has been prepared on an accruals basis and is based on historical costs.

The accounting policies applied by the Group in this half year report are the same as those applied by the Group in its financial report for the year ended 30 June 2014, except for the impact of the new Standards and Interpretations and changes in accounting policy described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. Adoption of these standards did not materially impact on the financial figures.

**Accounting policies and methods of computation**

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

**NOTE 2: OPERATING SEGMENTS**

For management purposes, the Group is organised into one main operating segment, which involves the exploration of minerals in Ghana. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.



## NOTE 3: LOSS PER SHARE

	31 DECEMBER 2014 \$	31 DECEMBER 2013 \$
Basic and diluted loss per share	(0.02)	(0.11)
Loss used in calculation of loss per share	(1,983,164)	(8,004,264)
	<b>Shares</b>	<b>Shares</b>
Weighted average number of shares used as denominator in basic and diluted calculating loss per share	85,471,967	73,356,576

## NOTE 4: OTHER ASSET

	6 MONTHS TO 31 DECEMBER 2014 \$	YEAR TO 30 JUNE 2014 \$
Prepayments	24,185	23,395
Cash deposits	11,165	9,644
	<b>35,350</b>	<b>33,039</b>

## NOTE 5: EXPLORATION AND EVALUATION

	6 MONTHS TO 31 DECEMBER 2014 \$	YEAR TO 30 JUNE 2014 \$
<b>Costs carried forward in respect of areas of interest</b>		
Balance at the beginning of period	771,450	8,011,945
Cost of acquisition	-	174,052
Expenditure written off	-	(47,719)
Impairment (Note 6)	(773,963)	(7,309,500)
Foreign exchange movement	2,513	(57,328)
	<b>-</b>	<b>771,450</b>

## NOTE 6: IMPAIRMENT EXPENSE

	6 MONTHS TO 31 DECEMBER 2014 \$	6 MONTHS TO 31 DECEMBER 2013 \$
Impairment expense	(773,963)	(6,814,500)
	<b>(773,963)</b>	<b>(6,814,500)</b>

**NOTE 7: ISSUED CAPITAL**
**(a) Movement in ordinary shares on issue**

	NUMBER OF SHARES	\$
At 1 July 2013	73,356,576	12,871,486
<b>Transactions during the year</b>		
Shares issued	-	-
Exercise of options	-	-
Less: transaction costs	-	-
<b>At 30 June 2014</b>	<b>73,356,576</b>	<b>12,871,486</b>
At 1 July 2014	73,356,576	12,871,486
<b>Transactions during the period</b>		
Shares issued (i)	22,880,000	1,144,000
Exercise of options	-	-
Less: transaction costs (ii)	-	(100,425)
<b>At 31 December 2014</b>	<b>96,236,576</b>	<b>13,915,061</b>

**(i) The following shares were issued during the period ended 31 December 2014**

- On 18 September 2014 18,000,000 shares were issued at \$0.05 per share to raise a total of \$900,000. The shares were issued under the Placement pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1 and the Company's additional 10% placement capacity under ASX Listing Rule 7.1A.
- On 11 November 2014 4,880,000 fully paid ordinary shares were at \$0.05 per share to raise a total of \$244,000. The shares were issued to the Directors' of the Company, (namely, Messrs Alec Pismiris, Archie Koimtsidis, Marcus Michael and Malik Easah). The Director Placement was approved at the Company's Annual General Meeting held on 3 November 2014.

**(ii) Transaction costs represent the costs of issuing shares.**
**(b) Movement in options exercisable at \$0.20 on or before 30 June 2014**

	NUMBER OF OPTIONS	\$
At 1 July 2013	56,657,620	1,402,500
<b>Transactions during the year</b>		
Options issued	-	-
Expiry of options (i)	(56,657,620)	(1,402,500)
<b>At 30 June 2014</b>	<b>-</b>	<b>-</b>

**(i) On 30 June 2014 56,657,620 options expired. None of these options were exercised.**

**(c) Movement in options exercisable at \$0.15 on or before 30 September 2019**

	NUMBER OF OPTIONS	\$
At 1 July 2014	-	-
<b>Transactions during the period</b>		
Options issued (i)	50,955,254	280,753
Exercise of options	-	-
<b>At 31 December 2014</b>	<b>50,955,254</b>	<b>280,753</b>

**(i) The following options were issued during the period ended 31 December 2014**

- On 29 October 2014 23,058,879 Options were issued pursuant to the Non-Renounceable Entitlement Issue, on the basis of One (1) Option for every Two (2) shares held by Shareholders on 1 October 2014, at an issue price of \$0.01 per Option to raise \$230,589.
- On 11 November 2014 2,440,000 Options were issued pursuant to the Non-Renounceable Entitlement Issue, on the basis of One (1) Option for every Two (2) shares held by Shareholders on 1 October 2014, at an issue price of \$0.01 per Option to raise \$24,400.
- On 11 November 2014 22,880,000 Options were issued pursuant to subscribers for the Shares issued in the September 2014 placement. The options were issued for NIL consideration.
- On 2 December 2014 2,576,375 Options were issued pursuant to the Non-Renounceable Entitlement Issue, on the basis of One (1) Option for every Two (2) shares held by Shareholders on 1 October 2014, at an issue price of \$0.01 per Option to raise \$25,764.

**(d) Movement in unlisted options exercisable at \$0.20 on or before 31 December 2015**

	NUMBER OF OPTIONS	\$
At 1 July 2013	11,000,000	263,816
<b>Transactions during the year</b>		
Options issued	-	-
At 30 June 2014	<b>11,000,000</b>	<b>263,816</b>
At 1 July 2014	11,000,000	263,816
<b>Transactions during the period</b>		
Options issued	-	-
<b>At 31 December 2014</b>	<b>11,000,000</b>	<b>263,816</b>



(e) Movement in Performance Shares

	NUMBER OF CLASS A PERFORMANCE SHARES	\$
At 1 July 2013	50	-
<b>Transactions during the year</b>		
Performance shares issued	-	-
<b>At 30 June 2014</b>	<b>50</b>	<b>50</b>
At 1 July 2014	50	50
<b>Transactions during the period</b>		
Performance shares issued	-	-
<b>At 31 December 2014</b>	<b>50</b>	<b>50</b>

	NUMBER OF CLASS B PERFORMANCE SHARES	\$
At 1 July 2013	50	-
<b>Transactions during the year</b>		
Performance shares issued	-	-
<b>At 30 June 2014</b>	<b>50</b>	<b>50</b>
At 1 July 2014	50	50
<b>Transactions during the period</b>		
Performance shares issued	-	-
<b>At 31 December 2014</b>	<b>50</b>	<b>50</b>

NOTE 8: RESERVES

	6 MONTHS TO 31 DECEMBER 2014 \$	YEAR TO 30 JUNE 2014 \$
<b>Option Reserve</b>		
Balance at beginning of period	263,816	1,666,316
Options issued during the period	280,753	-
Expiry of options	-	(1,402,500)
	<b>544,569</b>	<b>263,816</b>

	<b>6 MONTHS TO 31 DECEMBER 2014 \$</b>	<b>YEAR TO 30 JUNE 2014 \$</b>
<b>Foreign Translation Reserve</b>		
Balance at beginning of period	(292,646)	(93,912)
Foreign translation	(10,584)	(198,734)
	<u><b>(303,230)</b></u>	<u><b>(292,646)</b></u>
<b>Reserve balance at reporting date</b>	<u><b>241,339</b></u>	<u><b>(28,830)</b></u>

**NOTE 9: CONTINGENCIES AND COMMITMENTS**

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

**NOTE 10: SUBSEQUENT EVENTS**

On 22 January 2015 Cardinal issued 20,043,034 Options exercisable at \$0.15 on or before 30 September 2019 at an issue price of \$0.01 per options pursuant to the Options Entitlement Issue.

On 18 February 2015 the Company issued 60 Performance Shares approved at the Company's General Meeting held on 4 February 2015.

Except for the above, no matter or circumstance has arisen since 31 December 2014, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

**NOTE 11: ESTIMATES & ASSUMPTIONS**

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

***Future Rehabilitation***

The Group measures the cost of future rehabilitation in relation to its tenements based on probable cost estimations at the date upon which tenements are altered from their original state. Fair values are determined using local data available. No rehabilitation provision is considered necessary at 31 December 2014.

## NOTE 12: SUBSIDIARIES

The parent entity, Cardinal Resources Limited, has a 100% interest in the below companies. Cardinal Resources Limited is required to make all the financial and operating policy decisions for each subsidiary.

Subsidiaries of Cardinal Resources Limited	Country of Incorporation	Percentage Owned %	
		31 December 2014	30 June 2014
Cardinal Resources (Australia) Limited	Australia	100%	100%
Cardinal Resources (Ghana) Limited	Ghana	100%	100%
Cardinal Mining Services Limited	Ghana	100%	100%
Cardinal Resources Subranum Limited	Ghana	100%	100%



## DIRECTOR'S DECLARATION

The directors of the Group declare that:

1. the financial statements and notes, as set out on pages 19 to 29 are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 31 December 2014 and of the performance for the 6 months ended on that date of the Group;
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a meeting of the Board of Directors.



**ARCHIE KOIMTSIDIS**

Managing Director

Cardinal Resources Limited

Perth, 10 March 2015

## Independent Auditor's Review Report

To the members of Cardinal Resources Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cardinal Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Half-Year Financial Report

The directors of Cardinal Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors' determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Cardinal Resources Limited's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Cardinal Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.


## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cardinal Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Cardinal Resources Limited's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.



Somes Cooke



Kevin Somes  
10 March 2015

Perth  
Western Australia