

Onwards and upwards for Cardinal

Momentum builds as explorer drives 4Moz maiden resource towards production

CARDINAL RESOURCES (AU:CDV) has an exciting year ahead, having recently established a 4 million ounce maiden gold resource at its flagship Namdini project in Ghana within 18 months of discovery.

Managing director Archie Koimtsidis told *Mining Journal* that the company would be very busy on both the development and exploration fronts this year, as it pushed the project towards production.

"This will involve the recruitment of further seasoned professionals, which we anticipate will ultimately add shareholder value by completing the assigned objectives," he said.

"Our focus will be on driving the Namdini project through to production as quickly as possible by completing the necessary studies, while at the same time understanding the potential size of the resource through further drilling at depth and along strike."

While Namdini's 1km-long established size is already impressive, the company is confident it holds further potential.

"The deposit is very amenable to openpit mining as it starts at surface and has a large mineralised surface footprint of circa 250m x 1,000m,

which may also have underground potential ... watch this space," Koimtsidis said.

Infill and exploratory drilling is underway and delivering strong results, bolstering the company's plans to provide a resource upgrade this year, both in size and in category of confidence, in conjunction with scoping and feasibility studies.

Four diamond rigs have been active at Namdini to test possible strike extensions south of the deposit and to the west for possible down-dip extensions.

Infill and up-dip drilling is hitting more gold mineralisation, and highlights from December infill drilling include 27m at 7.57g/t of gold from 162, and 34m at 7.33g/t from surface.

Up-dip drilling intersections include 9m at 2.06g/t of gold from surface and 26m at 1.64g/t from 20m.

"We are encouraged by recent infill drill data that provides further confidence in the current resource," Koimtsidis said.

"The drill holes indicate that broad zones of mineralisation, on average 250m wide, extend to the surface and that high-grade gold intersections begin from surface in several parts of the deposit."

He said the new up-dip drill hole

programme was demonstrating the potential for the gold-mineralised zone at Namdini to extend to the surface over the majority of the deposit.

"A further 14 up-dip holes have been completed and assay results are awaited," he said.

The company released a metallurgical update in November, indicating fast flotation recoveries of 90% gold into concentrate and further optimisation studies are underway.

"Our latest metallurgical results announced in November indicate that we will be able to proceed along a conventional gold extraction route with crush-grind-float and CIL," Koimtsidis said.

"As a matter of natural progression, we have further metallurgical optimisation programmes in place and anticipate further metallurgical samples to be sent in for testwork in a few weeks, which will ultimately represent the entire orebody.

"It's a work in progress that will continue to provide optimised results to the market."

The project is gaining positive attention from investors and analysts alike as it gains momentum.

The company is continuing to draw strong support from institutions, with New York's Van Eck Asso-



Drilling is boosting confidence in Namdini



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– ARCHIE KOIMTSIDIS
CARDINAL RESOURCES MD

ciates Corporation becoming a substantial shareholder in November then further increasing its holding less than a month later.

"We are very pleased to welcome Van Eck as a key institutional major shareholder," Koimtsidis said.

"Their desire to own a major shareholding, via on market purchases, shows tremendous support for Cardinal's projects.

"We also have several other key shareholders including Dynamic Fund, Precious Capital Global Mining and Metals Fund and US Global, who have been stalwart supporters of our efforts to date.

"Their shareholding supports the tremendous potential of our Ghanaian projects."

He said a visit to Namdini in November by international analysts and fund managers was also very well received.

"Attendees walked away with all of their queries addressed, with the knowledge that we physically have a robust deposit that will be mined using conventional processing methods," Koimtsidis said.

Management's presence and experience in Ghana is a key part of Cardinal's ongoing success.

"We are fortunate that my fellow director Malik Easah, who is a Ghanaian National from the Namdini region, and I have worked in the Namdini region for circa 20 years," Koimtsidis said.

"It has provided us with the ability to personally interact on a local level on social and cultural fronts that are important to the community and through to all levels of government.

"We also push on with the work programme in a very efficient and economical manner as we monitor activities in real-time.

"As people who have an affinity for the region, we are active in recruiting Ghanaian nationals where possible to aid in their development."

Globally experienced project manager and qualified metallurgist Bruce Lilford has just been appoint-

ed Cardinal's project manager and is expected to play an instrumental role in Namdini's development.

"Bruce is a seasoned international professional with a metallurgical background who has the capability to easily manage the Namdini project through development and into production," Koimtsidis said.

"Bruce's appointment is well timed as the Namdini project now has a maiden JORC resource of 4Moz and naturally moves from exploration into development.

"He has the qualifications and experience to make a significant contribution to our company."

Alongside proving up Namdini's potential, Cardinal has high hopes for the surrounding under-explored area and the prospectivity at its other Ghanaian projects, Bolgatanga and Subranum.

"As the focus on the Namdini deposit turns towards development, Cardinal's land holding around the Namdini deposit will be further tested for extensions and repeats of the Namdini type target," Koimtsidis said.

"We have early indications of what drives the system and gold deposition, so that should aid us in further targeting this prospective and underexplored region.

"We also have some very good geophysical and geochemical targets on our Bolgatanga and Subranum Projects within Ghana, which will also be further explored given we have over 100 line kilometres of yet-to-be drill-tested shear zones."

He said Cardinal's achievements were beginning to speak for themselves.

"I think the fact that we outlined a maiden 4Moz resource from surface in an 18-month period in an investor friendly jurisdiction – Ghana, West Africa – is a stand-out for us," he said.

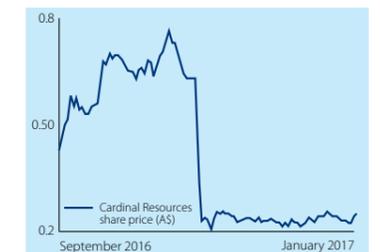
He added that the company had a simple message for current and future investors, along with wishes for a healthy and prosperous 2017: "Onwards and upwards!"

Cardinal went from discovery to 4Moz maiden resource in 18 months

Cardinal geotechnicians marking a core



CARDINAL RESOURCES AT A GLANCE



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DIRECTORS

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MARKET CAPITALISATION

A\$74.5 million (Jan 23, 2017)

QUOTED SHARES ON ISSUE

303.9 million

MAJOR SHAREHOLDERS

Directors 5.5%; 1832 Asset Management LP (Dynamic Fund) 9%, Van Eck Associates Corporation 5.3%; Precious Capital Global Mining and Metals Fund 4.9%, Macquarie Bank 4.2%, US Global 3.9%