

ASX ANNOUNCEMENT AND MEDIA RELEASE

6 July 2016

**QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 30 JUNE 2016**

HIGHLIGHTS

- **Wide mineralised zones at Namdini Project between 190 and 310m widths**
- **Mineralisation along strike confirmed with infill diamond drilling**
- **High gold values continue to be intersected along strike**
- **Significant intersections include:**
 - **98m @ 1.31 g/t**
 - **80m @ 1.06g/t**
 - **79m @ 1.34 g/t**
 - **59m @ 1.42 g/t**
 - **55m @ 1.62 g/t**
 - **49m @ 1.39 g/t**
 - **42m @ 3.37 g/t**
 - **31m @ 1.57 g/t**
 - **9m @ 4.62 g/t**
- **Ground geophysical surveys completed over Namdini, Kungongo and Ndongo Far East Prospects**

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 June 2016. Currently Cardinal holds four tenements within the Bolgatanga Project, with Subranum comprised of a single tenement in central Ghana (Figure 1).

Commenting on the quarters activities, Managing Director Archie Koimtsidis said:

“We are extremely encouraged by continued intersections of wide gold mineralisation reported from the 50m spaced infill diamond drilling on the Namdini Project.

“These gold intersections range from surface to 300m vertical depths which considerably enhances the gold potential of this project.

“These results confirm that wide gold mineralisation continues for approximately 650m north along strike from the original Confirmed Gold Mineralised Zone on the Namdini Licence, with a total strike length of approximately 900m (Figure 3).”

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Figure 1: Cardinal Resources Tenements in Ghana

BOLGATANGA PROJECT, GHANA

Infill diamond drilling and updip reverse circulation (RC) drilling continued at the Namdini Project during the quarter.

NAMDINI PROJECT

The Namdini tenement is located ~12 km SE from Cardinal’s Ndongo East Prospect and ~6 km SE of the producing Shaanxi Gold Mine (Figure 2).

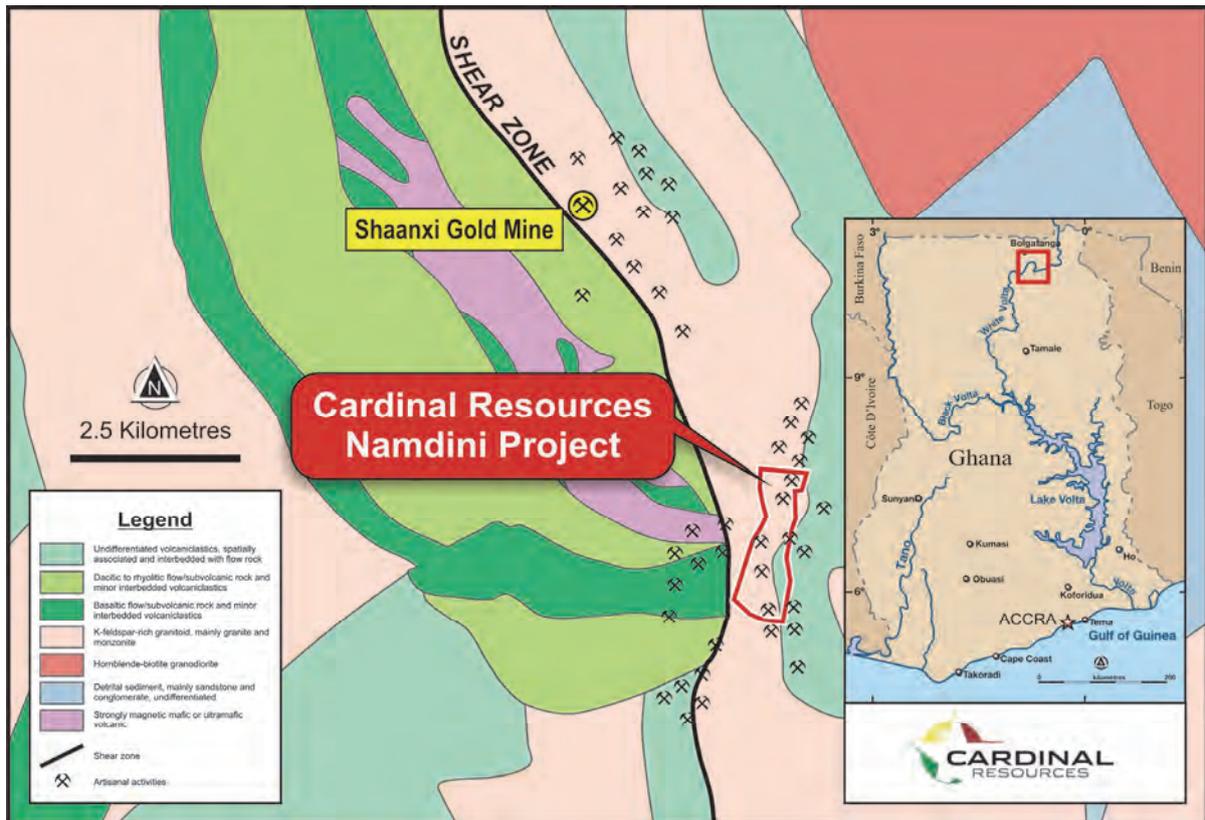


Figure 2: Namdini Project Proximity Map

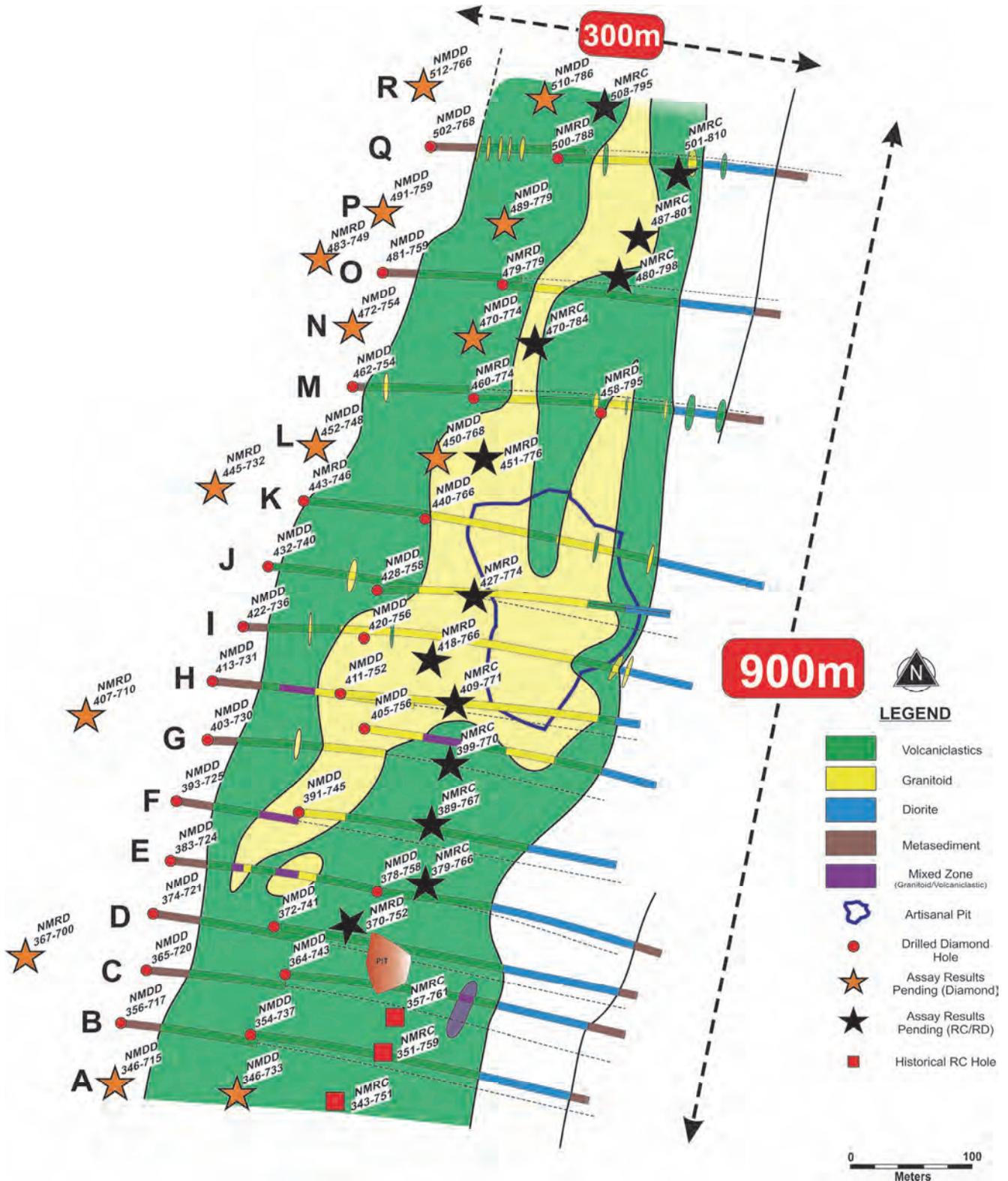


Figure 3: Namdini Drill Hole Collars of Diamond, RC and RD (diamond tail) Drill Holes

Namdini Drilling

During this quarter four drill rigs were on site, an infill diamond drilling programme at 50m spacings was undertaken along strike from south to north, between previous 100m spaced diamond drill sections, to confirm and enhance the gold mineralisation previously intersected within the volcanoclastics, granitoids and diorites (Figure 3).

A shallow updip reverse circulation (RC) program was completed with each drill hole positioned on each previously drilled 50m section line so that 3 drill holes have now been drilled on each 50m section (Figure 1).

Diamond Drilling

The drill rigs were aligned at -65° dip drilling east which allows for the shallowing of the drill holes with depth. The azimuth was set at 095° instead of 100° (normal to the strike of the formations) as the borehole traces usually deviate to the right with depth due to the clockwise rotation of the drill rods.

The drill holes were surveyed near the top of each drill hole, then every 30m down the hole to determine the dip and azimuth of the drill holes with depth.

The core was orientated at each drill run using a digital instrument. The core was marked showing the base of the drill hole, then the core from each drill run was laid in a length of angle iron to fit the core together so that the orientation line could be drawn along the length of the core at the drill site. Geotechnical parameters were measured using this orientation line as the datum line.

Core Logging and Sampling

The core was photographed both dry and wet, then logged lithologically. Weathering, mineralisation and alteration were all captured on a digital tablet for entry into the Cardinal database. A hand held kenometer device was used to measure the geotechnical parameters using the orientation line as a reference.

The core was then cut in half and then quartered. One quarter of the core was consistently sampled at 1 metre intervals, with the remaining three quarters core stored in metal core trays and placed on metal racks under cover in the core shed at Bolgatanga.

The quarter core samples were bagged, weighed, labelled and inserted into polyweave bags for despatch to the laboratory for sample preparation, bulk density determinations on selected samples from each lithological unit and fire assay. QAQC protocols were observed by inserting in-house blanks and commercial certified reference material (CRM) as standards at every 22nd sample.

RC samples were collected through a cyclone, then weighed and split on site using a 3-tier splitter. The splitter generates two samples (1 laboratory and 1 reference sample, which is stored at Bolgatanga). Duplicate samples were taken every 22 samples and included with the samples for assaying. In-house blanks and commercial certified reference material (CRM) as standards were inserted at every 10th sample after the duplicates.

The Company has divided up its sample submissions between SGS Laboratories in Burkina Faso and Ghana to assist in accelerating receipt of assay results. The samples are assayed by standard fire assay methods.

Drilling and Sampling Summary

Drilling for the quarter comprised of diamond, RC and RC with diamond tails.

Diamond drilling of 24 drill holes totalled 7,307.13m, with a combined total of 7,671 samples, including blanks and standards.

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Reverse circulation (RC) drilling of 9 drill holes totalled 1,157.00m, with a combined total of 1,273 samples, including blanks and standards.

Reverse circulation (RC) drilling with diamond tails of 8 drill holes totalled 2,361.97m, with a combined total of 2,511 samples, including blanks and standards.

Total drilling for the quarter comprised of 41 drill holes totalling 10,826.10m, with a combined total of 11,455 samples, including duplicates, blanks and standards (Table 1).

DRILL METHOD	No. Holes	Total (m)	No. Samples	Duplicates	Blanks	Stds	Total Samples
DD Drilling	24	7,307.13	7,322	-	174	175	7,671
RC Drilling	9	1,157.00	1,157	58	29	29	1,273
RC with diamond tails	8	2,361.97	2,362	35	56	58	2,511
TOTALS	41	10,826.10	10,841	93	259	262	11,455

Table 1: Namdini Drilling (Q2 2016)

Drill Sections

Drill sections from the infill diamond drilling programme are below illustrating the wide mineralised zones at Namdini ranging from 190m to 310m (Figure 1 and Figures 4 to 7).

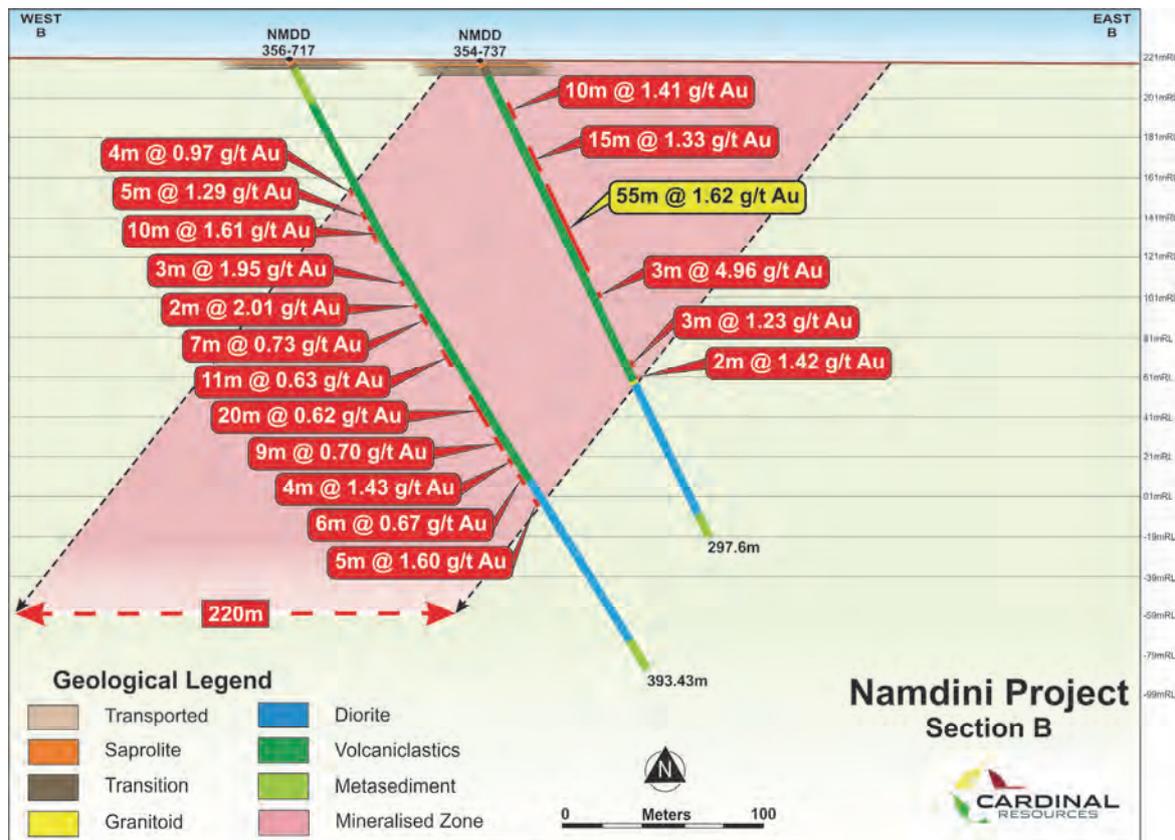


Figure 4: Section B (NMDD356-717 and NMDD354-737) with 220m mineralised zone

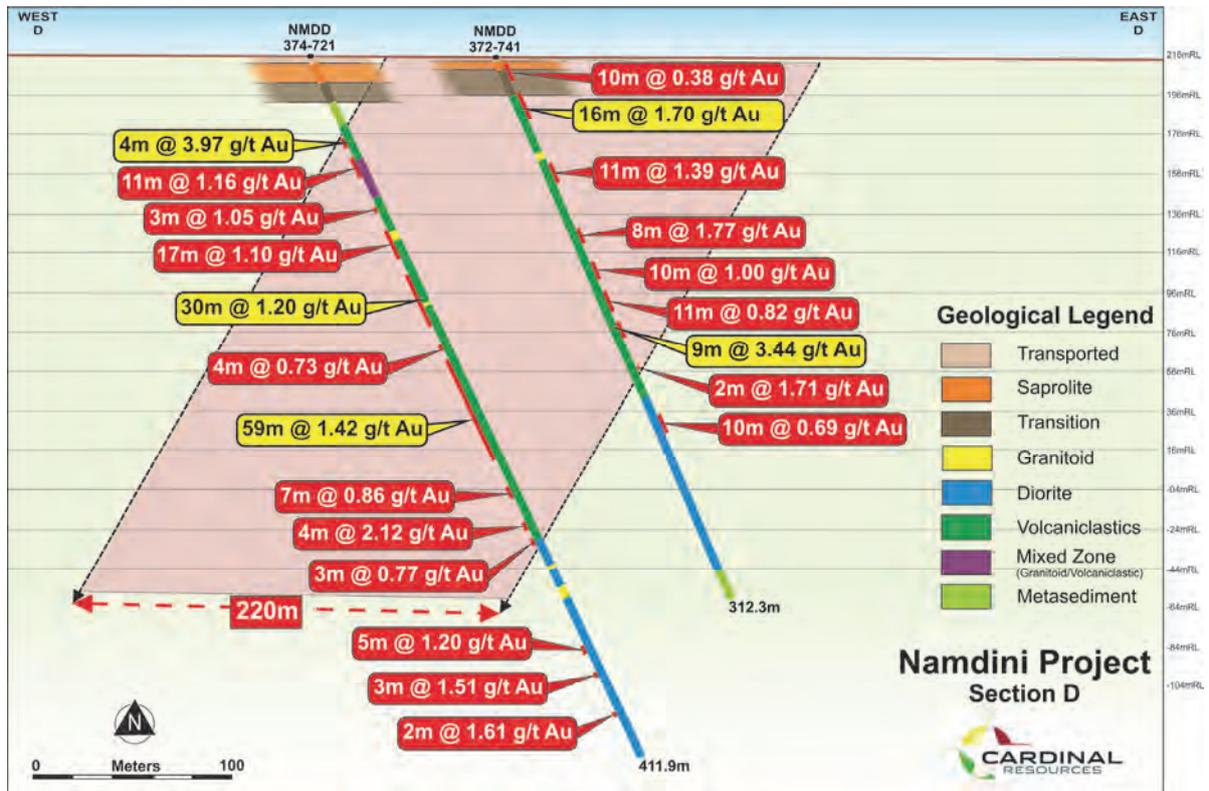


Figure 5: Section D (NMDD374-721 and NMDD372-741) with 220m mineralised zone

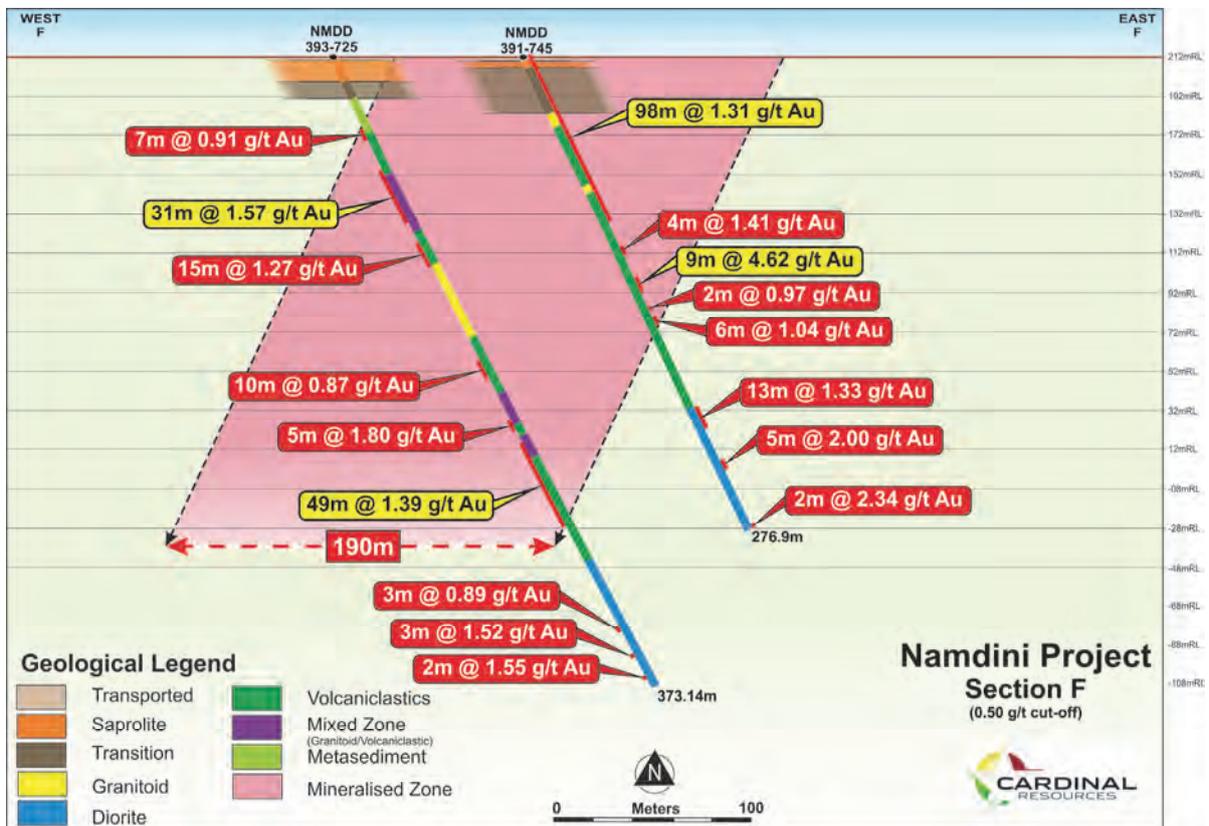


Figure 6: Section F (NMDD393-725 and NMDD391-745) with 190m mineralised zone

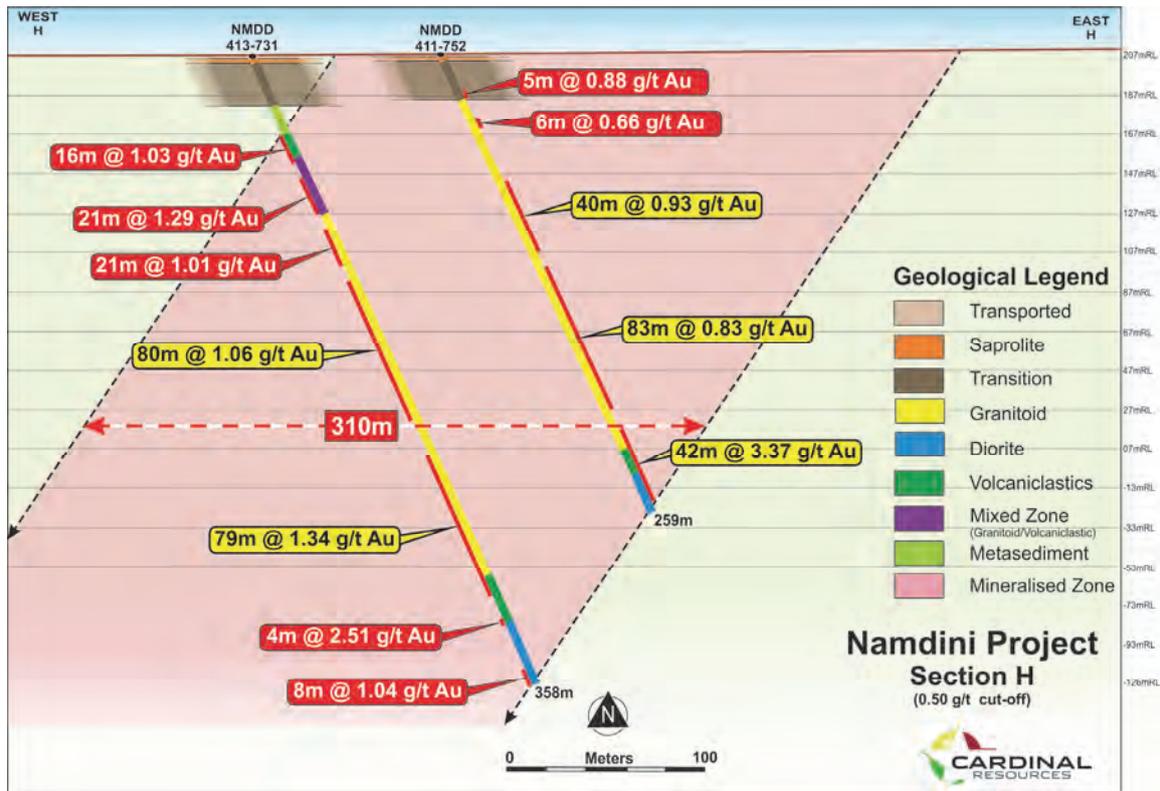


Figure 7: Section H (NMDD413-731 and NMDD411-752) with 310m mineralised zone

Namdini Ground Geophysical Surveys

During this quarter Gradient Array Induced Polarisation and Ground Magnetic surveys were completed over a 24 sq km area around Namdini (Figure 8).

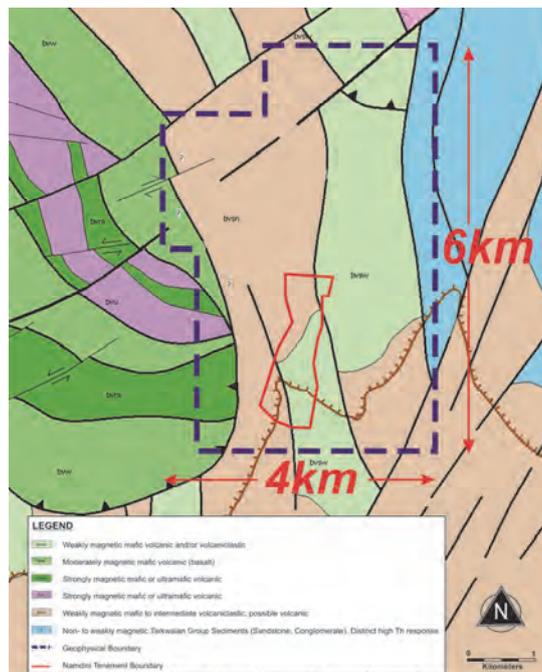


Figure 8: Ground Geophysical Survey Area over Namdini

Processing of the data by Southern Geoscience Consultants of Perth, Australia, is in progress.

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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 (Figure 9).

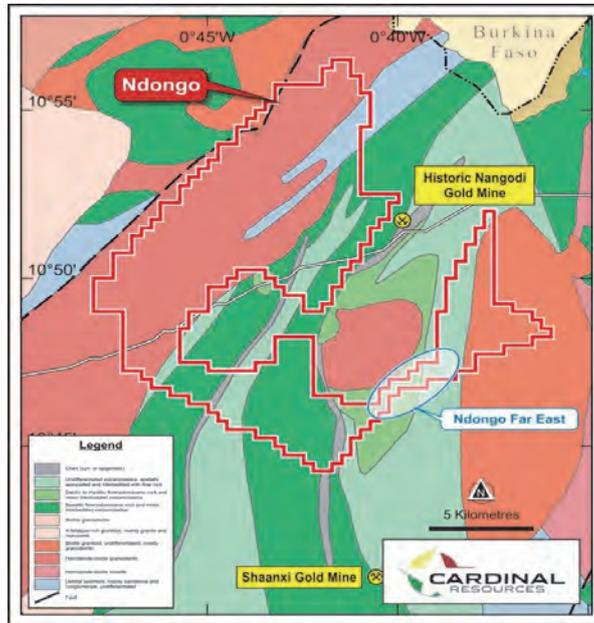


Figure 9: Ndongo Far East Prospect

Previous geochemical sampling in this area delineated anomalous gold-in-soil values around the margins of this magnetic intrusive, which constitutes a target area for more exploration.

During this quarter Gradient Array Induced Polarisation (GAIP) and Ground Magnetic (GMAG) ground geophysical surveys were completed over 4 sq km of this target area which should indicate whether any gold-bearing sulphides are developed around the margins of this magnetic intrusive (Figure 10).

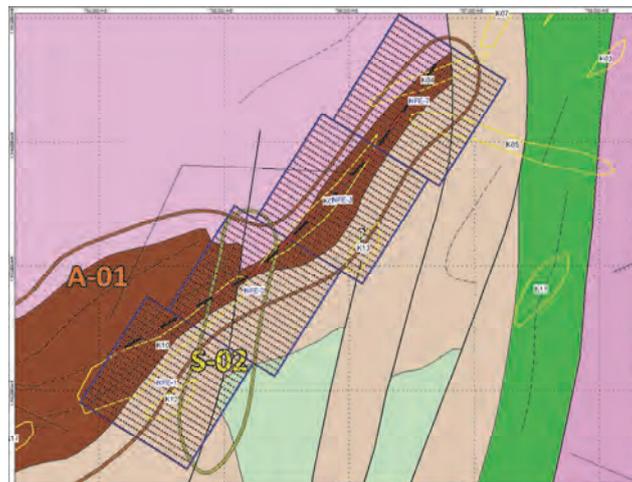


Figure 10: Ground Geophysical Survey Area over Ndongo Far East Prospect

Processing of the data by Southern Geoscience Consultants of Perth, Australia, is in progress.

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KUNGONGO PROSPECT

The airborne geophysical survey over the Kungongo Prospect delineated two interpreted target areas containing ~30 km of possible mineralised structures (Figure 11).

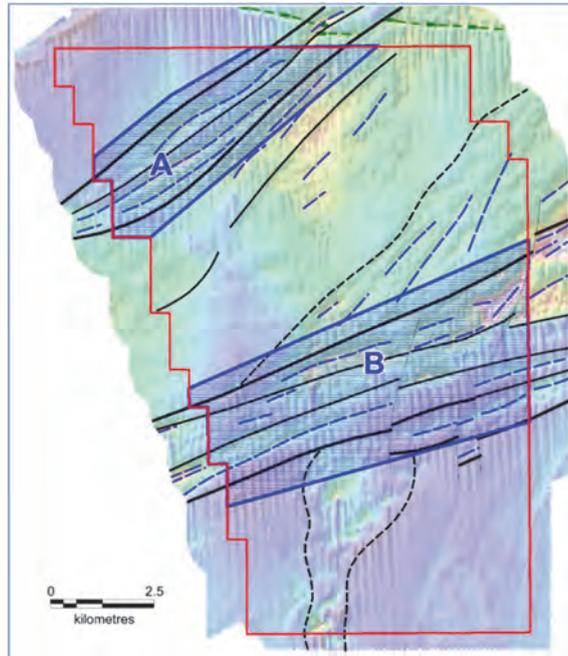


Figure 11: Kungongo – 2013 airborne survey magnetic image with preliminary interpretation and two target zones

Target A occurs over a ~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 a ~7 km long area underlain by Birimian greenstones and granitoids.

During this quarter Gradient Array Induced Polarisation (GAIP) and Ground Magnetic (GMAG) ground geophysical surveys were completed over a 14 sq km area of Target A to delineate possible drilling targets along the shear zone (Figure 12).

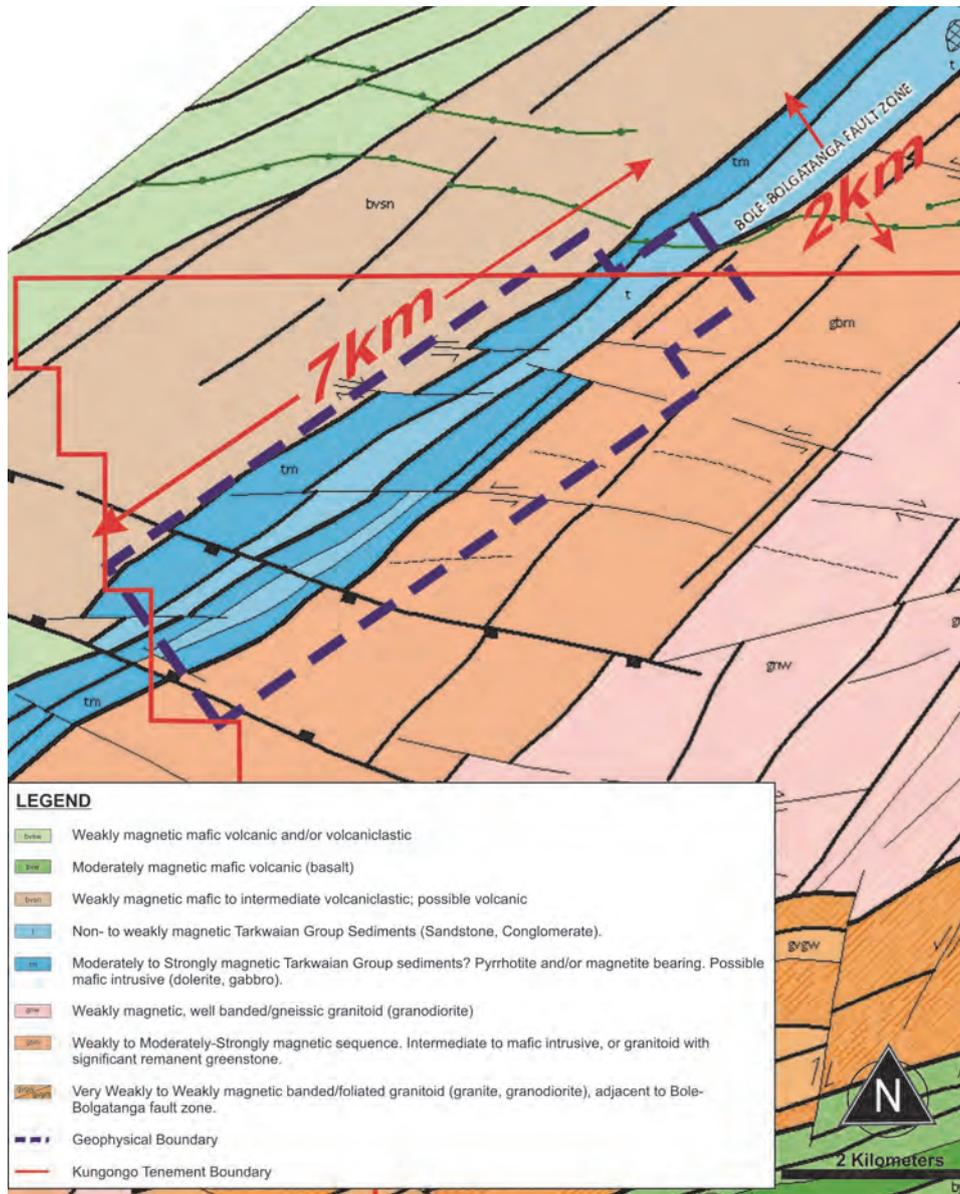


Figure 12: Ground Geophysical Survey Area over Kungongo Target A

Processing of the data by Southern Geoscience Consultants of Perth, Australia, is in progress.

BONGO PROSPECT

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

During this quarter field mapping over portions of Target C located magnetised mafic outcrops adjacent to an ultramafic unit. Rock chip sampling was done 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 Gradient Array Induced Polarisation (GAIP) and Ground Magnetic (GMAG) ground geophysical surveys to determine the extent of the magnetic rock unit and geochemical sampling to determine its base metal content.

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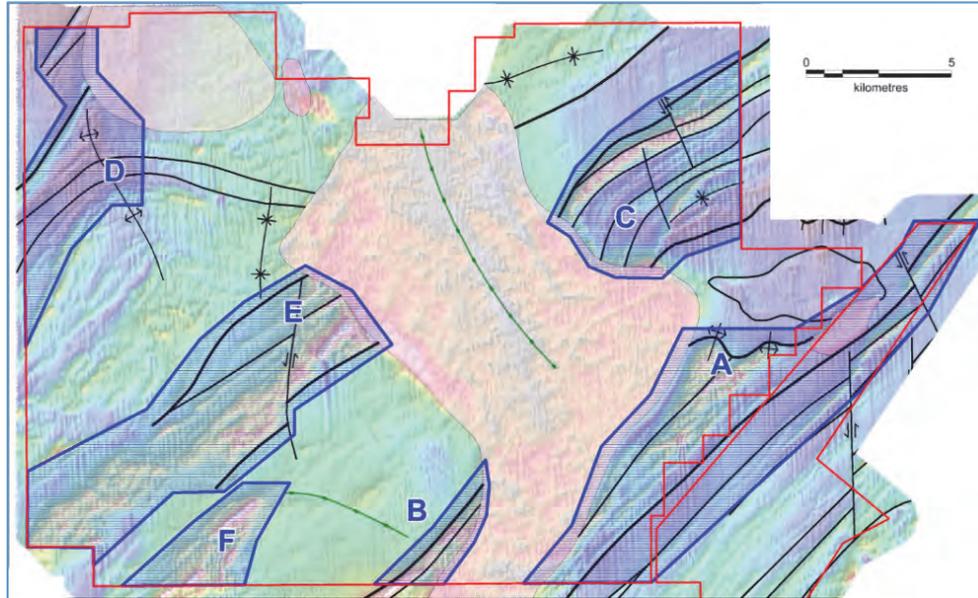


Figure 13: Bongo - 2013 airborne survey magnetic image with preliminary interpretation and six target zones

SUBRANUM PROJECT

Previous exploration at Subranum 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 14).

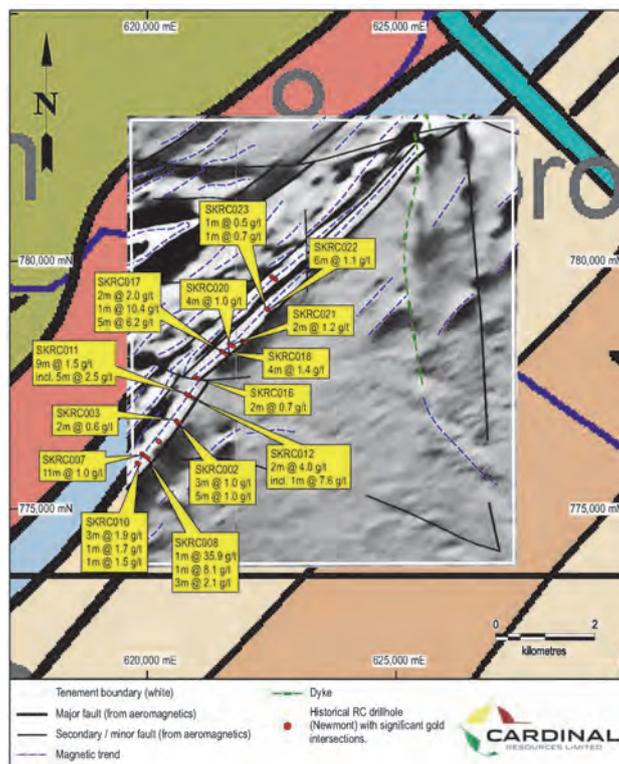


Figure 14: Historical RC drillholes (Newmont) with significant gold intersections highlighted. Magnetic greyscale image in background.

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

Cardinal's planned 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).

This drill program is being planned subject to seasonal conditions.

CORPORATE

Capital Raising

On 9 May 2016 the Company advised that it had completed the issue a 6,416,670 fully paid shares at \$0.12 per share.

The shares were approved at the Company's shareholder meeting held on 27 April 2016.

CAPITAL STRUCTURE

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

Capital Structure	Listed	Unlisted	Total
Fully Paid Ordinary Shares (CDV)	222,074,697	-	222,074,697
Options Ex. \$0.15 on or before 30 September 2019	117,587,039	-	117,587,039
Options Ex. \$0.22 on or before 18 March 2020	-	9,500,000	9,500,000
- Class A Performance Shares	-	50	50
- Class B Performance Shares	-	50	50
- Class C Performance Shares	-	60	60

Cash Balance

The Company's cash balance at 30 June 2016 was approximately \$4.865 million.

TENEMENT SCHEDULE - ASX LISTING RULE 5.3.3

The following mining tenement information is provided pursuant to ASX Listing Rule 5.3.3. No tenements in part or whole, were relinquished, surrendered or otherwise divested during the quarter ended 30 June 2016.

Tenement	Licence Status	Ref	Note	Interest Acquired During Quarter	Interest Divested During Quarter	Interest Held at End of Quarter
Ghana						
Bolgatanga Project						
Ndongo	Prospecting	PL9/22		-	-	100%
Kungongo	Reconnaissance	RL9/28		-	-	100%
Bongo	Reconnaissance	RL9/29		-	-	100%
Namdini	11 SS Mining Licenses		2	-	-	100%
Subranum Project						
Subranum	Prospecting	PL/309	1	-	-	-

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Notes:

1. **Subranum Project:** Cardinal Resources Subranum Limited 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 “Subranum Project”).
2. **Namdini Project:** Cardinal Mining Services Limited (a subsidiary of Cardinal Resources Limited) acquired 13 Small Scale Licences (the “Namdini Project”) through the sale and purchase agreement with Savannah Mining Limited (an affiliated company of Cardinal Mining Services).

For further information contact:

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JORC 2012

This ASX announcement contains information extracted from the following reports which are available for viewing on the Company’s website www.cardinalresources.com.au:

- 28 June 2016 310m Wide Gold Zone Intersected at Namdini Project
- 17 June 2016 190m Wide Gold Zone With Infill Drilling at Namdini
- 31 May 2016 220m Wide Gold Zone With Infill Drilling at Namdini
- 25 May 2016 Wide Gold Zone Continues With Infill Drilling at Namdini
- 10 May 2016 Wide Gold Zones Continue at Namdini Project
- 10 May 2016 Wide Gold Zones Continue at Namdini Project
- 29 April 2016 Visible Gold in Diamond Drill Hole
- 13 April 2016 Strike Extension Ground Geophysics Begins at Namdini
- 12 April 2016 Additional Drill Rigs on Site to Expedite Program
- 7 April 2016 Additional Near Surface Gold Mineralisation at Namdini

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.

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 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(1,421)	(3,936)
(b) development	-	-
(c) production	-	-
(d) administration	(321)	(1,293)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	11	29
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	(80)	(246)
Net Operating Cash Flows	(1,811)	(5,446)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(263)	(1,815)
(b) equity investments	-	-
(c) other fixed assets	(36)	(52)
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	(299)	(1,867)

+ 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 (carried forward)	(2,110)	(7,313)
1.13	Total operating and investing cash flows (brought forward)	(2,110)	(7,313)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	770	12,043
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)	(51)	(681)
	Net financing cash flows	719	11,362
	Net increase (decrease) in cash held	(1,391)	4,049
1.20	Cash at beginning of quarter/year to date	6,256	816
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	4,865	4,865

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	156
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

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

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	755
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	955

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	198	631
5.2 Deposits at call	4,667	5,625
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,865	6,256

+ 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 <i>(description)</i>			
	Class A Performance Shares	50	-	-
	Class B Performance Shares	50	-	-
	Class C Performance Shares	60	-	-
7.2	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	+Ordinary securities	222,074,697	-	-

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	6,416,670 -	6,416,670 -	\$0.12 -	\$0.12 -
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>	117,587,039 9,500,000	117,587,039 -	<i>Exercise price</i> \$0.15 \$0.22	<i>Expiry date</i> 30 September 2019 18 March 2020
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: 6 July 2016

Print name: Sarah Shipway

+ See chapter 19 for defined terms.

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. 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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