

8 July 2013

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 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 June 2013.

HIGHLIGHTS

- **Ndongo Prospect geochemical infill sampling completed, indicating anomalous mineralised trap sites at approximately 200m intervals across the entire 3km strike length;**
- **Ghana Bolgatanga and Subranum Projects Aeromagnetic Survey Mobilised;**
- **New Opportunities within proximity of Bolgatanga Project area, Ghana;**
- **Mt Alexander, Western Australia, Farm-in and Joint Venture withdrawal;**
- **Reduction in Board Fees.**

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. 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 Infill Sampling

During the quarter, infill sampling was completed at 100m line spacings and 50m sample spacings along 14 lines over the 3km anomalous zone within the Bolgatanga Project Ndongo Prospect Central Fold Zone, which was delineated during previous soil sampling. 333 holes were drilled with the custom-built soil sampling rig, totalling 1,039m; 528 samples were taken within the saprolite horizons, with 18 blanks and 19 standards inserted into the sample stream for QA/QC purposes. A geochemical map was produced from all of the results (Figure 2), with the enlarged image of the Central Folded Zone showing the 100m infill lines (Figure 3).



Figure 1: Ghana Regional Map - Bolgatanga Project comprises Ndongo, Kungongo and Bongo Prospects

Nearly every 200m spaced geochemical line contains anomalous samples indicating gold mineralised trap sites at approximately 200m intervals across the entire 3km strike length. This is highly encouraging as the trap sites produce numerous high potential exploration targets.

An assessment in conjunction with those infill lines that did not intersect anomalous values along the NNE-SSW strike of the previous anomalous samples, indicates that the metasediments are refolded, with fold axes in ESE-WNW directions (Figure 4).

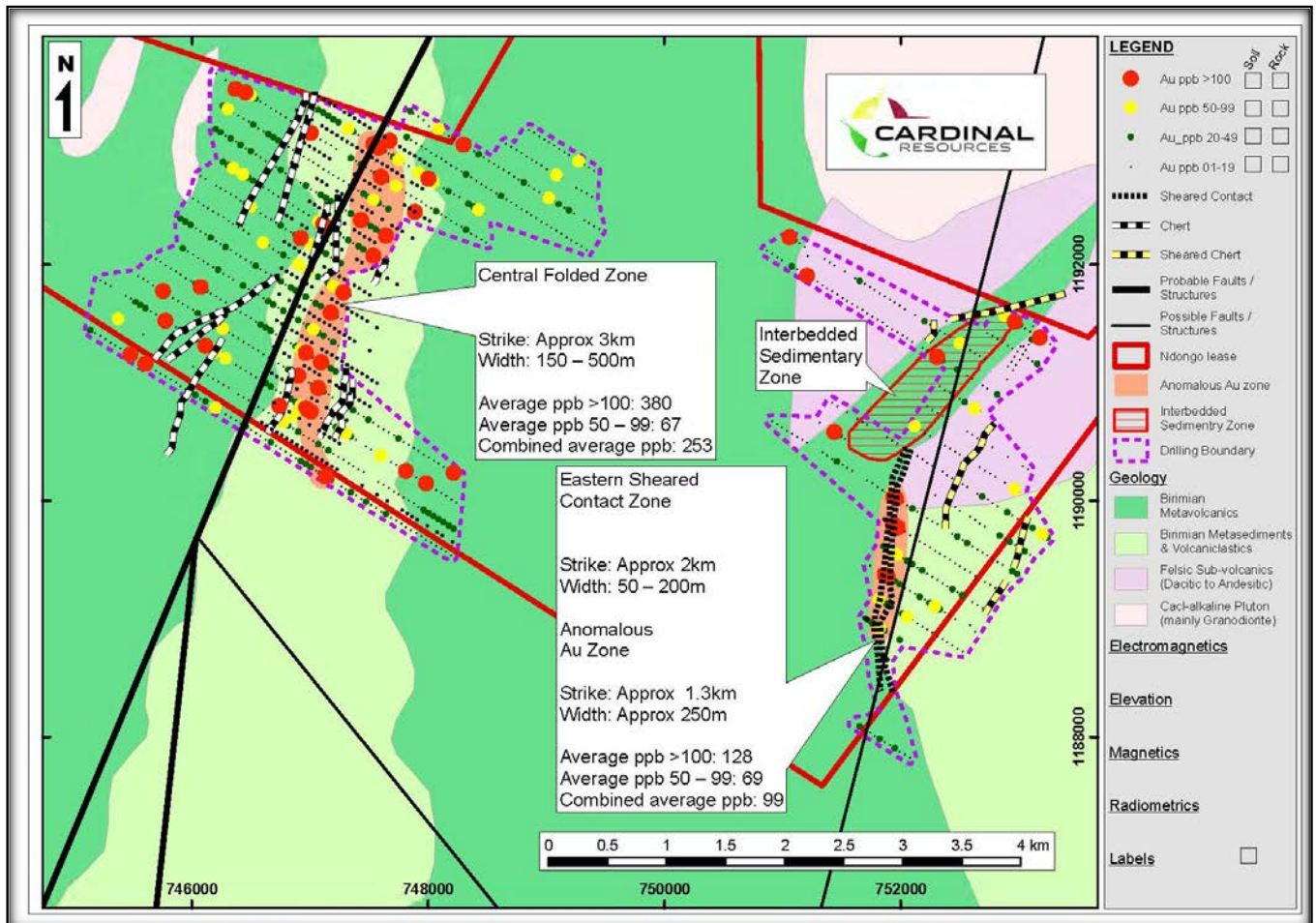


Figure 2: Ndongo Geochemical Survey

As the previous anomalous values (>100 ppb Au) are along 200m spaced lines, infill results indicate re-fold axes are spaced at approximately 200m intervals along strike.

Refolding produces fluid trap sites which usually re-concentrate mineralisation into higher gold grades, plunging shoots, orientated along the re-fold axes.

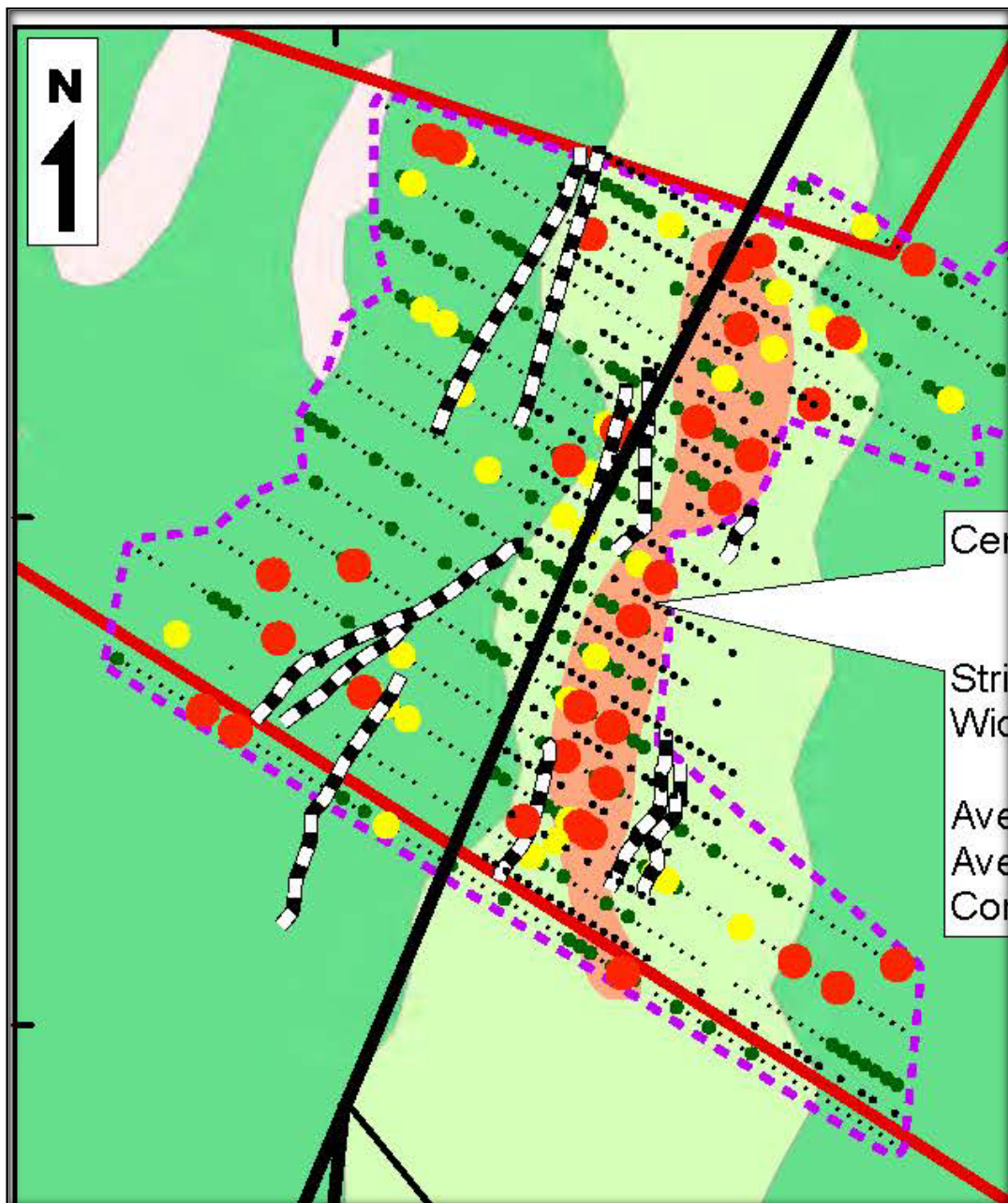


Figure 3: Central Folded Zone including Infill Geochemical Lines

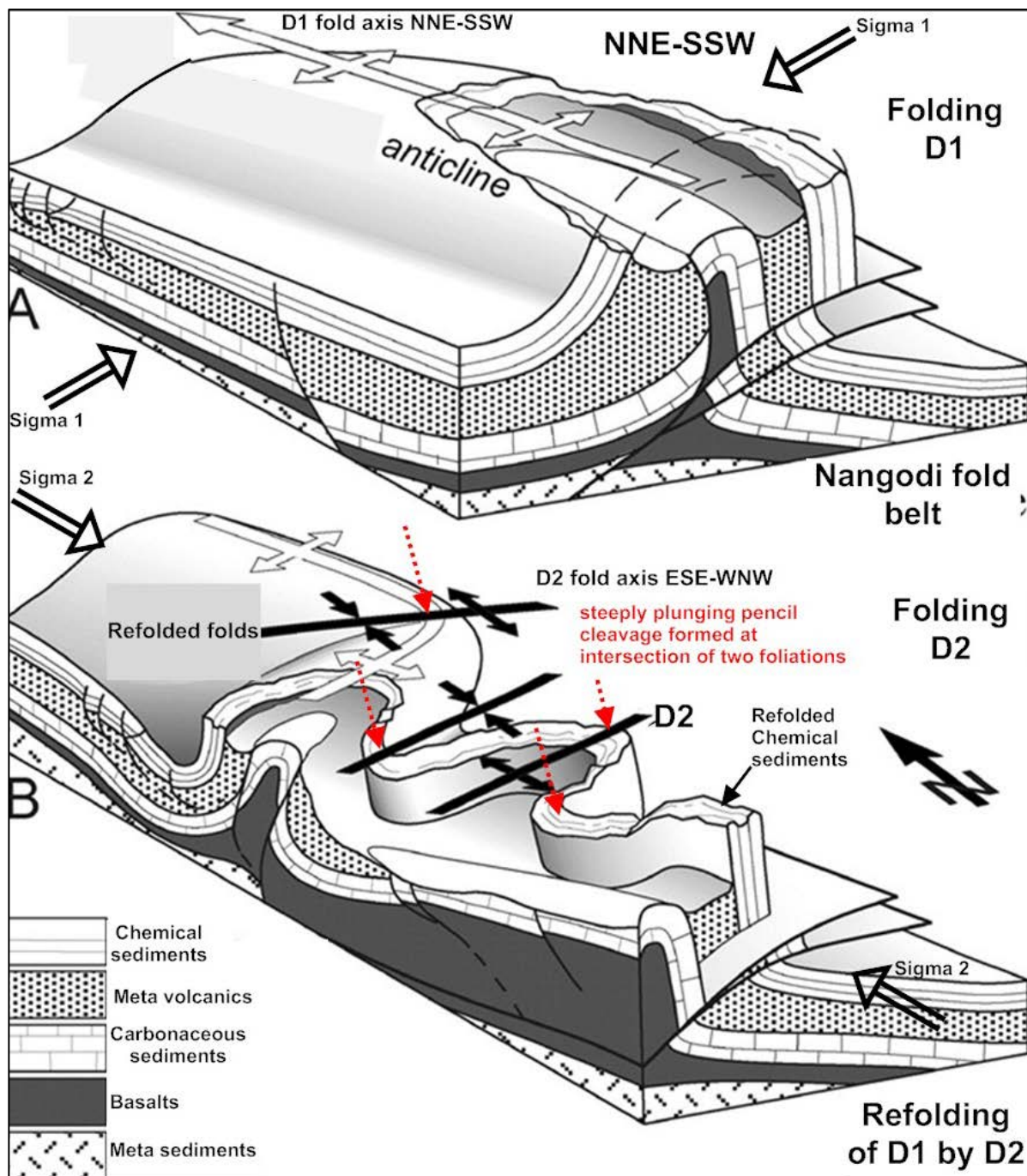


Figure 4: Diagrammatic model of the refolded folds at Pencil Hill & Ndongo Central Folded Zone (Gleeson, 2012)

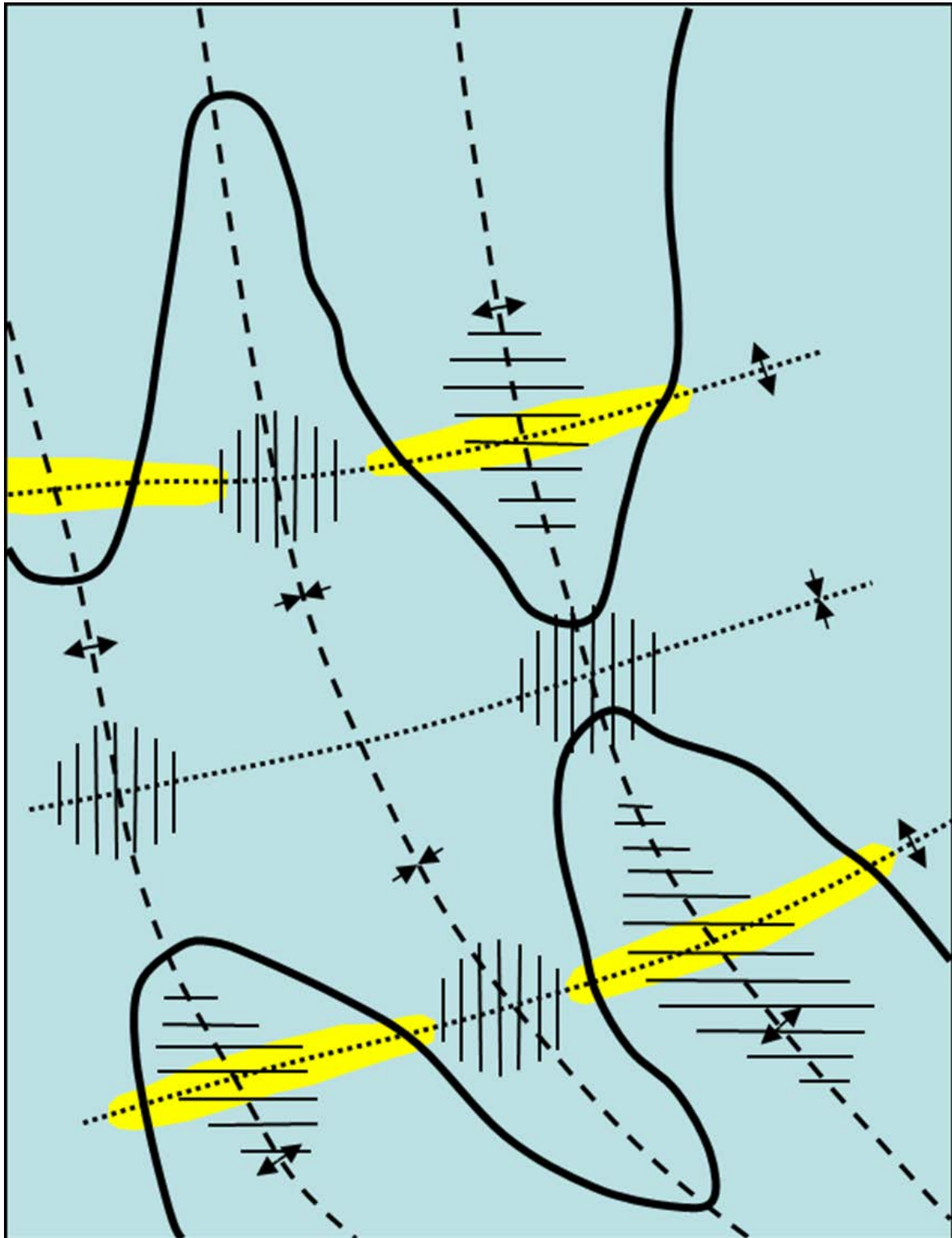


Figure 5: Hypothetical plan view of domical structures caused by refolded folds (D_1 , D_2) and possible fluid trap sites (yellow shaded) (Gleeson, 2012)

Bongo and Kungongo Prospect

During the quarter the Company has focused its exploration activities at the Ndongo Prospect, there was no exploration activity on the Bongo and Kungongo Prospects.

The Bongo and Kungongo Prospects will be included in the proposed airborne geophysical survey. 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 Subranum Project will be included in the proposed airborne geophysical survey. After processing of this new data, target areas will be identified to aid further exploration.

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 are the subject of the Option Agreement.

Subject to DRC in-country and financial market conditions, a site visit by Mr Paul Abbott, Cardinal's Exploration Manager is being planned for the second half of 2013.

MT ALEXANDER PROJECT

On 5 July 2013, Cardinal formally advised Northern Manganese Limited (ASX:NTM) of its withdrawal from the Mt Alexander Farmin and Joint Venture agreement.

BOARD REMUNERATION

Cardinal confirms that it has entered into the following agreements with Directors for their services as executive and non-executive directors;

| Name | Position | Per Annum \$AUD | Other Detail |
|-------------------|------------------------|----------------------------|-------------------------------|
| Klaus Eckhof | Non-Executive Chairman | 36,000 | - |
| Archie Koimtsidis | Managing Director | 220,000 | - |
| Malik Easah | Executive Director | 150,000 | - |
| Marcus Michael | Executive Director | 90,000 | Plus statutory superannuation |
| Alec Pismiris | Non-Executive Director | 36,000 | - |

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) | 51,043,782 | 22,312,794 | 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 31 March 2013 was approximately \$4.15 million.

Managing Director Archie Koimtsidis said "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 have kept the overall average of 380ppb (100ppb cut-off) over the 3km of strike and confirmed our geological model (refolded folding).

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

For further information contact:

Archie Koimtsidis
 Managing Director
Cardinal Resources Limited
 P: +233 (0) 26 190 52 20
 Skype: cardinal.archie

Marcus Michael
 Executive Director
Cardinal Resources Limited
 P: +61 8 9322 6600
 M:+61 (0) 418 908 091

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.

Appendix 5B

Mining 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

Name of entity

Cardinal Resources Limited

ABN

56 147 325 620

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

| | | Current quarter \$A'000 | Year to date (12 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 | (727) | (1,331) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) administration | (160) | (962) |
| 1.3 | Dividends received | - | - |
| 1.4 | Interest and other items of a similar nature received | 28 | 134 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Other (provide details if material) | (36) | (85) |
| Net Operating Cash Flows | | (895) | (2,244) |
| Cash flows related to investing activities | | | |
| 1.8 | Payment for purchases of: (a) prospects | - | - |
| | (b) equity investments | - | - |
| | (c) other fixed assets | (28) | (45) |
| 1.9 | Proceeds from sale of: (a) prospects | - | - |
| | (b) equity investments | - | - |
| | (c) other fixed assets | - | - |
| 1.10 | Loans to other entities | - | (100) |
| 1.11 | Loans repaid by other entities | - | (15) |
| 1.12 | Other – Purchase of Subsidiary Company | - | 335 |
| Net investing cash flows | | (28) | 175 |
| 1.13 | Total operating and investing cash flows (carried forward) | (923) | (2,069) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|--------------|--------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (923) | (2,069) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | 4,438 |
| 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 – Capital Raising Costs | - | (407) |
| | Net financing cash flows | - | 4,031 |
| | Net increase (decrease) in cash held | (923) | 1,962 |
| 1.20 | Cash at beginning of quarter/year to date | 4,893 | 2,008 |
| 1.21 | Exchange rate adjustments to item 1.20 | 186 | 186 |
| 1.22 | Cash at end of quarter | 4,156 | 4,156 |

Payments to directors of the entity and associates of the directors

Payments to 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 | 174 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | NIL |

1.25 Explanation necessary for an understanding of the transactions

| | |
|---|--------|
| | \$'000 |
| Directors' Fees and Remuneration | 148 |
| Accounting, corporate, bookkeeping and secretarial services | 26 |

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 | N/A | N/A |
| 3.2 Credit standby arrangements | N/A | N/A |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|----------------|
| 4.1 Exploration and evaluation | 550 |
| 4.2 Development | - |
| 4.3 Production | - |
| 4.4 Administration | 120 |
| Total | 670 |

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 | 240 | 310 |
| 5.2 Deposits at call | 2,891 | 3,572 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other – Term Deposits | 1,025 | 1,011 |
| Total: cash at end of quarter (item 1.22) | 4,156 | 4,893 |

Changes in interests in mining tenements

| | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|---|---------------------------|--|---|---|
| 6.1 Interests in mining tenements relinquished, reduced or lapsed | N/A | N/A | N/A | N/A |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | | | |
|-----|---|-----|-----|-----|-----|
| 6.2 | Interests in mining tenements acquired or increased | N/A | 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 | Performance +securities | | | | |
| | Class A Performance Share | 50 | - | - | - |
| | Class B Performance Shares | 50 | - | - | - |
| 7.2 | Changes during quarter | | | | |
| | (a) Increases through issues | | | | |
| | Class A Performance Shares | - | - | - | - |
| | Class B Performance Shares | - | - | - | - |
| | (b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 7.3 | +Ordinary securities | 73,356,576 | 50,256,282 | - | - |
| 7.4 | Changes during quarter | | | | |
| | (a) Increases through issues | - | - | - | - |
| | (b) Decreases through returns of capital, buy-backs | - | - | - | - |
| 7.5 | +Convertible debt securities (description) | - | - | - | - |

+ See chapter 19 for defined terms.

| | | | | | |
|------|---|--|------------------------|---|--|
| 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: 8 July 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. 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 acquired, exercised or lapsed during the reporting period. If the

+ See chapter 19 for defined terms.

entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining 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.

== == == == ==