
CARDINAL RESOURCES LIMITED

ACN 147 325 620

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2:00 pm (WST)

DATE: 22 November 2017

PLACE: Intercontinental Perth City Centre
815 Hay Street
Perth WA 6000

This Notice of Meeting, together with the accompanying Explanatory Statement and Management Information Circular should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6558 0573

CONTENTS

Business of the Meeting (setting out the proposed Resolutions)	4
Explanatory Statement (explaining the proposed Resolutions)	11
Management Information Circular	35
Glossary	71
Schedule 1 – Issues of Equity Securities since 22 November 2016	74
Schedule 2 – Stock Option Plan	77
Schedule 3 – Terms and Conditions of Options	94
Annexure A – Nomination of Auditor Letter	98
Proxy Form	

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting of Shareholders will be held at 2:00 pm (WST) on 22 November 2017 at:

Intercontinental Perth City Centre
815 Hay Street
Perth WA 6000

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00 pm (WST) on 20 November 2017.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:

- the proxy is not recorded as attending the meeting; or
- the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report thereon.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the annual financial report of the Company for the financial year ended 30 June 2017."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (i) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (ii) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – KEVIN TOMLINSON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 3.5 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Kevin Tomlinson, a Director who was appointed as an additional Director on 7 November 2016, retires, and being eligible, is elected as a Director."

4. RESOLUTION 3 – ELECTION OF DIRECTOR – ROBERT SCHAFER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 3.5 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Robert Schafer, a Director who was appointed as an additional Director on 11 July 2017, retires, and being eligible, is elected as a Director.”

5. RESOLUTION 4 – ELECTION OF DIRECTOR – JACQUES MCMULLEN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 3.5 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Jacques McMullen, a Director who was appointed as an additional Director on 11 October 2017, retires, and being eligible, is elected as a Director.”

6. RESOLUTION 5 – ELECTION OF DIRECTOR – MICHELE MUSCILLO

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 3.5 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Michele Muscillo, a Director who was appointed as an additional Director on 11 October 2017, retires, and being eligible, is elected as a Director.”

7. RESOLUTION 6 – ISSUE OF OPTIONS TO RELATED PARTY - ROBERT SCHAFER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,879,000 Options to Robert Schafer (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Robert Schafer (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

As of the date hereof, nil Shares held by Mr. Schafer (or his nominee) and their associates will be excluded from the vote.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 7 – ISSUE OF OPTIONS TO RELATED PARTY – JACQUES MCMULLEN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

- (a) *“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,018,100 Options to Jacques McMullen (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Jacques McMullen (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

As of the date hereof, nil Shares held by Mr. McMullen (or his nominee) and their associates will be excluded from the vote.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 8 – ISSUE OF OPTIONS TO RELATED PARTY – MICHELE MUSCILLO

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

- “That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,018,100 Options to Michele*

Muscillo (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Michele Muscillo (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

As of the date hereof, nil Shares held by Mr. Muscillo (or his nominee) and their associates will be excluded from the vote.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. RESOLUTION 9 – ISSUE OF OPTIONS TO CHIEF FINANCIAL OFFICER DERRICK WEYRAUCH

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

- (a) *"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 2,879,000 Options to Chief Financial Officer Derrick Weyrauch (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

As of the date hereof, 80,000 Shares held by Mr. Weyrauch (or his nominee) and their associates will be excluded from the vote.

11. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 45,598,266 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

12. RESOLUTION 11 – NON-EXECUTIVE DIRECTORS' REMUNERATION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of clause 9.2 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, Shareholders approve an increase of the maximum total aggregate amount of fees payable to non-executive Directors from \$350,000 per annum to \$573,000 per annum in accordance with the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

13. RESOLUTION 12 - APPOINTMENT OF AUDITOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 327B of the Corporations Act and for all other purposes, BDO (WA) Pty Ltd, having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the Meeting."

14. RESOLUTION 13 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

15. RESOLUTION 14 – ADOPTION OF STOCK OPTION PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive plan titled “Cardinal Resources Limited Stock Option Plan” (the “Plan”) and for the issue of securities under that Plan, in the form and on the terms and conditions set out in Schedule 2 to the Explanatory Statement. The Plan be and is hereby ratified, confirmed and approved. All unallocated options under the Plan be and are hereby approved. The Company may continue to grant options under the Plan until November 22, 2020, which is the date that is three (3) years from the date of the Meeting at which shareholder approval is being sought.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in any employee incentive plan in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Plan does not limit the participation of Insiders. The aggregate number of Shares: (i) issued to Insiders within any one year period; and (ii) issuable to Insiders at any time, could exceed 10% of the Company's issued and outstanding Shares. As a result, TSX rules provide that the votes attached to the Shares held by all Insiders eligible to participate in the Plan, must also be excluded. As of the date hereof, 15,954,380 Shares held by Insiders eligible to participate in the Plan will be excluded from the vote.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Particulars of the foregoing matters are set forth in the accompanying Explanatory Statement and Management Information Circular.

Dated: 18 October 2017

By order of the Board

SARAH SHIPWAY
Company Secretary

EXPLANATORY STATEMENT AND MANAGEMENT INFORMATION CIRCULAR

This Explanatory Statement and Management Information Circular dated as of 18 October 2017 is furnished in connection with the solicitation of proxies by Cardinal Resources Limited for use at the annual general meeting of the holders of ordinary shares of the Company to be held on Wednesday, 22 November 2017 at 2:00 pm (WST), and any adjournment thereof, at the place and for the purposes set forth in the accompanying Notice.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report thereon.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.cardinalresources.com.au and under the Company's profile on SEDAR at www.sedar.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the

company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel ¹	Vote as directed	Unable to vote ³
Chair ²	Vote as directed	Able to vote at discretion of Proxy ⁴
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

² Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3. RESOLUTIONS 2 - 5 – ELECTION OF DIRECTORS – KEVIN TOMLINSON, ROBERT SCHAFER, JACQUES MCMULLEN AND MICHELE MUSCILLO

3.1 General

Clause 3.5 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

3.2 Election of Kevin Tomlinson

Kevin Tomlinson, having been appointed by other Directors on 7 November 2016 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and, being eligible, seeks election from Shareholders. If elected, Mr Tomlinson will hold office for a term of three years from the date of his election or until Mr Tomlinson is required to seek re-election pursuant to the Constitution at an annual general meeting of Shareholders following such date, whichever is earlier.

(a) Qualifications and other material directorships

Kevin Tomlinson possesses over 30 years' experience in mining and finance within the Toronto, Australian and London Stock markets. Mr Tomlinson was previously Managing Director of Investment Banking at Westwind Partners/Stifel Nicolaus where he was involved in raising equity and providing corporate advice.

Mr Tomlinson has extensive experience in development and financing of mining projects internationally. Previous directorships include Centamin Plc, an Egyptian gold producer, Orbis Gold, a Burkina Faso gold developer and Medusa Mining, a Philippines gold producer.

(b) Independence

If elected, the Board does not consider Kevin Tomlinson will be an independent director.

3.3 Election of Robert Schafer

Robert Schafer, having been appointed by other Directors on 11 July 2017 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and, being eligible, seeks election from Shareholders. If elected, Mr Schafer will hold office for a term of three years from the date of his election or until Mr Schafer is required to seek re-election pursuant to the Constitution at an annual general meeting of Shareholders following such date, whichever is earlier.

(a) **Qualifications and other material directorships**

Robert Schafer has over 30 years of international experience as a geologist exploring for mineral deposits in more than 70 countries. As an executive, manager and field geologist with companies including Billiton, BHP, Kinross and Hunter Dickinson, Mr Schafer led teams to the discovery of several deposits in the western USA (Briggs and Griffon gold mines), as well as developing strategies that led to brownfields discoveries in western Canada, southern Africa and far east Russia (Birkachan gold mine).

Mr Schafer is the immediate Past President of the Prospectors and Developers Association of Canada (PDAC) as well as Past President of both the Canadian Institute for Mining, Metallurgy and Petroleum (CIM) and the Mining and Metallurgical Society of America (MMSA). He is a Certified Corporate Director (ICD.D), a RPGeo and is also an active member of the Society for Mining, Metallurgy and Exploration (SME) in the USA, where he served on its Board for more than a decade.

Mr Schafer serves as a member of the Board of Directors for both the Canadian Mining Hall of Fame and National Mining Hall of Fame in the USA. He is the recipient of the William Lawrence Saunders Gold Medal from the American Institute of Mining, Metallurgical and Petroleum Engineers (AIME) and the Daniel C. Jackling Award from SME for career achievements, two of the highest mining recognitions in the USA.

(b) **Independence**

Robert Schafer has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the entity and its security holders generally.

If elected, the board considers Robert Schafer will be an independent director.

3.4 Election of Jacques McMullen

Jacques McMullen, having been appointed by other Directors on 11 October 2017 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and, being eligible, seeks election from Shareholders. If elected, Mr McMullen will hold office for a term of three years from the date of his election or until Mr McMullen is required to seek re-election pursuant to the Constitution at an annual general meeting of Shareholders following such date, whichever is earlier.

(a) **Qualifications and other material directorships**

Mr McMullen retired in 2012 after a distinguished 35 year career in the mining industry of which the last 17 years were with Barrick Gold Corporation where he held the positions of Senior VP Special Projects and Technical Services. In

his role as Senior VP of Barrick, Jacques was instrumental in the development of many mines including Goldstrike, Veladero, Lagunas Norte, Cowal and Bulyanhulu. His experience includes all phases of development including feasibility, construction, commissioning, ramp-up and operations optimization.

Following his retirement, Mr McMullen joined BBA as Principal, Mines & Metals and Director. BBA is a Canadian based, global engineering firm. At BBA, Jacques focused on the Borden Lake development project which was purchased by Goldcorp. Additionally, Jacques was Chairman of Orvana Minerals Corp. (TSX: ORV) and is currently a Director at NewCastle Gold Ltd. (TSX: NCA) and a corporate advisor to Detour Gold Corporation (TSX: DGC).

(b) **Independence**

Jacques McMullen has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the entity and its security holders generally.

If elected, the Board considers Jacques McMullen will be an independent director.

3.5 **Election of Michele Muscillo**

Michele Muscillo, having been appointed by other Directors on 11 October 2017 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and, being eligible, seeks election from Shareholders. If elected, Mr Muscillo will hold office for a term of three years from the date of his election or until Mr Muscillo is required to seek re-election pursuant to the Constitution at an annual general meeting of Shareholders following such date, whichever is earlier.

(a) **Qualifications and other material directorships**

Mr Muscillo is a Partner with HopgoodGanim Lawyers in Australia. Michele has practised exclusively in corporate law for over 15 years and has extensive experience in capital markets transactions, including the negotiation of significant commercial contracts and agreements. As part of this role, Mr Muscillo has acted on numerous IPOs and debt and equity raisings, and advised both bidders and targets on public market control transactions. His key areas of practice include Corporate Advisory and Governance, Capital Markets, Resources and Energy.

Mr Muscillo is currently a Non-Executive Director with Aeris Resources Limited (ASX: AIS) and Xanadu Mines Limited (ASX: XAM). Formerly, Michele was also Non-Executive Director of Orbis Gold Limited which is currently owned by TSX-Listed SEMAFO Inc. (TSX: SMF).

(b) **Independence**

Michele Muscillo has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the entity and its security holders generally.

If elected, the Board considers Michele Muscillo will be an independent director.

3.6 Board recommendation

The Board supports the election of Kevin Tomlinson, Robert Schafer, Jacques McMullen and Michele Muscillo and recommends that Shareholders vote in favour of Resolutions 2 - 5.

3.7 Further information

For further information regarding the election of directors, please see the information under the heading "*Particulars of Matters to be Acted Upon - Election of Directors*" in the Management Information Circular.

4. RESOLUTIONS 6 - 8 – ISSUE OF OPTIONS TO RELATED PARTIES - ROBERT SCHAFER, JACQUES MCMULLEN AND MICHELE MUSCILLO

4.1 General

Between July 2017 and October 2017, the Company announced the appointment of Robert Schafer as a Non-Executive Director, Jacques McMullen as a Non-Executive Director and Michele Muscillo as a Non-Executive Director of the Company.

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 6,915,200 Options (**Related Party Options**) to Messrs Robert Schafer, Jacques McMullen and Michele Muscillo (**Related Parties**) or their nominees, on the terms and conditions set out below.

Resolutions 6 - 8 seeks Shareholder approval for the grant of the Related Party Options to Mr Schafer, Mr McMullen and Mr Muscillo (or their nominees).

4.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Related Party Options constitutes giving a financial benefit and Robert Schafer, Jacques McMullen and Michele Muscillo are related parties of the Company by virtue of being Directors.

The Directors (other than Robert Schafer, Jacques McMullen and Michele Muscillo who have a material personal interest in these Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options because the agreement to grant the Related Party Options, reached as part of the remuneration package for Robert Schafer, Jacques McMullen and Michele Muscillo is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

4.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

4.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 6 - 8:

- (a) The Related Party Options will be granted to:
 - (i) Robert Schafer (or his nominee);
 - (ii) Jacques McMullen (or his nominee); and
 - (iii) Michele Muscillo (or his nominee).
- (b) The number of Related Party Options to be issued to the Related Parties is 6,915,200, which will be granted and vest in accordance with the following Milestones:

Related Party	Milestone 1	Milestone 2	Milestone 3	Total Options
Robert Schafer	863,700	863,700	1,151,600	2,879,000
Jacques McMullen	Nil	864,900	1,153,200	2,018,100
Michele Muscillo	Nil	864,900	1,153,200	2,018,100
TOTAL	863,700	2,593,500	3,458,000	6,915,200

- (i) The Related Party Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules or the TSX Company Manual) and it is intended that issue of the Options will occur on the same date.
- (ii) The Related Party Options will be issued for nil cash consideration; accordingly, no funds will be raised.
- (iii) The terms and conditions of the Related Party Options are set out in Schedule 3. Mr Schafer's Related Party Options will be exercisable at \$0.825 per Option and Messrs Muscillo and McMullen's Related Party Options will be exercisable at \$0.965 per Option. The Related Party Options will not be issued under or governed by the Company's Stock Option Plan.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party Options to Messrs Schafer, Muscillo and McMullen (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

5. RESOLUTION 9 – ISSUE OF OPTIONS TO CHIEF FINANCIAL OFFICER DERRICK WEYRAUCH

5.1 General

Resolution 9 seeks Shareholder approval for the issue of up to 2,879,000 Options to provide a performance linked incentive component in the remuneration package provided to Chief Financial Officer Derrick Weyrauch, the Company's new Chief Financial Officer.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

The effect of Resolution 9 will be to allow the Company to issue the Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 9:

- (a) The maximum number of Options to be issued is 2,879,000. The Options will vest in accordance with the following Milestones:

Optionholder	Milestone 1	Milestone 2	Milestone 3	Total Options
Derrick Weyrauch	863,700	863,700	1,151,600	2,879,000

- (b) The Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules or the TSX Company Manual) and it is intended that issue of the Options will occur on the same date.
- (c) The Options will be issued for nil cash consideration.
- (d) The Options will be issued to Derrick Weyrauch (or his nominee), who is not a related party of the Company within the meaning of the Corporations Act.
- (e) The Options will be issued on the terms and conditions set out in Schedule 3. Mr Weyrauch's Options will be exercisable at \$0.825 per Option. The Options will not be issued under or governed by the Company's Stock Option Plan.
- (f) No funds will be raised from the issue as the Options are being issued as part of the remuneration package provided to Derrick Weyrauch.

6. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE – SHARES

6.1 General

As announced on 10 April 2017, the Company received commitments for a placement of 45,598,266 Shares at an issue price of \$0.50 per Share to raise \$22,799,133, before costs. On 21 April 2017, the Company issued those Shares.

Resolution 10 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 45,598,266 Shares were issued;
- (b) the issue price was \$0.50 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to institutional and sophisticated investors. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue were used for funding towards reverse circulation and diamond drilling at the Company's Namdini Gold Project in Ghana, West Africa, exploration of the Company's other Ghanaian properties, to provide capital for any potential payments in relation to acquisition tenements located adjacent to the Namdini Gold Project, technical studies in respect of the Namdini Gold Project and for further working capital.

7. RESOLUTION 11 – NON-EXECUTIVE DIRECTORS' REMUNERATION

ASX Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

Clause 9.2(a)(i) of the Company's Constitution also requires that remuneration payable to the non-executive Directors will not exceed the sum last fixed by ordinary resolution of Shareholders at a general meeting. The current non-executive directors' fee pool of \$350,000 was approved on 11 November 2010 and has not been adjusted since that date.

As announced by the Company on 5 July 2017, a final non-offering prospectus for a secondary listing on the TSX was receipted by the Ontario Securities Commission and the Company's Shares began trading on the TSX on 10 July 2017. In conjunction with the listing on the TSX, the Company added Mr Robert Schafer to its Board. Mr Schafer's experience and qualifications are set out in the Company's ASX announcement dated 11 July 2017.

The Company has a continual process of identifying skill sets that may be an adjunct to its current Board and may consider further additions to the Board as required. As a result of the addition to the Board, with Mr Schafer and the potential for further

additions, the Company is seeking an increase in the existing non-executive directors' fee pool.

The maximum aggregate amount of fees payable to all of the non-executive Directors is currently set at \$350,000. Resolution 11 seeks Shareholder approval to increase this figure by \$223,000 to \$573,000. The non-executive directors' fee pool includes superannuation contributions made by the Company for the benefit of non-executive Directors and any fees which a non-executive Director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine "special exertion" fees paid in accordance with the Constitution, or securities issued to a non-executive Director under ASX Listing Rule 10.11 or 10.14 with approval of Shareholders.

Whilst it is not envisaged that the maximum amount sought will be utilised immediately; given the Company's growth trajectory from explorer to developer and its international operations and trading in two jurisdictions the proposed limit is requested to ensure that the Company:

- (a) maintains its capacity to remunerate both existing and any new non-executive directors joining the Board;
- (b) remunerates its non-executive directors appropriately for the expectations placed upon them both by the Company and the regulatory environments in which it operates; and
- (c) has the ability to attract and retain non-executive directors whose skills and qualifications are appropriate for a company of the size and nature of the Company as it continues to grow.

Given the interest of the non-executive Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

8. RESOLUTION 12 – APPOINTMENT OF AUDITOR AT AGM TO FILL VACANCY

Under section 327B of the Corporations Act, the Company in a general meeting must appoint an auditor to fill any vacancy in the office of auditor at each subsequent annual general meeting of the Company.

Greenwich and Co Audit Pty Ltd, the Company's former auditor, gave notice of its intention to resign as auditor of the Company to ASIC (under section 329(5) of the Corporations Act) and ASIC has consented to their resignation as the Company's auditor, effective from 28 February 2017.

In accordance with section 327C of the Corporations Act, the Directors appointed BDO (WA) Pty Ltd (ACN 124 158 863) (**BDO**) as the Company's auditor effective from the date of resignation of Greenwich and Co Audit Pty Ltd up until the date of the Meeting.

In accordance with section 327B(1)(b) of the Corporations Act, the Company seeks to have BDO appointed by Shareholders as the Company's auditor pursuant to this Resolution 12.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for BDO to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement at Annexure A.

BDO has given its written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act subject to Shareholder approval of this Resolution.

If Resolution 12 is passed, the appointment of BDO as the Company's auditor will take effect from the close of this Annual General Meeting.

9. RESOLUTION 13 – APPROVAL OF 10% PLACEMENT CAPACITY

9.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$245,370,691 (based on the number of Shares on issue and the closing price of Shares on the ASX on 17 October 2017).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has two classes of quoted Equity Securities on issue, being the Shares (ASX Code: CDV) and options (ASX Code: CDVOA).

If Shareholders approve Resolution 13, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 13 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 13 for it to be passed.

9.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 13:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 9.2(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 13 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 17 October 2017.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.35 50% decrease in Issue Price	0.70 Issue Price	1.05 50% increase in Issue Price
350,529,559 (Current Variable A)	Shares issued - 10% voting dilution	35,052,956 Shares	35,052,956 Shares	35,052,956 Shares
	Funds raised	\$12,268,535	\$24,537,069	\$36,805,603
525,794,339 (50% increase in Variable A)	Shares issued - 10% voting dilution	52,579,434 Shares	52,579,434 Shares	52,579,434 Shares
	Funds raised	\$18,402,802	\$36,805,604	\$55,205,256
701,059,118 (100% increase in Variable A)	Shares issued - 10% voting dilution	70,105,912 Shares	70,105,912 Shares	70,105,912 Shares
	Funds raised	\$24,537,070	\$49,074,138	\$73,611,208

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 350,529,559 Shares on issue comprising as at the date of this Notice of Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 17 October 2017.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for:
 - (A) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition);
 - (B) continued exploration expenditure on the Company's current and/or new assets; and
 - (C) general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources, assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;

- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) Previous approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 7 November 2016 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 22 November 2016, the Company otherwise issued a total of 130,518,321 Shares and 9,500,000 Options which represents approximately 32.62% of the total diluted number of Equity Securities on issue in the Company on 22 November 2016, which was 429,161,846.

Further details of the issues of Equity Securities by the Company during the 12-month period preceding the date of the Meeting are set out in Schedule 1.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (i) the information required by Listing Rule 3.10.5A for release to the market.

9.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 13.

10. RESOLUTION 14 – APPROVAL OF STOCK OPTION PLAN

Resolution 14 seeks Shareholder approval for the adoption of the employee incentive scheme titled “Cardinal Resources Limited Stock Option Plan” (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

A summary of ASX Listing Rule 7.1 is set out in Section 5.1.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 14 is passed, the Company will be able to issue Options under the Plan to eligible participants over a period of 3 years without impacting on the Company’s ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12-month period.

Shareholders should note that no Options have previously been issued under the Plan.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Options under the Plan will provide selected employees, Directors and consultants with the opportunity to participate in the future growth of the Company.

Any future issues of Options under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX’s opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

On 17 October 2017, the Board approved the adoption of the Plan. The prior employee option plan of the Company (**Prior Option Plan**) was approved by the shareholders of the Company on 19 November 2015. With the implementation of the Plan, no additional options will be granted under the Prior Option Plan, which will continue to govern all prior grants made thereunder.

The maximum number of Shares that may be reserved for issuance under the Plan less the number of Shares subject to outstanding options under the Prior Option Plan, shall not exceed five percent (5%) of the total issued and outstanding Shares. As of the date hereof, there were 8,000,000 outstanding Options that were granted under the Prior Option Plan, representing approximately 2.3% of the 350,529,559 issued and outstanding Shares as of such date. Based on the foregoing, as of the date hereof, up to 9,526,477 Shares, representing approximately 2.7% of the issued and outstanding Shares, remained available for issuance in connection with future grant of Options under the Plan.

A summary of the key terms and conditions of the Plan is set out below. The following summary is intended as a brief description of the Plan and is qualified in its entirety by the full text of the Plan, a copy of which is attached hereto as Schedule 2.

Purpose

The purpose of the Plan is to encourage share ownership by Eligible Persons (as defined below), to attract and retain qualified individuals and to provide additional incentives to promote the success of the Company and the subsidiary corporations of the Company.

Administration

The Plan is administered by the Board or the committee of the Board to which the Board has delegated its authority under the Plan.

Eligible Persons

Within the limits of the Plan, the Board has broad discretion to determine the Eligible Persons to whom Options shall be granted. Eligible Persons under the Plan include directors of the Company or of any affiliate of the Company, employees (both full-time and part-time) of the Company or of any affiliate of the Company, including officers, individuals employed by a person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, and an individual or consultant company that is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an affiliate of the Company (**Eligible Persons**).

Shares Subject to the Plan

The maximum number of Shares which may be reserved for issuance under the Plan less the number of Shares subject to outstanding Options under the Prior Option Plan must not exceed five percent (5%) of the total issued and outstanding Shares from time to time (calculated on a non-diluted basis). The Plan is considered an "evergreen plan" since the Shares covered by Options which have been exercised are available for subsequent grants under the Plan. If any Options expire, are forfeited or are cancelled for any reason, the Shares subject to those Options are again available for grants under the Plan.

The maximum number of Shares which may be reserved for issuance to any individual who is a director and who is not otherwise a full-time or part-time employee of the Company or an affiliate of the Company (**Non-Employee Directors**), at any time, under the Plan must not exceed one percent (1%) of the total issued and outstanding Shares from time to time.

The total grant to any one Non-Employee Director, within any one year period, under the Plan cannot exceed a maximum grant value of \$150,000 worth of securities, of which the value of Options shall not exceed \$100,000. For the purpose of the Non-Employee Director participation limits, the value of securities granted shall be calculated without reference to: (i) the initial securities granted under the Plan to a person who was not previously an insider upon such person becoming or agreeing to become a director, provided, however, that the aggregate number of securities granted in this initial grant to any one Non-Employee Director shall not exceed a

maximum value of \$150,000 worth of securities; and (ii) the securities granted under the Plan to a director who was also an officer of the Company at the time of grant but who subsequently became a Non-Employee Director.

The Plan does not limit insider participation. The Plan does not provide for a maximum number of Shares which may be issued to an individual pursuant to the Plan and any other share compensation arrangement (expressed as a percentage or otherwise).

Offer of Options

An offer of Options to an Eligible Person who is an Australian resident must be made using an offer document that is consistent with the Corporations Act and the Class Order (**Offer Document**). The Offer Document must advise the Eligible Person of the following minimum information regarding the Options:

- (a) the maximum number of Options that the Eligible Person may apply for, or the formula for determining the maximum number of Options that the Eligible Person may apply for;
- (b) the maximum number of Shares that the Eligible Person is entitled to be issued on the exercise of each Option or the formula for determining the maximum number of Shares;
- (c) any applicable vesting conditions;
- (d) any Restriction Period (as defined below) on the Shares to be issued upon exercise of the Options;
- (e) the expiry date of the Options;
- (f) the date by which the offer must be accepted; and
- (g) any other information required by law or the rules of any stock exchange or considered by the Board to be relevant to the Options or the Shares to be issued upon exercise of the Options.

Exercise Price

The exercise price for any Options (**Exercise Price**) shall be determined from time to time by the Board, in compliance with all the rules and requirements respecting the pricing of Options imposed by any stock exchange on which the Shares are then listed and provided that the Exercise Price for any Options shall not be less than the price per Share computed on the basis of the closing market price of the Shares, on the ASX in relation to Eligible Persons who are Australian residents or on the TSX in relation to Eligible Persons who are Canadian residents, for the most recent trading day preceding the date on which the Options are granted; provided that, if no Shares traded in the five trading days prior to such day, the market price shall be the average of the closing bid and ask prices over the last five trading days prior to such day, or, if there have not been any bid and ask prices reported, the market price shall be the fair market value of a Share as determined by the Board.

Exercise Period and Vesting

The Board will determine the period of time during which any Options granted under the Plan may be exercised (**Exercise Period**), provided, however, that the Exercise Period cannot be longer than ten (10) years after the date the Options are granted. However, if the term of any Options held by an optionee expire during or within ten (10) Business Days of the expiry date of a blackout period applicable to such optionee, then the term of such Options shall be extended to the close of business on the tenth Business Day after the expiry date of the blackout period.

Options shall be exercisable in whole or in part during the Exercise Period in accordance with such vesting provisions, conditions or limitations as are contained in the Plan or as the Board may from time to time impose, or as may be required by any stock exchange or under applicable securities law.

Cessation of Entitlement

When an optionee ceases to be an Eligible Person, all unexercised and unvested Options of such optionee will expire immediately, and all vested Options of such optionee will expire within ninety (90) days after such optionee ceases to be an Eligible Person.

In the case of an optionee whose employment or term of office is terminated for lawful cause, any Options held by such optionee will expire immediately and will be cancelled on the termination date at a time determined by the Board. Notwithstanding the foregoing, the Board may, in its discretion, permit the exercise of the Options held by such optionee in the manner and on terms authorized by the Board, provided that, the Board will not authorize the exercise of any Options beyond a period of one year from the date on which such optionee ceases to be an Eligible Person.

Changes in Capital

In the event: (i) of any change or proposed change in the Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; (ii) of any issuance, dividend or distribution to all or substantially all the holders of Shares of any shares, securities, property or assets of the Company other than in the ordinary course; (iii) that any rights are granted to holders of Shares to purchase Shares at prices materially below fair market value; or (iv) that as a result of any recapitalization, merger, consolidation or otherwise the Shares are converted into or exchangeable for any other shares or securities; then in any such case, the Board will adjust the number of Shares available for Options, the number of Shares covered by outstanding Options, the securities or other property that may be acquired upon the exercise of any Options and the price per Share of such Options, or one or more of the foregoing, to prevent substantial dilution or enlargement of the rights granted to, or available for, optionees/Eligible Persons to the extent necessary to comply with the rules of any stock exchange applying to a reorganization of capital at the time of the reorganization or any other applicable law.

Acceleration on Takeover Bid

If an offer made generally to the holders of Shares in one or more jurisdictions to acquire, directly or indirectly, Shares and which is in the nature of a "takeover bid" as defined in the *Securities Act* (Ontario) or the Corporations Act and, where the Shares are listed and posted for trading on a stock exchange, not exempt from the formal bid requirements of the *Securities Act* (Ontario) (**Offer**) is made which, if successful, results in a Change of Control (as defined below), then all unexercised and unvested outstanding Options will immediately vest and become exercisable by the optionees, notwithstanding any other vesting provisions in the Plan or in a stock option certificate, as to all or any of the Shares in respect of which such Options have not previously been exercised, but such Shares may only be purchased for tender pursuant to such Offer. If such Shares are not taken up and paid for by the offeror pursuant to the Offer, any such Shares so purchased by an optionee are deemed to be cancelled and returned to the treasury of the Company, are added back to the number of Shares remaining available under the Plan, and, upon returning properly endorsed share certificates, the Company shall refund to the optionee all consideration paid for such Shares. In such an event, the optionee thereafter continues to hold the same number of unexercised and unvested outstanding Options on the same terms and conditions, including the Exercise Price, as were applicable thereto immediately prior to the Offer. Any Options not exercised (or otherwise disposed of) prior to or contemporaneously with a Change of Control shall be cancelled and forfeit for no consideration.

For the purposes of the Plan, a "Change of Control" means the purchase or acquisition of Shares and/or securities convertible into or exchangeable or exercisable for Shares as a result of which a person, group of persons or persons acting jointly or in concert, or persons who are associates of or affiliated with any such person, group of persons or any of such persons acting jointly or in concert, beneficially owns or exercises control or direction over Shares that would entitle such person, group of persons or persons acting jointly or in concert to cast 50% plus one of the votes attaching to all Shares of the Company.

Arrangement, Merger, Amalgamation, Sale, etc.

If the Company files articles of arrangement providing that the Shares are transferred in exchange for securities of another corporation, the units of a royalty trust or income trust, the units of a limited partnership or any other security, or are merged into or amalgamated with any other corporation, or sells all or substantially all of its assets, the Company will make provision that, upon the exercise of any outstanding Options after the effective date of such transaction, the optionees shall receive such number of securities of the other, continuing or successor corporation, trust or limited partnership, as the case may be, in such arrangement, merger or amalgamation or of the shares or units of the purchasing corporation, trust or limited partnership, as the case may be, in such sale as the optionees would have received as a result of such transaction if the optionees had exercised the Options immediately prior thereto, for the same consideration paid on the exercise of such Options, and had held Shares on the effective date of such transaction.

Restriction Period

The Board may, in its discretion, determine, at any time up until the exercise of Options, that a restriction period will apply to some or all of the Shares to be issued upon exercise of those Options up to a maximum of seven (7) years from the date on which the Options are granted (**Restriction Period**). An optionee must not dispose of or otherwise deal with any Shares issued to them under the Plan while they are Restricted Shares. A Restriction Period may be waived by the Board, in its sole discretion.

Assignability and Transferability

Options granted under the Plan are non-assignable and non-transferable by the optionee thereof otherwise than by will or the laws of descent and distribution, and shall be exercisable, during the optionee's lifetime, only by the optionee. All Options granted under the Plan shall be exercisable by an optionee's heirs or administrators for a period of one year from such optionee's death.

Notwithstanding the foregoing, subject to the rules of any stock exchange, Options granted under the Plan to an Eligible Person who is an Australian resident may be transferable, assignable or able to be otherwise disposed or encumbered in certain special circumstances with the consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death to the optionee's legal personal representative or upon bankruptcy to the optionee's trustee in bankruptcy.

Amendments

Subject to receipt of requisite regulatory approval, where required, the Board may, in its absolute discretion, make amendments to the Plan, at any time without obtaining the approval of the shareholders of the Company. Such amendments include, without limitation:

- amendments of a "house-keeping nature", including any amendment for the purpose of curing any ambiguity, error or omission in the Plan, correcting or supplementing any provision of the Plan that is inconsistent with any other provision of the Plan, correcting grammatical or typographical errors in the Plan and amending the definitions contained within the Plan;
- amendments to the vesting provisions of any Options or the Plan, other than changes to the exercise price and the expiration date of any Options as described in the Plan;
 - amendments to the provisions concerning the effect of the termination of an optionee's employment or consulting arrangements (or, if applicable, those of its consultant company if the optionee is an individual), or cessation of an optionee's directorship, as applicable, on such optionee's status under the Plan;
 - amendments to comply with the rules, policies, instruments and notices of any regulatory body to which the Company is subject, including any

stock exchange, or to otherwise comply with any applicable law or regulation; and

- amendments respecting the administration or implementation of the Plan.

Notwithstanding the foregoing, the Board may not make the following amendments to the Plan, without obtaining the approval of the shareholders of the Company and any requisite regulatory approval:

- amendments to increase the maximum number of Shares reserved for issuance under the Plan, including a change from a fixed maximum percentage to a fixed maximum number of Shares;
- amendments to reduce the exercise price of any Options;
- amendments to extend the expiry date of any Options;
- amendments to change the number of days set out in the Plan with respect to the extension of the expiry date of any Options expiring during or immediately following a blackout period;
- amendments that may permit the introduction or reintroduction of Non-Employee Directors on a discretionary basis or amendments that increase Non-Employee Director participation limits;
- amendments which permit Options granted under the Plan to be transferable or assignable other than for normal estate settlement purposes;
- amendments granting additional powers to the Board to amend Options or the Plan without security holder approval; and
- amendments to the amending provisions of the Plan.

Suspension or Termination

The Board may, in its absolute discretion, suspend or terminate the Plan at any time without obtaining the approval of the shareholders of the Company, provided that, without the consent of an optionee, such suspension or discontinuance may not in any manner adversely affect the optionee's rights under any Option granted under the Plan. If the Plan is terminated, no further Options shall be granted, but the Options then outstanding shall continue in full force and effect in accordance with the provisions of the Plan.

MANAGEMENT INFORMATION CIRCULAR

The Company is a reporting issuer in Canada. Accordingly, pursuant to the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators, the following disclosure is required to be included with the Explanatory Statement.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular ("Management Information Circular") is furnished in connection with the solicitation of proxies by the management of Cardinal Resources Limited (the "Company") for use at the annual general meeting of the shareholders of the Company (the "Meeting") to be held at Intercontinental Perth City Centre, 815 Hay Street, Perth, Western Australia at 2:00 p.m. (WST) on Wednesday, November 22, 2017, and at all adjournments thereof for the purposes set forth in the accompanying notice of annual general meeting (the "Notice"). The solicitation of proxies will be made primarily by mail and may be supplemented by telephone or other personal contact by the directors, officers and employees of the Company. Directors, officers and employees of the Company will not receive any extra compensation for such activities. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Company in favour of the matters set forth in the Notice. The Company may pay brokers or other persons holding ordinary shares of the Company ("Shares") in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and proxy materials to beneficial owners of Shares and obtaining proxies therefrom. The cost of the solicitation will be borne directly by the Company.

No person is authorized to give any information or to make any representation other than those contained in this Explanatory Statement and Management Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Company. The delivery of this Explanatory Statement and Management Information Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

Non-Registered Shareholders in Canada

Only registered shareholders of the Company, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. However, in many cases, Shares beneficially owned by a person (a "Non-Registered Shareholder") are registered either:

- (a) in the name of an intermediary (an "Intermediary") with whom the Non-Registered Shareholder deals in respect of the Shares (Intermediaries include, among others: banks, trust companies, securities dealers or brokers, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans); or
- (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc., in Canada, and the Depository Trust Company, in the United States) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Company has distributed copies of the Notice, this Explanatory Statement and Management Information Circular and the accompanying form of proxy (collectively, the "Meeting Materials") to the Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "voting instruction form") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the form of proxy. In this case, the Non-Registered Shareholder who wishes to submit a form of proxy should properly complete the form of proxy and deposit it with Computershare Investor Services Limited, 100 University Avenue, 11th Floor, Toronto, Ontario, Canada, M5J 2Y1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should carefully follow the instructions provided on the voting instruction form or form of proxy. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the form of proxy is to be delivered.**

A Non-Registered Shareholder who has submitted a form of proxy may revoke it by contacting the Intermediary through which the Shares of such Non-Registered Shareholder are held and following the instructions of the Intermediary respecting the revocation of proxies.

Appointment of Proxies

Enclosed herewith is a form of proxy for use at the Meeting. **A registered shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for the shareholder and on the shareholder's behalf at the Meeting, and at any adjournment thereof, other than the person designated in the form of proxy and may exercise such right by inserting the full name of the desired person in the blank space provided in the form of proxy.** If a shareholder is entitled to cast two or more votes at the Meeting, the shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. A shareholder who appoints two proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a shareholder appoints two proxies and the appointments do not specify the proportion or number of the shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded.

A form of proxy will not be valid unless it is signed by the shareholder or by the shareholder's attorney duly authorized in writing or, if the shareholder is a Company, executed by a duly authorized officer in accordance with the instructions attached on the enclosed form of proxy. The form of proxy to be acted upon must be delivered:

1. in respect of a shareholder registered on the Company's Australian register, prior to 2:00 p.m. (WST) on November 20, 2017 by:
 - (a) post to Computershare Investor Services Pty Limited, GPO Box 242 Melbourne VIC 3001; or
 - (b) facsimile to Computershare Investor Services Pty Limited on facsimile number +1 800 783 447 (within Australia) and + 61 3 9473 2555 (outside Australia); or
 - (c) email to the Company at sarah@cardinalresources.com.au.
2. in respect of a shareholder registered on the Company's Canadian register, prior to 2:00 p.m. (WST) on November 20, 2017 by mail to Computershare Investor Services Inc., at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 or by facsimile at +1 866 249 7775.

Revocation of Proxies

A shareholder executing and delivering a form of proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the shareholder or by his or her attorney authorized in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

Voting of Proxies

The form of proxy accompanying this Explanatory Statement and Management Information Circular confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice and any other matters that may properly

come before the Meeting. At the time of printing this Explanatory Statement and Management Information Circular, management knows of no such amendment, variation or other matter.

Shareholders must mark the boxes directing its proxy how to vote. **If no voting instructions are indicated on the form of proxy, the proxy may vote as they choose subject to relevant laws.**

The Shares represented by the form of proxy will be voted in accordance with the instructions of the Shareholder on any ballot that may be conducted at the Meeting, or at any adjournment thereof, and if the Shareholder specifies a choice with respect to any matter acted upon, the Shares will be voted accordingly.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Description of Share Capital

The Company is authorized to issue an unlimited number of Shares. Each Share entitles the holder of record thereof to one vote per Share at all meetings of the shareholders of the Company subject to certain exclusion of votes described in the Notice and Explanatory Statement. As at the close of business on October 18, 2017, there were 350,529,559 Shares outstanding.

Record Date

The Board has fixed October 18, 2017 as the record date for the determination of the shareholders of the Company entitled to receive the Notice and November 20, 2017 as the record date for the determination of the shareholders of the Company entitled to vote at the Meeting.

Ownership of Securities of the Company

As at October 18, 2017, to the knowledge of the directors and executive officers of the Company, no person or Company beneficially owned, or controlled or directed, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company except as stated below:

Name	Number of Shares Beneficially Owned, Controlled or Directed	Percentage of Outstanding Shares Beneficially Owned, Controlled or Directed
Corporate International Holdings B.V.	39,141,282 ⁽¹⁾	11.17%

Note:

(1) Reflects Shares held by Corporate International Holdings B.V., an indirect wholly-owned investment subsidiary of Gold Fields Limited, according to a report dated October 11, 2017 filed under Part 3 of National Instrument 62-103 – *The Early Warning System and Related Take-over Bid and Insider Reporting Issues* filed on SEDAR at www.sedar.com.

PARTICULARS OF MATTERS TO BE ACTED UPON

For a detailed description of the matters to be acted upon, namely (a) presentation of the financial statements; (b) adoption of the Remuneration Report (as defined below); (c) election of directors; (d) issuance of options; (e) ratification of the prior issuance of shares; (f) remuneration of non-executive directors; (g) appointment of the auditor; (h) approval of 10% placement capacity; and (i) approval of the stock option plan, please refer to the Explanatory Statement included with this Management Information Circular and to "*Election of Directors*" herein.

BDO (WA) Pty Ltd. was first appointed as the auditor of the Company on February 28, 2017.

Election of Directors

For more information concerning the election of directors, please refer to the attached Explanatory Statement.

The board of directors of the Company (the "Board") currently consists of six (6) directors. The following table provides the name, municipality of residence, positions held with the Company, number of securities beneficially owned or controlled or directed and principal occupation during the preceding five years of each of the directors and proposed directors of the Company.

Name, Province or State, and Country of Residence	Positions and Offices Held and Date of Appointment	Number and Class of Securities Beneficially Owned or Controlled ⁽¹⁾	Principal Occupation(s) During Past Five Years
Kevin Tomlinson London, United Kingdom	Director, Non- Executive Chairman November 7, 2016	Shares: 0 Listed Options: 400,000 Unlisted Options: 5,000,000 Class A Performance Shares: 0 Class C Performance Shares: 0	Non-executive Chairman of the Company since November 2016; Director, Samco Gold Limited since January 2012; former Director, Centamin plc (2012 to 2016); Director, Orbis Gold Ltd (2015 to 2017); Director, Besra Gold Inc. (2012 to 2015); former Chairman, Maudore Minerals Ltd. (2012 to 2014)

Name, Province or State, and Country of Residence	Positions and Offices Held and Date of Appointment	Number and Class of Securities Beneficially Owned or Controlled ⁽¹⁾	Principal Occupation(s) During Past Five Years
Arthur (Archie) Koimtsidis Western Australia, Australia	Managing Director December 27, 2012	Shares: 8,117,565 Listed Options: 4,191,731 Unlisted Options: 7,500,000 Class A Performance Shares: 10 Class C Performance Shares: 0	Co-founder and Managing Director of the Company since December 2012
Malik Easah Accra, Ghana	Executive Director December 27, 2012	Shares: 7,681,815 Listed Options: 6,560,423 Unlisted Options: 6,000,000 Class A Performance Shares: 10 Class C Performance Shares: 60 ⁽²⁾	Co-founder and Executive Director of the Company since December 2012
Robert Schafer⁽³⁾ Utah, USA	Non- Executive Director July 10, 2017	Shares: 0 Listed Options: 0 Unlisted Options: 0 Class A Performance Shares: 0 Class C Performance Shares: 0	Director, Volcanic Gold Mines Inc. since March 2017; Director, Trigon Metals Inc. since April 2017; Director, Martina Minerals Corp. (2005 to 2015); Director, Curis Resources Ltd. (2011 to 2014); Director, Rathdowney Resources Ltd. (2011 to 2015); Director, Galway Metals Inc. (2012 to 2014); Director, Minera IRL Limited (2016); Director, Orex Exploration Inc. (2016 to 2017)

Name, Province or State, and Country of Residence	Positions and Offices Held and Date of Appointment	Number and Class of Securities Beneficially Owned or Controlled ⁽¹⁾	Principal Occupation(s) During Past Five Years
Jacques McMullen ⁽³⁾⁽⁴⁾ Ontario, Canada	Non- Executive Director October 11, 2017	Shares: 0 Listed Options: 0 Unlisted Options: 0 Class A Performance Shares: 0 Class C Performance Shares: 0	Director, Newcastle Gold Ltd. since March 2017; Advisor, Detour Gold Corp. since 2016; Director and Principal, Mines & Metals, BBA (2012 to 2015); Chairman, Orvana Minerals Corp. (2014 to 2016); Director, Fire River Gold Corp. (2012 to 2013); Director, Barrick Gold Corporation (1994 to 2011)
Michele Muscillo ⁽³⁾⁽⁴⁾ Queensland, Australia	Non- Executive Director October 11, 2017	Shares: 0 Listed Options: 0 Unlisted Options: 0 Class A Performance Shares: 0 Class C Performance Shares: 0	Partner, Hopgood Ganim Lawyers since 2008; Director, Aeris Resources Limited since May 2013; Director, Xanadu Mines Limited since August 2017; Director, Orbis Gold Limited (2008 to 2015)

Notes:

- (1) The information as to the number of securities beneficially owned or controlled or directed has been furnished by the respective director.
- (2) Mr. Easah is the sole shareholder of Savannah Mining Ghana Limited, which holds the 60 outstanding Class C Performance Shares.
- (3) Member of the Audit and Risk Committee.
- (4) Member of the Remuneration and Nomination Committee.

The term of office of each of the directors (other than the Company's Managing Director) expires at the end of the third annual general meeting of Shareholders of the Company after such director's last election or appointment, provided that one-third of the directors (other than the Managing Director) must retire at each annual general meeting. Retiring directors are eligible for re-election. The term of the Company's Managing Director expires at the discretion of the Company's directors, in accordance with his employment contract. The Company qualifies as an "Interlisted International Issuer" within the meaning of the TSX Company Manual. Since the Company has been listed on the TSX for a period of less than 12 months, it is not currently subject to the director election requirements set forth in Sections 461.1 to 461.4 of the TSX Company Manual.

Other than as set out below, none of the persons proposed to be nominated for election as a director of the Company is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as set out below, none of the persons proposed to be nominated for election as a director of the Company:

- a) is, as at the date hereof, or has been, within 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of such person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person; or
- c) has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Kevin Tomlinson served as a director of Maudore Minerals Ltd. ("Maudore") until May 22, 2014, and of Besra Gold Inc. ("Besra") until April 10, 2015. On September 8, 2014, Maudore announced that it had filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (the "BIA"). On March 2, 2015, Maudore announced that the Superior Court of the Province of Quebec (the "Court") had granted an order whereby Maudore's proposal to creditors, which had initially been filed under the BIA, had been continued under the CCAA and that the Court had granted an initial stay of proceedings under the CCAA. Maudore made further announcements on March 27, 2015, June 19, 2015, September 22, 2015 and February 29, 2016 that the Court had granted extensions of the stay of proceedings under the CCAA. On May 16, 2016, Maudore announced that Maudore had, under the BIA, made an assignment of its property to a trustee for the benefit of its creditors generally.

On October 19, 2015, Besra announced that its board of directors had decided to file a notice of intention to make a proposal (the "Notice of Intention") under the BIA. On January 29, 2016, Besra announced that, through its appointed proposal trustee, it had submitted a proposal (the "Proposal") to its creditors in accordance with the Notice of Intention to make a proposal. The Proposal was subsequently amended on March 13, 2016 (the "Amended Proposal"). A meeting of creditors (the "Meeting of Creditors") was initially called for March 17, 2016 and was adjourned until April 7, 2016 in order to permit creditors to consider the Amended Proposal. On April 7, 2016, Besra announced that at the Meeting of Creditors, the Amended Proposal had been approved by a majority of unsecured creditors holding in excess of two-thirds of the value of proven unsecured creditor claims. The Amended Proposal was approved by the Ontario Superior Court of Justice (Commercial List) on May 17, 2016. On December 17, 2014, the Ontario Securities Commission ("OSC") issued a temporary cease trade order for the securities of Besra, and on December 29, 2014, the OSC issued a further cease trade order directing that trading in the securities of Besra cease until further order by the Director (together, the "Besra Cease Trade Order"). The British Columbia Securities Commission issued a cease trade order on December 17, 2014; the Autorité des marchés financiers issued a cease trade order on January 5, 2015; and the Alberta Securities Commission issued a cease trade order on March 30, 2015. The OSC partially revoked the Besra Cease Trade Order on March 4, 2015 to permit trades and acts in furtherance of trades in connection with a proposed private placement financing by Besra for proceeds of up to C\$15 million. On April 7, 2015, the first tranche of such financing, with gross proceeds of C\$2 million, was completed. Besra received no further proceeds from such financing. On October 14, 2016, the OSC issued an order (the "October 2016 Order") partially revoking the Besra Cease Trade Order to permit trades and acts in furtherance of trades that are necessary for and are in connection with the Amended Proposal and a \$10 million tranche of an exit financing. The October 2016 Order was subsequently varied by the OSC on November 18, 2016, and Besra announced on November 18, 2016 that it had closed a C\$10 million "exit financing" and intended to deliver to the Proposal trustee the consideration necessary to satisfy the elections made by creditors under the Proposal. Besra expects that once all requirements of the Proposal have been satisfied, the Proposal trustee will issue a certificate of full performance. In October 2014, trading in the common shares of Besra on the ASX was suspended and Besra's common shares were delisted from the TSX because of Besra's failure to file its financial statements for the year ended June 30, 2014.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management of the Company knows of no matters to come before the Meeting other than as set forth in the Notice. However, if other matters, which are not known to management, should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this compensation discussion and analysis is to provide information about the Company's philosophy, objectives and processes regarding executive compensation. When used in this section, the term "NEO" or "Named Executive Officer" means each of the following individuals: (i) an individual who acted as Chief Executive Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year; (ii) an individual who acted as Chief Financial Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year; (iii) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and the Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and (iv) each individual who would be an NEO under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year. For the financial year ended June 30, 2017, the NEOs of the Company were the following:

- Archie Koimtsidis, Managing Director;
- Eric Palmbachs, Former Chief Financial Officer;
- Sarah Shipway, Former Chief Financial Officer;
- Malik Easah, Executive Director; and
- Paul Abbott, Exploration Manager.

Compensation Philosophy and Objectives

The Company's executive compensation program is designed to attract and retain qualified and experienced executives who will contribute to the success of the Company. The executive compensation program attempts to ensure that the compensation of senior executive officers provides a competitive base compensation package and a strong link between corporate performance and compensation. The Remuneration and Nomination Committee sets and approves the compensation arrangements for the NEOs based on local and international trends among comparable companies and the industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. The Board previously obtained independent advice when it was considered necessary

to confirm that the Company's executive compensation is in line with market practice and reasonable within Australian executive reward practices.

Compensation Process and Remuneration and Nomination Committee

The Company has established a remuneration and nomination committee (the "Remuneration and Nomination Committee"), whose mandate includes assisting the Board in fulfilling its responsibilities with respect to remuneration by reviewing and making recommendations with respect to: (i) the compensation of senior executives and directors (including the NEOs and directors); (ii) employee incentive and equity-based compensation plans, including the appropriateness of performance hurdles and total payments proposed; (iii) recruitment, retention and termination policies for senior executives; and (iv) superannuation arrangements. The Remuneration and Nomination Committee is also responsible for reviewing, identifying and mitigating risks associated with the Company's compensation policies.

The Remuneration and Nomination Committee reviews and determines the Company's remuneration policy and structure annually to ensure that it remains aligned to business needs and meets the Company's remuneration principles. External remuneration consultants may also be engaged to assist with this review, if required. In particular, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood; and
- acceptable to shareholders.

For the financial year ended June 30, 2017, the Remuneration and Nomination Committee consisted of two independent directors, being Mark Connelly (Chairman) and Simon Jackson. As at the date hereof, the Remuneration and Nomination Committee is comprised of two independent directors, being Jacques McMullen and Michele Muscillo. The Remuneration and Nomination Committee is required to meet at least once a year and adheres to the Remuneration and Nomination Committee charter, a copy of which is available on the Company's website at www.cardinalresources.com.au.

Remuneration arrangements for directors and officers are reviewed by the Remuneration and Nomination Committee and recommended to the Board for approval.

ASX Listing Rules require that shareholders approve the maximum aggregate amount of remuneration to be allocated among the non-executive directors at a general meeting. In proposing the maximum amount for consideration by shareholders and in determining the allocation, the Remuneration and Nomination Committee takes into account the time demands made on directors and other factors such as fees paid to non-executive directors in comparable companies. Independent advisors may be engaged, where appropriate, to establish market benchmarks.

Reliance on External Remuneration Consultants

For the financial year ended June 30, 2017, the Board engaged BDO Corporate Tax (WA) Pty Ltd (the "Compensation Consultant") as a compensation consultant to assist in determining compensation for directors and executive officers. The Compensation Consultant was engaged on October 14, 2016 to provide to the Company a report on the remuneration of directors and executive officers (the "Remuneration Report"). The engagement of the Compensation Consultant was pre-approved by the Board.

The Remuneration Report benchmarked the Company against a comparator group that included Dacian Gold, Magnis Resources, Blackham Resources, Terramin Australia, Altura Mining, Neometals, West Africa Resources, Kidman Resources, Pantoro, Wolf Minerals and Finders Resources. The comparator group was selected on the following criteria:

- companies having a similar relatedness and market capitalization to the Company (median of \$186m); and
- companies that are in exploration with activities in Australia (i.e. single 'exploration' jurisdiction).

Information was sourced from the annual financial statements of each member of the comparator group for the financial year ended 2015 or 2016, as available.

The following table sets out aggregate fees billed by the Compensation Consultant for services related to determining compensation for any of the Company's directors and executive officers and for all other services for each of the two most recently completed financial years.

Year	Executive Compensation-Related Fees (\$)	All Other Fees (\$)
2016	-	-
2017	\$6,250	-

Hedging

NEOs and directors of the Company are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Elements of Compensation

Compensation Element	Link To Compensation and Corporate Objectives	Performance Metric	Potential Value	Change for FY 2017
Fixed Remuneration	Attract and retain to ensure access to skilled employees	N/A	Positioned at median market rate	Reviewed in line with market position
Short-Term Incentives	Motivate in-year performances	N/A	N/A	N/A
Long-Term Incentives (LTI)	Motivate to align with long-term shareholder value	Five-year milestone hurdles	KMP and employees received 18,500,000 unlisted options exercisable at \$0.50 on meeting of milestones	Introduce milestone LTI

(i) Fixed Remuneration

The Company provides a base salary to each NEO as compensation for the performance of the NEO's day-to-day responsibilities. The base salary for each NEO is reviewed regularly by the Remuneration and Nomination Committee to ensure that the salary is appropriate for each officer's expertise and performance and to ensure that the salary is in line with market practices.

(ii) Long-Term Incentives

In addition to each NEO's base salary, the Company provides a form of equity compensation as LTI. The equity component is intended to motivate NEOs and to align each NEO's incentives with those of shareholders. Equity grants are determined by the Board on the recommendation of the Remuneration and Nomination Committee and can be made up of Shares or Unlisted Options. Any equity component of compensation may be subject to such vesting conditions as the Board determines.

Statutory Performance Indicators

The Company aims to align executive compensation with the Company's strategic and business objectives and the creation of shareholder wealth. The below table, titled "*Statutory Key Performance Indicators of the Company over the Last Five Years*", details measures of the group's financial performance over the last five years. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to NEOs. Consequently, there may not always be a direct correlation between statutory key performance measures and the variable remuneration awarded.

The Remuneration and Nomination Committee considers the Remuneration Report, market conditions and previous grants when determining equity-based compensation.

Statutory Key Performance Indicators of the Company over the Last Five Years

	2017	2016	2015	2014	2013
Total Comprehensive Loss Attributable to Member of the Company (AU\$)	21,724,298	9,243,909	3,580,551	10,164,082	2,007,516
Basic Loss Per Share (AU\$)	7.12	5.55	3.82	13.58	4.20
Increase/Decrease in Share Price (%)	+1.76	+6.00	+2.5	-2.5	+1.25

Non-Executive Director Remuneration Policy

The Non-Executive Director Remuneration Policy seeks to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The executive directors, in consultation with independent advisors, determine payments to non-executive directors and review their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is currently \$350,000 per annum. At the Meeting, shareholders are being asked to approve an increase of the maximum aggregate amount of fees that can be paid to non-executive directors from \$350,000 per annum to \$573,000 per annum. Fees for independent non-executive directors are not linked to the performance of the Company. To align directors' interests with shareholder interests, directors are encouraged to hold shares in the Company.

Except as detailed in this Explanatory Statement and Management Information Circular, no director has received or become entitled to receive, during or since the financial year end, a benefit because of a contract made by the Company or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in the Remuneration Report, prepared in accordance with the Company's regulations, or the fixed salary of a full time employee of the Company.

During the financial year ended June 30, 2017, the Company granted 5,000,000 stock options to non-executive directors.

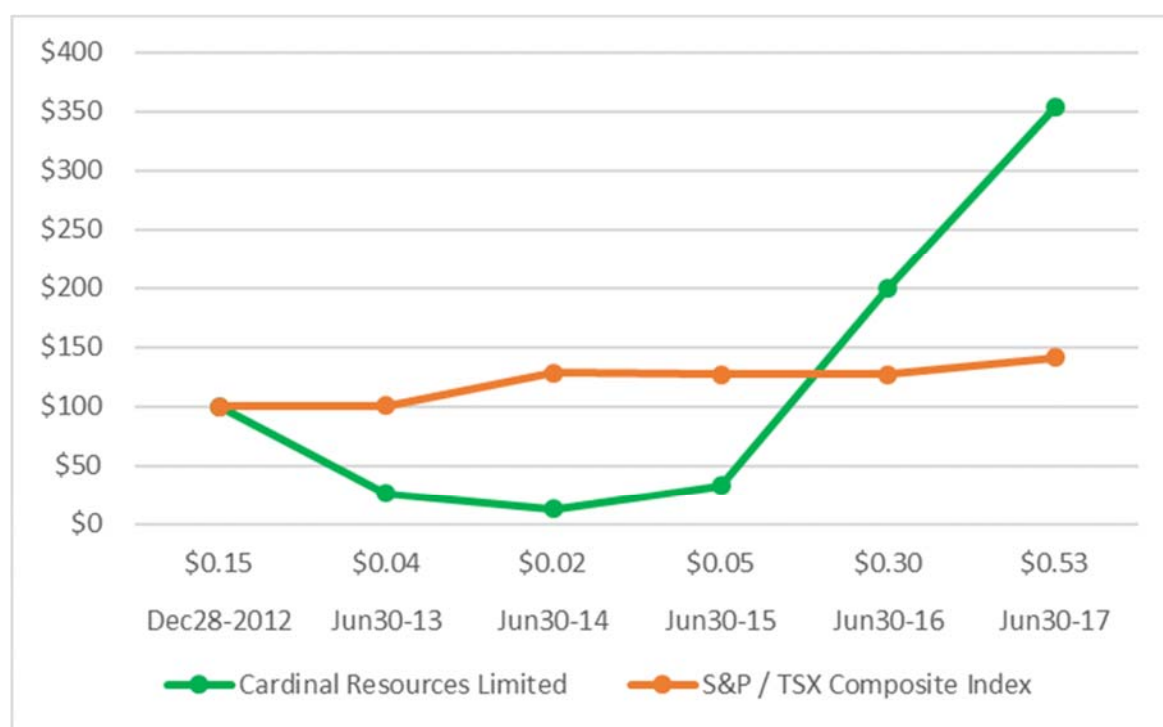
In addition, non-executive directors of the Company are entitled to receive compensation to the extent that they provide services (other than in their capacity as a director) to the Company at rates that would be charged by such directors for such services to arm's length parties. Kevin Tomlinson is paid an annual retainer of \$35,000 per month for geological consulting services to the Company.

Performance Graph

The following table and graph compares, from December 28, 2012 to June 30, 2017, the total cumulative return on a \$100 investment in the Shares with the total cumulative return on a \$100 investment in the S&P/TSX Composite Total Return Index.

Comparison of Cumulative Total Return

Month / Year	December 28, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Cardinal Resources Limited	\$100	\$27	\$13	\$33	\$200	\$353
S&P/TSX Composite Total Return Index	\$100	\$100	\$129	\$127	\$127	\$141



The Remuneration and Nomination Committee and the Board generally evaluate performance by reference to the achievement of corporate objectives rather than by short-term changes in the Company's Share price, which, in the past, has typically been significantly influenced by overall economic, market and industry conditions.

The Company does not link executive compensation with changes in the Company's Share price.

NEO Summary Compensation Table

The following table sets forth a summary of the compensation paid for each of the Company's three most recently completed financial years for each NEO in the most recently completed financial year:

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-term Incentive Plans (\$)			
Archie Koimtsidis ⁽¹⁾ <i>CEO / Managing Director</i>	2017	286,667	-	288,380 ⁽²⁾	-	-	-	5,634	580,681
	2016	222,500	-	276,000 ⁽²⁾	-	-	-	4,230	502,730
	2015	110,000	-	-	-	-	-	4,294	114,294
Malik Easah ⁽¹⁾ <i>Executive Director</i>	2017	233,901	-	256,337 ⁽²⁾	-	-	-	4,802	495,040
	2016	168,995	-	184,000 ⁽²⁾	-	-	-	2,996	355,991
	2015	75,000	-	-	-	-	-	2,927	77,927
Eric Palmbachs ⁽³⁾ <i>Former CFO</i>	2017	68,438	-	-	-	-	-	670	69,108
	2016	-	-	-	-	-	-	-	-
	2015	-	-	-	-	-	-	-	-
Sarah Shipway ⁽⁴⁾ <i>Former CFO</i>	2017	98,550	-	-	-	-	-	-	98,550
	2016	49,598	-	-	-	-	-	-	49,598
	2015	61,290	-	-	-	-	-	-	61,290
Paul Abbott <i>Exploration Manager</i>	2017	144,640	-	160,211 ⁽²⁾	300,000	-	-	-	604,851
	2016	141,285	-	92,000 ⁽²⁾	-	-	-	-	233,285
	2015	120,192	-	-	-	-	-	-	120,192

Notes:

- (1) 100% of the compensation paid to Messrs. Koimtsidis and Easah for the years ended June 30, 2017, 2016 and 2015 is attributable to their service as directors of the Company.
- (2) The Company uses the Black-Scholes model to calculate the fair value of option-based awards on the grant date. The Company chose the Black-Scholes model because it is a widely recognized and utilized model for option pricing. The options granted during the financial years ended June 30, 2017 and 2016 were assigned a fair value of \$0.39 and \$0.092, respectively, using the Black-Scholes method.
- (3) Mr. Palmbachs was appointed CFO on March 1, 2017 and retired on May 24, 2017.
- (4) Until September 2016, Ms. Shipway was employed by Marshall Michael Chartered Accountants Pty Ltd, which was engaged to provide accounting, bookkeeping, corporate secretarial and

administrative services to the Company. The amounts disclosed for Ms. Shipway for the years ended June 30, 2016 and 2015 represent the portion of Ms. Shipway's compensation from Marshall Michael Chartered Accountants Pty Ltd that was attributable to the services provided by Marshall Michael Chartered Accountants Pty Ltd to the Company. Ms. Shipway is the Company's Secretary and held the position of CFO until the appointment of Mr. Palmbachs and post the retirement of Mr. Palmbach until July 10, 2017 when Mr. Weyrauch was appointed CFO.

From 2014 to 2016, there was no CFO formally employed by the Company. Instead Marshall Michael Chartered Accountants Pty Ltd was engaged to provide accounting, bookkeeping, corporate secretarial and administrative services to the Company. In respect of the 2014, 2015 and 2016 financial years, Marshall Michael Chartered Accountants Pty Ltd was paid \$220,353, \$196,506 and \$160,542 respectively.

In the year ended June 30, 2015, the salaries for Messrs. Koimtsidis and Easah were reduced by 50% following a review by the Board of market conditions. Since June 30, 2015, their salaries have been increased to reflect increased operations of the Company. In addition, following the receipt of independent advice from the Compensation Consultant, the compensation of Messrs. Koimtsidis and Easah was adjusted.

NEO Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information with respect to the share-based and option-based awards outstanding as at June 30, 2017 for each NEO in the most recently completed financial year.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Archie Koimtsidis <i>CEO / Managing Director</i>	4,500,000 ⁽³⁾	0.50	April 18, 2022	135,000	-	-	-
	3,000,000 ⁽²⁾	0.22	March 18, 2020	930,000	-	-	-
Malik Easah <i>Executive Director</i>	4,000,000 ⁽³⁾	0.50	April 18, 2022	120,000	-	-	-
	2,000,000 ⁽²⁾	0.22	March 18, 2020	620,000	-	-	-

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Eric Palmbachs ⁽⁴⁾ <i>Former CFO</i>	-	-	-	-	-	-	-
Sarah Shipway <i>Former CFO</i>	-	-	-	-	-	-	-
Paul Abbott <i>Exploration Manager</i>	2,500,000 ⁽³⁾	0.50	April 18, 2022	75,000	-	-	-
	1,000,000 ⁽²⁾	0.22	March 18, 2020	310,000	-	-	-

Notes:

- (1) Calculated based on the difference between the market price of the Shares on June 30, 2017 and the exercise price of the Options. The closing price of the Shares as listed on the ASX on June 30, 2017 was \$0.53.
- (2) The options granted during the year ended June 30, 2016 were Unlisted Options exercisable at \$0.22 on or before March 18, 2020.
- (3) The options granted during the year ended June 30, 2017 were Milestone Options exercisable at the exercise price based on the following milestone events being achieved:
 - (i) the earlier of:
 - (a) the completion of a scoping study; or
 - (b) the completion of a preliminary economic assessment of the Ghanaian Assets (Milestone 1);
 - (ii) on the beginning of earthworks for gold production at the Ghanaian Assets (Milestone 2); and
 - (iii) on the first pouring of gold at the Ghanaian Assets (Milestone 3).
- (4) Mr. Palmbachs was appointed CFO on March 1, 2017 and retired on May 24, 2017.

NEO Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each of the NEOs for the most recently completed financial year, the value of all incentive plan awards that vested during the financial year ended June 30, 2017.

Name	Option-based awards Value vested during the year (\$) ⁽¹⁾	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
Archie Koimtsidis <i>CEO / Managing Director</i>	-	-	-
Malik Easah <i>Executive Director</i>	-	-	-
Eric Palmbachs ⁽²⁾ <i>Former CFO</i>	-	-	-
Sarah Shipway <i>Former CFO</i>	-	-	-
Paul Abbott <i>Exploration Manager</i>	-	-	-

Notes:

(1) Represents aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date which value is computed by determining the difference between the market price of the Shares on the vesting date and the exercise price of the options on the vesting date.

(2) Mr. Palmbachs was appointed CFO on March 1, 2017 and retired on May 24, 2017.

Director Summary Compensation Table

The following table provides information regarding compensation paid to the Company's directors, other than Archie Koimtsidis and Malik Easah, during the financial year ended June 30, 2017. Compensation for Messrs. Koimtsidis and Easah is reflected under the heading "Statement of Executive Compensation – NEO Summary Compensation Table" above.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Kevin Tomlinson ⁽²⁾	73,854	-	320,422	-	-	3,962	398,138
Mark Connelly	75,919	-	160,211	-	-	2,313	238,443

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Simon Jackson	75,919	-	160,211	-	-	2,313	238,443
Mark Thomas ⁽³⁾	28,639	-	-	-	-	281	28,920

Notes:

- (1) The Milestone Options granted during the financial year ended June 30, 2017 were valued using the Black Scholes option model and were ascribed a value of \$0.39.
- (2) During the year ended June 30, 2017, in addition to director fees, the Company paid Mr. Tomlinson \$280,000 for geological consulting services. Mr. Tomlinson was appointed on November 7, 2016 to fill the seat vacated by Mr. Thomas.
- (3) Mr. Thomas retired on November 7, 2016.

Director Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information with respect to the share-based and option-based awards outstanding as at June 30, 2017 for each director of the Company, other than Archie Koimtsidis and Malik Easah.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Kevin Tomlinson ⁽⁴⁾	5,000,000 ⁽³⁾	\$0.50	April 18, 2022	150,000	-	-	-
Mark Connelly	2,500,000 ⁽³⁾	\$0.50	April 18, 2022	75,000	-	-	-
	1,000,000 ⁽²⁾	\$0.22	March 18, 2020	310,000	-	-	-
Simon Jackson	2,500,000 ⁽³⁾	\$0.50	April 18, 2022	75,000	-	-	-
	1,000,000 ⁽²⁾	\$0.22	March 18, 2020	310,000	-	-	-
Mark Thomas ⁽⁴⁾	-	-	-	-	-	-	-

Notes:

- (1) Calculated based on the difference between the market price of the Shares on June 30, 2017 and the exercise price of the Options. The closing price of the Shares as listed on the ASX on June 30, 2017 was \$0.53.
- (2) The options granted during the year ended June 30, 2016 were Unlisted Options exercisable at \$0.22 on or before March 18, 2020.
- (3) The options granted during the year ended June 30, 2017 were Milestone Options exercisable at the exercise price based on the following milestone events being achieved:
 - (i) the earlier of:
 - (a) the completion of a scoping study; or
 - (b) the completion of a preliminary economic assessment, of the Ghanaian Assets (Milestone 1);
 - (ii) on the beginning of earthworks for gold production at the Ghanaian Assets (Milestone 2); and
 - (iii) on the first pouring of gold at the Ghanaian Assets (Milestone 3),
- (4) Mr. Thomas retired on November 7, 2016 and Mr. Tomlinson was appointed on November 7, 2016 to fill the seat vacated by Mr. Thomas.

Director Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each director of the Company, other than Archie Koimtsidis and Malik Easah, the value of all incentive plan awards that vested during the financial year ended June 30, 2017.

Name	Option-based awards Value vested during the year (\$) ⁽¹⁾	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
Kevin Tomlinson ⁽²⁾	-	-	-
Mark Connelly	-	-	-
Simon Jackson	-	-	-
Mark Thomas ⁽²⁾	-	-	-

Notes:

- (1) Represents aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date which value is computed by determining the difference between the market price of the Shares on the vesting date and the exercise price of the options on the vesting date.
- (2) Mr. Thomas retired on November 7, 2016 and Mr. Tomlinson was appointed on November 7, 2016 to fill the seat vacated by Mr. Thomas.

NEO Employment and Consulting Agreements

Each NEO has entered into an employment or consulting agreement with the Company.

Archie Koimtsidis and Malik Easah

Under the terms of the employment agreements for Messrs. Koimtsidis and Easah both of which are dated April 4, 2017:

- (i) Each executive is paid an annual base salary, being \$300,000 for Mr. Koimtsidis and US\$210,000 for Mr. Easah. Each executive's annual base salary is subject to annual review by the Board and each executive may be invited to participate in a short-term and/or long-term incentive plan to be governed by a separate agreement.
- (ii) Each executive receives employment related benefits, which include a car park at the primary location of work, mobile telephone (including reasonable personal use), payment of professional association fees related to the executive's duties and a laptop computer.
- (iii) Messrs. Koimtsidis and Easah may resign or terminate their respective employment agreements by giving the Company twelve and six months' written notice respectively. If the Company terminates Messrs. Koimtsidis or Easah's employment at will, it will give the relevant executive twelve and six months' written notice respectively, except where termination is due to incapacity, where three months' written notice is required. The Company, at its sole discretion, may pay the executive in lieu of all or part of the notice period.
- (iv) The Company may immediately terminate either Mr. Koimtsidis or Mr. Easah for performance management failures, serious misconduct, breach of agreement, breach of confidentiality or intellectual property obligations, damage to reputation, failure to comply with direction given by the Company or where charged with a criminal offence that might tend to injure the reputation or business of the Company, or for any other reason for summary dismissal at common law.
- (v) Either the Company or the executive may immediately terminate by providing notice within one month of a "Prescribed Event" occurring which could include any of the following events occurring, without the consent of the executive: a material adverse change to the executive's direct reporting line; a demotion; a material change to the level of authority such as to lower it below a level of authority commensurate with the position; a reduction in salary; or a relocation outside of Perth, WA. If termination occurs as a result of a "Prescribed Event", 100% of total remuneration will be paid. The executive will not be entitled to any payment where such payment would be in breach of any applicable laws or regulations.

Paul Abbott

Under the terms of the consultancy agreement between Protea Foundation Ltd, Paul Abbott (as the nominated consultant of Protea Foundation Ltd) and the Company:

- (i) Mr. Abbott is employed as an exclusive consultant for a term of three years commencing on April 4, 2017.
- (ii) Mr. Abbott receives a monthly fee of US\$9,000 that is reviewed annually. Mr. Abbott is also entitled, at the discretion of the Board, to be granted incentive options.
- (iii) Mr. Abbott receives a travel allowance, entitling him to 12 economy class airfares between Tamale and Accra, Ghana paid by the Company for use at his discretion

but in agreement with the Managing Director. The Company may, at its discretion, offer to pay additional airfares. The Company also provides comprehensive medical insurance including emergency evacuation services from any location in Ghana, a motor vehicle and reimbursement of expenses.

- (iv) The Company may terminate the agreement by giving one month's written notice if: Protea Foundation Ltd goes into liquidation or makes arrangements with creditors generally or takes advantage of any statute for the relief of insolvent debtors; or if either Mr. Abbott or Protea Foundation Ltd is convicted of any major criminal offence that brings the Company or themselves into disrepute; for persistent or serious breach of the agreement; wilful or grave misconduct; or unsoundness of mind.
- (v) Protea Foundation Ltd may terminate the agreement on Mr. Abbott's behalf by giving the Company three months' written notice. If termination is due to a material change (being a material diminution in Mr. Abbott's responsibilities or powers), the Company will pay an amount equal to the aggregate of three months' fees.

Erik Palmbachs

Under the terms of the employment agreement with Mr Erik Palmbachs dated January 25, 2017:

- (i) Mr Palmbachs' was paid an annual base salary of \$250,000 plus statutory Australian superannuation. Mr Palmbachs' annual base salary was subject to annual review by the Board and Mr Palmbachs was eligible to be invited to participate in a short-term and/or long-term incentive plan to be governed by a separate agreement.
- (ii) Mr Palmbachs' received employment related benefits, which included a car park at the primary location of work, mobile telephone (including reasonable personal use), payment of professional association fees related to Mr Palmbachs' duties and a laptop computer.
- (iii) Mr Palmbachs' could resign or terminate his employment agreement by giving the Company three months' written notice. If the Company terminated Mr Palmbachs' employment at will, it was required to give Mr Palmbachs six months' written notice, except where termination was due to incapacity, where three months' written notice was required. The Company, at its sole discretion, could pay Mr Palmbachs in lieu of all or part of the notice period.
- (iv) The Company could immediately terminate Mr Palmbachs for performance management failures, serious misconduct, breach of agreement, breach of confidentiality or intellectual property obligations, damage to reputation, failure to comply with direction given by the Company or where charged with a criminal offence that might tend to injure the reputation or business of the Company, or for any other reason for summary dismissal at common law.
- (v) Either the Company or Mr Palmbachs could immediately terminate by providing notice within one month of a "Prescribed Event" occurring which included any of the following events occurring, without the consent of Mr Palmbachs: a material adverse change to Mr Palmbachs' direct reporting line; a demotion; a material change to the

level of authority such as to lower it below a level of authority commensurate with the position; a reduction in salary; or a relocation outside of Perth, WA. If termination occurred as a result of a "Prescribed Event", 100% of total remuneration would be paid. Mr Palmbachs would not have been entitled to any payment where such payment would be in breach of any applicable laws or regulations.

Sarah Shipway

Under the terms of the employment agreement and subsequent amendment with Sarah Shipway dated August 25, 2016:

- (i) Ms Shipway is paid an annual base salary of \$132,000 plus statutory Australian superannuation. Ms Shipway's annual base salary is subject to annual review by the Board and Ms Shipway may be invited to participate in a short-term and/or long-term incentive plan to be governed by a separate agreement.
- (ii) Ms Shipway receives an equity component in addition to the annual base salary.
- (iii) Ms Shipway may resign or terminate her employment agreement by giving the Company six months' written notice. If the Company terminates Ms Shipway's employment at will, it will give Ms Shipway six months' written notice. The Company, at its sole discretion, may pay Ms Shipway in lieu of all or part of the notice period.
- (iv) The Company may immediately terminate Ms Shipway for performance management failures, serious misconduct, breach of agreement, breach of confidentiality or intellectual property obligations, damage to reputation, failure to comply with direction given by the Company, or where charged with a criminal offence that might tend to injure the reputation or business of the Company, or for any other reason for summary dismissal at common law.
- (v) Either the Company or Ms Shipway may immediately terminate by providing notice within one month for "Good Reason" which could include any of the following events occurring, without the consent of Ms Shipway: a material adverse change to Ms Shipway's direct reporting line; a demotion; a material change to the level of authority such as to lower it below a level of authority commensurate with the position; a reduction in salary; or a relocation outside of Perth, WA. If termination occurs as a result of a "Good Reason", three months of total remuneration will be paid. Ms Shipway will not be entitled to any payment where such payment would be in breach of any applicable laws or regulations.

Termination and Change of Control Benefits

The Company does not have in place any pension or retirement plan. The Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or previously acted as a NEO of the Company in connection with or related to the retirement, termination or resignation of such person or as a result of change of control of the Company, its subsidiaries or affiliates. If a termination or change of control event had occurred on June 30, 2017, the incremental payments, payables and benefits that would have been payable to each of the NEOs would be as shown in the following table.

Name	Annual remuneration	Termination notice period (without cause)	Termination payment ⁽¹⁾ (without cause)	Termination compensation for change of control	Termination notice period for Prescribed Event ⁽²⁾ or Material Change ⁽³⁾	Termination compensation for Prescribed Event ⁽²⁾ or Material Change ⁽³⁾
Archie Koimtsidis	\$300,000	12 months	\$300,000 ⁽⁴⁾	Nil	No notice period	\$300,000 ⁽⁵⁾
Malik Easah	US\$210,000 ⁽⁶⁾	6 months	US\$105,000 ⁽⁴⁾	Nil	No notice period	US\$210,000 ⁽⁵⁾
Paul Abbott	US\$108,000 ⁽⁶⁾	1 month	US\$9,000	Nil	3 months	US\$27,000
Sarah Shipway	\$144,540	6 months	\$72,270	Nil	1 month	\$36,135

Notes:

- (1) This amount includes payment in lieu of the prescribed notice period, subject to limitations under applicable law.
- (2) Prescribed Event for the purposes of Messrs. Koimtsidis' and Easah's employment agreement includes any of the following events occurring, without the consent of the executive: a material adverse change to the executive's direct reporting line; a demotion; a material change to the level of authority such as to lower it below a level of authority commensurate with the position; a reduction in salary; or a relocation outside of Perth, WA.
- (3) Material Change for the purposes of Paul Abbott's employment agreement means a material diminution in the responsibilities or powers assigned.
- (4) The amount payable is equal to the 100% of annual remuneration.
- (5) The amount payable to Messrs. Koimtsidis and Easah is equal to 100% of annual remuneration.
- (6) Messrs. Easah and Abbott are paid US\$210,000 and US\$108,000 respectively. The Australian dollar equivalent as at October 17, 2017 is \$266,938 and \$137,283 respectively.

Equity Compensation Plan Information

The following table sets forth aggregated information, as at June 30, 2017, with respect to compensation plans of the Company under which equity securities of the Company are authorized for issuance.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (#)
Equity compensation plans approved by securityholders	26,500,000 ⁽¹⁾	\$0.42	9,503,147 ⁽²⁾⁽³⁾
Equity compensation plans not approved by securityholders	-	-	-
Total	26,500,000	\$0.42	9,503,147

Note:

(1) Includes 8,000,000 Shares reserved for issuance pursuant to Options granted under the Prior Plan and 18,500,000 Shares reserved for issuance pursuant to Options granted outside of the Prior Plan.

(2) Based on the aggregate number of Options remaining available for future issuance under the Prior Plan as of June 30, 2017. The maximum aggregate number of Options available for issuance under the Prior Plan at any point in time was 5% of the number of issued and outstanding Shares at such time. As at June 30, 2017, there were 350,529,559 Shares outstanding.

On October 17, 2017, the Company adopted the new Plan, which contains a 5% rolling limit (including Shares issuable pursuant to the Prior Plan) and the Company will no longer issue Options pursuant to the Prior Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no person proposed to be nominated for election as a director of the Company, nor any associate of any such director, executive officer or proposed nominee, is, or at any time since the beginning of the most recently completed financial year of the Company has been, indebted to the Company or any of its subsidiaries, or indebted to another entity, where such indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, pursuant to a security purchase program of the Company or otherwise.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out in the Explanatory Statement and Management Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person (as that term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators) of the Company, has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Board of Directors

The Company currently has six directors, three of whom are considered independent for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"). Following the Meeting, it is expected that three of the six directors (namely, Jacques McMullen, Michele Muscillo, and Robert Schafer) will be considered independent (assuming election of the nominees) for the purposes of NI 58-101. Kevin Tomlinson, the current Non-Executive Chairman, Archie Koimtsidis, the current CEO and Managing Director, and Malik Easah, the current Executive Director, are each not considered independent for the purposes of NI 58-101. Mr. Tomlinson received fees in excess of \$75,000 from the Company during a 12-month period within the last three years and is, accordingly, not independent within the meaning of NI 58-101. Messrs. Koimtsidis and Easah are executive officers of the Company and are, accordingly, not independent within the meaning of NI 58-101.

A majority of the directors are not considered independent. Notwithstanding the foregoing, the Board has determined that the current constitution of the Board is appropriate for the Company's current stage of development. The Board has free access to the Company's external auditors, legal counsel and to any of the Company's officers.

The following table sets out, for each current director of the Company, the other reporting issuers (or the equivalent in a foreign jurisdiction) of which he is also a director:

Director	Other Reporting Issuers
Kevin Tomlinson	Plymouth Minerals Limited Samco Gold Limited Xanadu Mines Limited
Archie Koimtsidis	None
Malik Easah	None
Jacques McMullen	NewCastle Gold Ltd.
Michele Muscillo	Aeris Resources Limited Xanadu Mines Limited
Robert Schafer	Amur Minerals Inc. Trigon Mining Inc. Volcanic Gold Mines Inc.

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance, and no such meetings have been held. However, as deemed necessary and as required in the context of any conflict or potential conflict of interest, non-independent or conflicted directors are asked to recuse themselves from Board meetings to ensure that open and candid discussion is facilitated.

As of the date hereof, Kevin Tomlinson is the Non-Executive Chairman of the Board (the "**Chairman**") and is not considered independent for the purposes of NI 58-101. Michele Muscillo is the lead independent director.

The Chairman (or lead independent director) is responsible for overseeing the operations and affairs of the Board. The Chairman (or lead independent director) is responsible for:

- providing leadership to foster the effectiveness of the Board;
- ensuring there is an effective relationship between the Board and senior management, including by acting as a liaison between the Board and senior management;
- acting as an advisor to senior management in matters concerning the interests of the Company;
- ensuring that the appropriate committee structure is in place and assisting the Remuneration and Nomination Committee in making recommendations for appointment to such committees;

- in consultation with the other members of the Board and the Managing Director, preparing the agenda for each meeting of the Board;
- ensuring that the directors receive the information required for the proper performance of their duties, including information relevant to each meeting of the Board;
- chairing Board meetings and sessions of independent directors, including stimulating debate, providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual directors and confirming that decisions are reached and accurately recorded;
- chairing all shareholder general meetings;
- together with the Remuneration and Nomination Committee, ensuring that an appropriate system is in place to evaluate the performance of the Board as a whole, the Board's committees and individual directors with a view to ensuring that they are fulfilling their respective responsibilities and duties, and making recommendations to the Remuneration and Nomination Committee for changes when appropriate;
- consulting with the Remuneration and Nomination Committee on candidates for nomination or appointment to the Board;
- monitoring shareholder communication and continuous disclosure generally and for compliance with the Shareholder Communication Policy and the Continuous Disclosure Policy;
- working with the Managing Director to ensure that the Board is provided with the resources to permit it to carry out its responsibilities and bringing to the attention of the Managing Director any issues that are preventing the Board from being able to carry out its responsibilities; and
- providing additional services required by the Board.

In the year ended June 30, 2017, seven board meetings, two Audit and Risk Committee meetings, and two Remuneration and Nomination Committee meetings were held. The table below outlines attendance by each director.

Director	Directors' Meetings	Audit and Risk Committee Meetings	Remuneration and Nomination Committee Meetings
Mark Thomas ⁽¹⁾	3/4	N/A	N/A
Kevin Tomlinson ⁽¹⁾	3 / 3	2 / 2	N/A
Archie Koimtsidis	7 / 7	N/A	N/A
Mark Connelly	6 / 7	1 / 2	2 / 2
Malik Easah	6 / 7	N/A	N/A
Simon Jackson	7 / 7	2 / 2	2 / 2

Notes:

(1) Mr. Thomas retired on November 7, 2016 and Mr. Tomlinson was appointed on November 7, 2016 to fill the seat vacated by Mr. Thomas.

Board Mandate

The Board's primary duty is to supervise the management of the business and affairs of the Company and to pursue the best interests of the Company. In discharging its mandate, the Board is responsible for, among other things, the following matters:

- overseeing the Company's commitment to the health and safety of employees and contractors, the environment and sustainable development;
- overseeing the activities of the Company, including verifying that internal, financial, non-financial and business control and management information systems have been established by management;
- identifying the principal risks associated with the Company's business and operations and ensuring the implementation of appropriate systems to manage these risks;
- setting strategic objectives of the Company, and periodically reviewing the Company's progress against those objectives;
- reviewing, ratifying and monitoring systems of risk management and integral control;
- approving and monitoring budgets, capital management and acquisitions and divestments;
- approving and monitoring all financial reporting to the market;
- appointment of professional advisors; and
- any formal determinations required by the Company's constitutional documents, by-laws, or any external regulations.

The Board discharges its responsibilities and obligations either directly or through its committees, currently consisting of: the Audit and Risk Committee and the Remuneration and Nomination Committee. Subject to applicable law, the Board may establish other Board committees or merge or dissolve any Board committee at any time. The Board has approved charters for each established Board committee and shall approve charters for any Board committee established in the future. The Board has delegated to the applicable committee those duties and responsibilities set out in each Board committee's charter. The Board shall appoint, annually or as required, the members and a chair of each committee, after receiving recommendations from the Remuneration and Nomination Committee.

A copy of the Charter of the Board setting out the Board's role and responsibilities is available on the Company's website at www.cardinalresources.com.au.

Position Descriptions

The Charter of the Board contains a written description of the responsibilities of the Chair or, if applicable, the lead independent director. The charter of the Audit and Risk Committee contains a description of certain responsibilities of the chair of such committee. The responsibilities of the chair of the Remuneration and Nomination Committee are determined by the members of the Remuneration and Nomination Committee and/or the Board.

The Charter of the Board contains a written description of the responsibilities of the Managing Director. In addition, the Managing Director's employment agreement contains certain specified areas of responsibility of the Managing Director.

Orientation and Continuing Education

The Board provides an orientation program for new directors, which includes onsite visits to operations. Additionally, historically, new directors are typically familiar with the Company and the nature of its business. The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities' law matters. In the view of the Board, individual directors also have available to them opportunities for continuing education via their professional associations.

Ethical Business Conduct

The Board has adopted a Code of Conduct applicable to each director, officer and employee of the Company (the "Code of Conduct"). Copies of the Code of Conduct are included in the Company's Corporate Governance Policies and Procedures Manual, which is available upon request from the Corporate Secretary and on the Company's website at www.cardinalresources.com.au/corporate-governance.

The Board monitors compliance with the Code of Conduct using the Company's corporate governance plan. In addition, the Company's senior management monitors compliance with the Code of Conduct.

Where a member of the Board has an actual or potential conflict of interest or a material personal interest in a matter before the Board, the Board has adopted policies and procedures intended to ensure that:

- the interest is fully disclosed and the disclosure is recorded in the minutes of the Board;
- the relevant director is excluded from all consideration of such matter by the Board; and
- the relevant director does not receive any segment of Board papers or other documents in which there is a reference to such matter.

The Audit and Risk Committee is responsible for assisting the Board in connection with the compliance by the Company and its directors, officers and employees with all applicable laws, regulations and policies adopted by the Company, including the Risk Management Policy and the Code.

Nomination of Directors

The Board has established a remuneration and nomination committee (the "Remuneration and Nomination Committee"), whose duties include identifying and recommending candidates to fill casual vacancies and determining the appropriateness of director nominees for election to the Board.

The Remuneration and Nomination Committee is comprised entirely of independent directors. The Remuneration and Nomination Committee meets at least annually and otherwise as required to discharge its responsibilities. In addition to identifying and recommending candidates and determining the appropriateness of director nominees, the Remuneration and Nomination Committee is responsible for (among other things) providing new directors with an introduction to the Company, succession planning, the evaluation of the performance of the Managing Director and annually reviewing and reporting to the Board on the proportion of women at all levels of the Company.

Compensation

The Remuneration and Nomination Committee is also responsible for assisting the Board by reviewing and making recommendations with respect to (among other things) the remuneration of directors and senior executives, employee incentive and equity-based plans and the recruitment, retention and termination policies and procedures for executive officers.

The Remuneration and Nomination Committee is comprised entirely of independent directors. The Remuneration and Nomination Committee is required to make recommendations to the Board on all matters within its remit, and it meets at least once a year to discharge its responsibilities. The Remuneration and Nomination Committee is authorized to seek any information it requires from any employee of the Company and to engage and compensate external legal or other professional advisors.

The Remuneration and Nomination Committee is responsible for, among other things, establishing appropriate remuneration levels and policies for directors and senior executives, reviewing the complete remuneration packages of directors and senior executives, reviewing the salary levels for senior executives and making recommendations to the Board with respect to any proposed increases, proposing to the Board the terms and conditions of the Managing Director's employment and reviewing and reporting to the Board on an annual basis regarding the performance of the Managing Director.

The Remuneration and Nomination Committee considers independent advice, where circumstances require, on the appropriateness of remuneration to ensure the Company attracts, motivates and retains high quality people. An advisor was engaged for the year ended June 30, 2017.

For more information with respect to the compensation of the Named Executive Officers and the directors of the Company, see "*Statement of Executive Compensation*" above.

Other Board Committees

Other than the Audit and Risk Committee and the Remuneration and Nomination Committee, there are no other current standing committees of the Board.

Information regarding the Audit and Risk Committee, including the complete text of the charter of the Audit and Risk Committee, is set forth in the annual information form of the Company dated September 29, 2017 under the heading "*Audit Committee and Related Information*".

Assessments

Currently the Board has not implemented a formal process for assessing the performance of the Board, its committees, or its individual directors. At present, the Board monitors the adequacy of information provided to directors, the communications between the Board and management and the strategic direction and processes of the Board and its Audit and Risk Committee, to satisfy itself that the Board, the Audit and Risk Committee and individual directors are performing effectively.

Director Term Limits and Other Mechanisms of Board Renewal

The Company has not adopted term limits for directors. The composition of the Board is regularly reviewed to ensure that its members have the correct mix of skills and experience for the stage of operations of the Company. As discussed above, the Remuneration and Nomination Committee is responsible for assessing the composition of the Board. In addition, the Remuneration and Nomination Committee is responsible for developing a succession plan for the Managing Director and each Director in order to ensure there is an appropriate mix of skills, experience, expertise and diversity on the Board.

Policies Regarding the Representation of Women on the Board

The Company has adopted a diversity policy (the "Diversity Policy"), which recognizes the benefits arising from diversity, including gender diversity, among the Company's employees and at the Board level. Due to the limited number of employees of the Company, the Diversity Policy does not establish any fixed targets regarding the representation of diverse candidates on the Board or in senior management.

The Diversity Policy recognizes that having a diverse and talented workforce is a competitive advantage and confirms that it is the Company's policy to recruit and manage on the basis of qualification for a given position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability.

Consideration of the Representation of Women in the Director Identification and Selection Process

The Diversity Policy mandates that the Remuneration and Nomination Committee will consider gender diversity during the process of identifying and selecting candidates for election or appointment to the Board and that due regard will be given to the benefits of diversity during the identification and selection of candidates.

Consideration Given to the Representation of Women in Executive Officer Appointments

The Diversity Policy mandates that the Remuneration and Nomination Committee will consider gender diversity during the process of identifying and selecting candidates for appointment to senior management positions and that due regard will be given to the benefits of diversity during the identification and selection of candidates.

Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

The Company has not adopted a target regarding the representation of women on the Board. The Company believes that candidates should be selected from the widest possible group of qualified individuals, and, accordingly, the level of representation of women may be considered but is not a major factor in identifying and appointing individuals to the Board, and adopting such a target may unduly restrict its ability to select the most appropriate candidates for Board positions.

Due to the limited number of employees of the Company, the Company has not adopted a target regarding women in executive officer positions.

Number of Women on the Board and in Executive Officer Positions

None (0%) of the members of the Board are women. One out of the eight (12.5%) executive officers of the Company is a woman.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com and on the ASX website at www.asx.com.au. Further financial information is provided in the audited consolidated financial statements of the Company for the financial year ended June 30, 2017 and related management's discussion and analysis which accompany this Explanatory Statement and Management Information Circular and have also been filed on SEDAR. Shareholders may also contact Sarah Shipway, the Corporate Secretary of the Company, by e-mail at sarah@cardinalresources.com.au to request a copy of these documents.

The Company will provide any shareholder of the Company, without charge, upon request to the Corporate Secretary of the Company:

- (a) one copy of the audited consolidated financial statements of the Company for the financial year ended June 30, 2017, together with the report of the auditor thereon;
- (b) one copy of the management's discussion and analysis for the financial year ended June 30, 2017; and
- (c) one copy of this Explanatory Statement and Management Information Circular.

APPROVAL

The directors of the Company have approved the contents of this Explanatory Statement and Management Information Circular and the sending thereof to the shareholders of the Company.

DATED at Toronto, Ontario this 18th day of October, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

"Archie Koimtsidis"
Archie Koimtsidis

Chief Executive Officer and Managing
Director

GLOSSARY

10% Placement Capacity has the meaning given in Section 9 of the Explanatory Statement.

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the annual general meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Cardinal Resources Limited (ACN 147 325 620).

Constitution means the Company's constitution, as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Ghanaian Assets means the five (5) tenements prospective for gold mineralisation in Ghana in two NE-SW trending paleo-proterozoic granite-greenstone belts in connection with the Bolgatanga project and Subranum project.

Insider has the meaning given to the term "insider" in Part I of the TSX Company Manual.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Management Information Circular means the management information circular accompanying and forming part of the Explanatory Statement.

Milestones means Milestone 1, Milestone 2 and Milestone 3.

Milestone 1 means the milestone set out in paragraph (d)(i) of Schedule 3.

Milestone 2 means the milestone set out in paragraph (d)(ii) of Schedule 3.

Milestone 3 means the milestone set out in paragraph (d)(iii) of Schedule 3.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement, the Management Information Circular and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option or Related Party Option as the context requires.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Plan has the meaning given in Section 10 of the Explanatory Statement.

Proxy Form means the proxy form accompanying the Notice.

Related Party Option means an Option granted pursuant to Resolutions 6-8 with the terms and conditions set out in Schedule 3.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2017.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement unless otherwise specified.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

TSX means the Toronto Stock Exchange.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 22 NOVEMBER 2016

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 22 August 2017 Appendix 3B – 23 August 2017	175,608	Shares ²	Holders of quoted Options	\$0.15 per Share on conversion of quoted Options (representing a 77.3% discount to Market Price)	Cash Amount raised = \$26,341.20 Amount spent = \$0 Use of funds: Working capital Amount remaining = \$26,341.20 Proposed use of remaining funds: ⁵ general working capital
Issue – 1 August 2017 Appendix 3B – 1 August 2017	290,994	Shares ²	Holders of quoted Options	\$0.15 per Share on conversion of quoted Options (representing a 75.8% discount to Market Price)	Cash Amount raised = \$43,649.10 Amount spent = \$0 Use of funds: Working capital Amount remaining = \$43,649.10 Proposed use of remaining funds: ⁵ general working capital
Issue – 25 May 2017 Appendix 3B – 31 May 2017	476,247	Shares ²	Dr Julian Barnes (or his nominee)	No issue price (non-cash consideration)	Non – cash The Shares were issued for nil cash consideration to Dr Julian Barnes in consideration for services provided to the Company, as detailed in the notice of meeting for the annual general meeting held on 7 November 2016. Current value ⁶ = \$0.68 per Share
Issue – 12 April 2017 Appendix 3B – 12 April 2017	5,000,000	Unquoted Options ⁴	Kevin Tomlinson (or his nominee)	No issue price (non-cash consideration)	Non - cash The Options were issued for nil cash consideration to directors of the Company to motivate and reward the performance of the directors, as detailed in the notice of meeting for the shareholders meeting held on 3 April 2017. Value per option ⁶ = \$0.3962
	4,500,000	Unquoted Options ⁴	Archie Koimtsidis (or his nominee)	No issue price (non-cash consideration)	
	4,000,000	Unquoted Options ⁴	Malik Easah (or his nominee)	No issue price (non-cash consideration)	
	2,500,000	Unquoted Options ⁴	Mark Connelly (or his nominee)	No issue price (non-cash consideration)	
	2,500,000	Unquoted Options ⁴	Simon Jackson (or his nominee)	No issue price (non-cash consideration)	
	2,500,000	Unquoted Options ⁴	Bruce Lilford (or his nominee)	No issue price (non-cash consideration)	Non - cash The Options were issued for nil cash consideration to provide a

					performance linked incentive component in the remuneration package provided to Bruce Lilford, as detailed in the notice of meeting for the shareholders meeting held on 3 April 2017. Current value per option ⁶ = \$0.3962
	2,500,000	Unquoted Options ⁴	Erik Palmbachs (or his nominee)	No issue price (non-cash consideration)	Non - cash The Options were issued for nil cash consideration to provide a performance linked incentive component in the remuneration package provided to Eric Palmbachs, as detailed in the notice of meeting for the shareholders meeting held on 3 April 2017. Value per option ⁶ = \$0.3962
	2,500,000	Unquoted Options ⁴	Paul Abbott (or his nominee)	No issue price (non-cash consideration)	Non - cash The Options were issued for nil cash consideration to Paul Abbott in consideration for services provided to the Company, as detailed in the notice of meeting for the shareholders meeting held on 3 April 2017. Value per option ⁶ = \$0.3962
Issue – 1 February 2017 Appendix 3B – 1 February 2017	2,500	Shares ²	Holders of quoted Options	\$0.15 per Share on conversion of quoted Options (representing a 48.3% discount to Market Price)	Cash Amount raised = \$375 Amount spent = \$0 Use of funds: Working Capital Amount remaining = \$375 Proposed use of remaining funds: ⁵ general working capital
Issue – 28 November 2016 Appendix 3B – 29 November 2016	476,247	Shares ²	Dr Julian Barnes (or his nominee)	No issue price (non-cash consideration)	Non - cash The Shares were issued for nil cash consideration to Dr Julian Barnes in consideration for services provided to the Company, as detailed in the notice of meeting for the annual general meeting held on 7 November 2016. Current value ⁶ = \$0.68 per share

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.

2. Fully paid ordinary shares in the capital of the Company, ASX Code: CDV (terms are set out in the Constitution).
3. Quoted Options, exercisable at \$0.15 each, on or before 30 September 2019, ASX Code: CDVOA.
4. Unquoted Options, exercisable at \$0.50 each, on or before 12 April 2022. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 3 April 2017.
5. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
6. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.68) or Options (\$0.535) as the context requires on the ASX on the trading day prior to the date of this Notice. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

SCHEDULE 2 – STOCK OPTION PLAN

CARDINAL RESOURCES LIMITED

Stock Option Plan

This Stock Option Plan, dated October 17, 2017 (the “**Plan**”), governs options (the “**Options**”) to purchase ordinary shares (the “**Shares**”) of Cardinal Resources Limited (the “**Company**”) granted on or after the date hereof by the Company to Eligible Persons (as such term is defined below). The Plan is intended to encourage share ownership by Eligible Persons, to attract and retain qualified individuals and to provide additional incentives to promote the success of the Company and the subsidiary corporations of the Company.

- 1 **Definitions.** For purposes of this Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

“**affiliate**” means any corporation that is an affiliate of the Company as defined in the *Securities Act* (Ontario).

“**ASIC**” means the Australian Securities and Investments Commission.

“**ASX**” means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

“**Blackout Period**” means a period when an Optionee is prohibited from trading in the Company’s securities pursuant to the Company’s written policies then applicable or a notice in writing to an Optionee by a senior officer or director of the Company.

“**Blackout Period Expiry Date**” means the date on which the applicable Blackout Period expires.

“**Board**” means the board of directors of the Company.

“**Business Day**” means any day except a Saturday, a Sunday or any other day on which commercial banks located in Toronto, Canada or Sydney, Australia are authorized or required by law to be closed for business.

“**Cashless Exercise**” has the meaning ascribed thereto in Section 11.

“**Change of Control**” means the purchase or acquisition of Shares and/or securities convertible into or exchangeable or exercisable for Shares as a result of which a Person, group of Persons or Persons acting jointly or in concert, or Persons who are associates of or affiliated with any such Person, group or Persons or any of such Persons acting jointly or in concert, beneficially owns or exercises control or direction over Shares that would entitle such Person, group of Persons or Persons acting jointly or in concert to cast 50% plus one of the votes attaching to all Shares of the Company.

“**Class Order**” means ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order).

“**Company**” means Cardinal Resources Limited, and includes any successor corporation thereto.

“**Consultant**” means, in relation to the Company, an individual or Consultant Company, to the extent permitted by the Class Order, other than an Employee or a Director of the Company, that:

- (a) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to a distribution;
- (b) provides the services under a written contract between the Company or an affiliate of the Company and the individual or the Consultant Company;
- (c) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate of the Company; and
- (d) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.

"Consultant Company" means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.

"Corporations Act" means the *Corporations Act 2001 (Cth)*, as amended from time to time.

"Director" means a director of the Company or a director of any affiliate of the Company from time to time.

"Effective Date" means, with respect to a grant of Options, the date on which such Options are granted by the Board, or such later date as the Board may specify.

"Eligible Person" means a Director, Employee, Management Company Employee or Consultant.

"Employee" means:

- (a) an individual who is considered an employee of the Company or an affiliate of the Company under the *Income Tax Act* (Canada);
- (b) an individual who works full-time for the Company or an affiliate of the Company providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
- (c) an individual who works for the Company or an affiliate of the Company, to the extent permitted by the Class Order, on a continuing regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made,

and, for greater certainty, includes officers of the Company.

"Employee Option Plan" means the existing employee option plan of the Company.

"Exchange" means the TSX, ASX or any other stock exchange on which the Shares are then listed for trading, as applicable.

"Exercise Period" means the period of time during which Options granted hereunder may be exercised (subject to the limitations of Section 9 hereof).

"Exercise Price" has the meaning given to it in Section 7.

“Insider” has the meaning given to the term “insider” in Part I of the TSX Company Manual.

“Management Company Employee” means an individual employed by a Person providing management services to the Company or an affiliate of the Company, which are required for the ongoing successful operation of the business enterprise of the Company or an affiliate of the Company.

“Market Price” means the price per Share computed on the basis of the closing market price of the Shares, on the ASX in relation to Eligible Persons who are Australian residents or the TSX in relation to Eligible Persons who are Canadian residents, for the most recent trading day preceding the date on which the Options are granted; provided that, if no Shares traded in the five trading days prior to such day, the Market Price shall be the average of the closing bid and ask prices over the last five trading days prior to such day, or if there have not been any bid and ask prices reported, the Market Price shall be the fair market value of a Share as determined by the Board.

“Non-Employee Director” means any individual who is a Director and who is not otherwise a full-time or part-time employee of the Company or an affiliate of the Company.

“Offer” means an offer made generally to the holders of the Shares in one or more jurisdictions to acquire, directly or indirectly, Shares and which is in the nature of a “takeover bid” as defined in the *Securities Act* (Ontario) or the Corporations Act and, where the Shares are listed and posted for trading on an Exchange, not exempt from the formal bid requirements of the *Securities Act* (Ontario).

“Offer Document” means an offer document in substantially the same form set out in Exhibit A, or such other form as is required by the Board from time to time consistent with the Corporations Act and the Class Order.

“Option” means the right to purchase Shares granted to Eligible Persons in accordance with the terms of this Plan.

“Optionee” means an Eligible Person who is the recipient of Options hereunder.

“Person” means a company or an individual.

“Plan” means this stock option plan.

“Redundancy” means termination of the employment, office or engagement of an Eligible Person due to economic, technological, structural or other organisational change where:

- (a) the Company no longer requires the duties and responsibilities carried out by such Eligible Person to be carried out by anyone; or
- (b) the Company no longer requires the position held by such Eligible Person to be held by anyone.

“Restriction Period” means the period during which Shares issued on the exercise of Options cannot be transferred or otherwise dealt with in accordance with Section 12(a).

“Retirement” means where an Eligible Person intends to permanently cease all gainful employment in circumstances where the Eligible Person provides, in good faith, a written statutory declaration to that effect to the Board.

“Severe Financial Hardship” means the Eligible Person is unable to provide themselves, their family or other dependents with basic necessities such as food, accommodation and clothing, including as a result of family

tragedy, financial misfortune, serious illness, impacts of a natural disaster and other serious or difficult circumstances.

“Shareholder Approval” means approval by the shareholders of the Company in accordance with the rules of any Exchange on which the Shares are then listed.

“Shares” means the ordinary shares of the Company.

“Special Circumstances” means:

- (a) a Person ceasing to be an Eligible Person due to:
 - (iii) the death or Total or Permanent Disability of such Person; or
 - (iv) the Retirement or Redundancy of such Person;
- (b) an Eligible Person suffering Severe Financial Hardship;
- (c) any other circumstance stated to constitute “Special Circumstances” in the terms of the relevant offer made to and accepted by the Eligible Person; or
- (d) any other circumstance determined by the Board at any time (whether before or after the offer) and notified to the relevant Eligible Person which circumstances may relate to the Eligible Person, a class of Eligible Persons, including the Eligible Person or particular circumstances or class of circumstances applying to the Eligible Person.

“Total or Permanent Disability” means that the Eligible Person has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Eligible Person unlikely ever to engage in any occupation with the Company or an affiliate of the Company for which he or she is reasonably qualified by education, training or experience.

“TSX” means the Toronto Stock Exchange.

- 2 Interpretation. A reference to a statute includes all regulations made thereunder, all amendments to the statute or regulations in force from time to time and any statute or regulation that supplements or supersedes such statute or regulations. Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine or neuter and vice versa.
- 3 Administration of the Plan. This Plan shall be administered by the Board. Within the limits of this Plan, the Board shall from time to time determine the Eligible Persons to whom, and the times at which, Options shall be granted, the number of Shares covered by the Options, the duration of the Options, the Exercise Price and method of payment for the Options, and the time or times within which (during their term) the Options may be exercised. The Board may establish such rules as it deems necessary for the proper administration of this Plan, make such determinations and interpretations with respect to the Plan and Options granted under it as may be necessary or desirable and include such further provisions or conditions in Options granted under this Plan as it deems advisable. To the extent permitted by law, the Board may delegate its authority under this Plan to a committee of the Board. Any decision, interpretation or other action made or taken in good faith by or at the direction of the Company or the Board arising out of or in connection with the Plan shall be within the absolute discretion of both and each of them, as the case may be, and shall be final, binding and conclusive on the Company and Optionees and their respective heirs, executors, administrators, successors and assigns and all other Persons.

4 Shares and Options Subject to the Plan.

- (a) The maximum number of Shares which may be reserved for issuance under this Plan less the number of Shares subject to outstanding options under the Employee Option Plan shall not exceed five percent (5%) of the total issued and outstanding Shares from time to time (calculated on a non-diluted basis). The Company shall at all times while this Plan is in force reserve such number of Shares as will be sufficient to satisfy the requirements of this Plan.
- (b) This Plan is considered an “evergreen plan” since the Shares covered by Options which have been exercised shall be available for subsequent grants under the Plan. If any Options expire, are forfeited, or are cancelled for any reason, the Shares subject to such Options shall again be available for grants under the Plan.
- (c) The maximum number of Shares which may be reserved for issuance to Non-Employee Directors, at any time, under this Plan shall not exceed one percent (1%) of the total issued and outstanding Shares from time to time.
- (d) The total grant to any one Non-Employee Director, within any one year period, under this Plan shall not exceed a maximum grant value of \$150,000 worth of securities, of which the value of Options shall not exceed \$100,000. For the purposes of this Section 4(d), the value of securities granted shall be determined using a generally-accepted valuation model and the aggregate number of securities granted shall be calculated without reference to: (i) the initial securities granted under the Plan to a Person who was not previously an Insider upon such Person becoming or agreeing to become a Director, provided, however, that the aggregate number of securities granted in this initial grant to any one Non-Employee Director shall not exceed a maximum value of \$150,000 worth of securities; and (ii) the securities granted under the Plan to a Director who was also an officer of the Company at the time of grant but who subsequently became a Non-Employee Director.

5 Grant of Options; Eligible Persons

- (a) Options may be offered from time to time by the Board, within the limits set forth in this Plan, to any Eligible Persons. All offers to Eligible Persons shall be made to individuals that are *bona fide* Directors, Employees, Management Company Employees and Consultants.
- (b) An offer to an Eligible Person who is an Australian resident must be made using an Offer Document.
- (c) An Offer Document must advise the Eligible Person of the following minimum information regarding the Options:
 - (i) the maximum number of Options that the Eligible Person may apply for, or the formula for determining the maximum number of Options that the Eligible Person may apply for;
 - (ii) the maximum number of Shares that the Eligible Person is entitled to be issued on the exercise of the Options or the formula for determining the maximum number of Shares;
 - (iii) any applicable vesting conditions;
 - (iv) any Restriction Period the Board has resolved to apply to Shares issued on exercise of the Options;
 - (v) the expiry date of the Options;

- (vi) the date by which an offer must be accepted; and
 - (vii) any other information required by law or the rules of any Exchange or considered by the Board to be relevant to the Options or the Shares to be issued on the exercise of the Options.
- (d) Unless the Options are quoted on an Exchange, Options issued under the Plan will be issued for no more than nominal cash consideration.
- 6 Terms of Options. The terms and conditions of all Options granted under this Plan shall be evidenced by a certificate between the Company and the Optionee substantially in the form of Exhibit B, or in such form as the Board may from time to time determine. The terms and conditions and the form of certificate may vary among Optionees.
- 7 Exercise Price. The exercise price for any Options (the “**Exercise Price**”) shall be determined from time to time by the Board, in compliance with all the rules and requirements respecting the pricing of Options imposed by any Exchange on which the Shares of the Company are then listed and provided that the Exercise Price for any Options shall not be less than the Market Price calculated on the Effective Date. Options do not confer the right to a change in Exercise Price or in the number of underlying Shares for which the Options can be exercised.
- 8 Terms and Dates of Exercise.
- (a) Subject to the requirements set forth herein and any accelerated termination as provided for in the Plan, the Board shall determine the Exercise Period of all Options and the time or times that Options are exercisable; provided, however, that the Exercise Period shall not exceed ten (10) years from the applicable Effective Date. Subject to (b) below, Options shall be exercisable in whole or in part during the Exercise Period in accordance with such vesting provisions, conditions or limitations as are herein contained or as the Board may from time to time impose, or as may be required by any Exchange or under applicable securities law.
 - (b) Notwithstanding the foregoing, if the term of any Options held by any Optionee expires during or within ten (10) Business Days of the Blackout Period Expiry Date applicable to such Optionee, then the term of such Options or the unexercised portion thereof, as applicable, shall be extended to the close of business on the tenth Business Day following the Blackout Period Expiry Date.
 - (c) Upon an Optionee ceasing to be an Eligible Person, (A) all unexercised and unvested Options granted to an Optionee shall expire immediately, and (B) all vested Options granted to such Optionee shall expire within ninety (90) days after such Optionee ceases to be an Eligible Person except in the case of an Optionee whose employment or term of office is terminated for lawful cause, then any Options held by such Optionee, whether or not such Options are exercisable at the time of termination, immediately expire and are cancelled on the termination date at a time determined by the Board, at its discretion. Notwithstanding the foregoing provisions, the Board may, in its discretion, at any time prior to or following the events contemplated above, permit the exercise of any or all Options held by the Optionee in the manner and on terms authorized by the Board, provided that, subject to an extension pursuant to Section 8(b), the Board will not, in any case, authorize the exercise of Options pursuant to this section beyond a period of one year from the date on which such Optionee ceases to be an Eligible Person.
- 9 Exercise of Options. Subject to the provisions of the Plan and the terms and conditions of any Offer Document (in the form attached as Exhibit A) or stock option certificate (in the form attached as Exhibit B), Options may be exercised, from time to time, by delivery of the exercise notice in the form attached as Appendix A to the stock option certificate to the Company’s principal office in West Perth, Australia. The

exercise notice shall state the intention of the Optionee to exercise Options and specify the number of Shares in respect of which the Options are then being exercised, and shall be accompanied by the full purchase price of the Shares which are the subject of the exercise and funds necessary to satisfy any withholding tax obligation of the Company or of the applicable affiliate of the Company.

10 Adjustments and Accelerated Vesting.

- (a) In the event: (i) of any change or proposed change in the Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; (ii) of any issuance, dividend or distribution to all or substantially all the holders of Shares of any shares, securities, property or assets of the Company other than in the ordinary course; (iii) that any rights are granted to holders of Shares to purchase Shares at prices materially below fair market value; or (iv) that as a result of any recapitalization, merger, consolidation or otherwise the Shares are converted into or exchangeable for any other shares or securities; then in any such case, the Board will adjust the number of Shares available for Options, the number of Shares covered by outstanding Options, the securities or other property that may be acquired upon the exercise of any Options and the price per Share of such Options, or one or more of the foregoing, to prevent substantial dilution or enlargement of the rights granted to, or available for, Optionees/Eligible Persons to the extent necessary to comply with the rules of any Exchange applying to a reorganization of capital at the time of the reorganization or any other applicable law. If the foregoing adjustment shall result in a fractional Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of the Plan.
- (b) If an Offer is made which, if successful, would result in a Change of Control, then all unexercised and unvested outstanding Options shall immediately vest and become exercisable by the Optionees, notwithstanding any other vesting provisions in the Plan or in a stock option certificate, as to all or any of the Shares in respect of which such Options have not previously been exercised, but such Shares may only be purchased for tender pursuant to such Offer. If for any reason such Shares are not taken up and paid for by the offeror pursuant to the Offer, any such Shares so purchased by an Optionee shall be deemed to be cancelled and returned to the treasury of the Company, shall be added back to the number of Shares remaining available under the Plan and, upon presentation to the Company of share certificates representing such Shares properly endorsed for transfer back to the Company, the Company shall refund to the Optionee all consideration paid for such shares and, in such event, the Optionee shall thereafter continue to hold the same number of unexercised and unvested outstanding Options on the same terms and conditions, including the Exercise Price thereof, as were applicable thereto immediately prior to time the subject Offer was made. Any Options not exercised (or otherwise disposed of) prior to or contemporaneously with a Change of Control shall be cancelled and forfeit for no consideration.
- (c) If the Company files articles of arrangement providing that the Shares are transferred in exchange for securities of another corporation, the units of a royalty trust or income trust, the units of a limited partnership or any other security, or are merged into or amalgamated with any other corporation, or sells all or substantially all of its assets, the Company will make provision that, upon the exercise of any outstanding Options after the effective date of such transaction, the Optionees shall receive such number of securities of the other, continuing or successor corporation, trust or limited partnership, as the case may be, in such arrangement, merger or amalgamation or of the shares or units of the purchasing corporation, trust or limited partnership, as the case may be, in such sale as the Optionees would have received as a result of such transaction if the Optionees had exercised the Options immediately prior thereto, for the same consideration paid on the exercise of such Options, and had held Shares on the effective date of such transaction. Upon such provision being made, the obligations of the Company to the Optionees pursuant to the Options and under this Plan shall terminate and be at an end. If such arrangement, merger or amalgamation results in a Change of Control, the provisions of clause (b) shall apply and the

context thereof and all references therein to “Offer” are to be read as being applicable to an “arrangement, merger or amalgamation”.

11 Cashless Exercise.

- (a) Notwithstanding any other provision of the Plan and only if permitted by the Board and the rules of any Exchange on which the Shares are then listed, an Optionee may elect to exercise Options held by such Optionee in whole or in part, and in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Exercise Price, by instead receiving upon such exercise the “Net Number” of Shares determined according to the following formula (“**Cashless Exercise**”):

$$\text{Net Number} = \frac{[A \times (B-C)]}{B}$$

where

A = the total number of Shares with respect to which the Options held by such Optionee are then being exercised.

B = the price per Share computed on the basis of the closing market price of the Shares, on the ASX for Eligible Persons who are Australian residents or the TSX for Eligible Persons who are Canadian residents, for the most recent trading day preceding the date on which the Options are exercised; provided that, if no Shares traded in the five trading days prior to such day, the Market Price shall be the average of the closing bid and ask prices over the last five trading days prior to such day, or if there have not been any bid and ask prices reported, the Market price shall be the fair market value of a Share as determined by the Board.

C = the Exercise Price of the Options.

- (b) The election described in Section 11(a) may be made by an Optionee by delivery to the Company of a written notice of cashless exercise in such form as the Board may from time to time approve, specifying the number of Options with respect to which the Optionee has elected a Cashless Exercise.
- (c) In connection with a Cashless Exercise, the number of Shares that would have been issuable pursuant to the Options in respect of which the election to Cashless Exercise was made (item A in the formula above) shall be considered to have been issued for the purposes of the reduction in the number of Shares which may be issued under the Plan.

12 Restriction on Dealing in Shares

- (a) Subject to Section 12(d), the Board may, in its discretion, determine, at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to an Optionee on exercise of those Options (“**Restricted Shares**”), up to a maximum of seven (7) years from the date on which the Options are granted (“**Restriction Period**”).
- (b) Subject to Section 12(d), the Board may, in its sole discretion, having regard to the circumstances at the time, waive a Restriction Period determined pursuant to Section 12(a).

- (c) An Optionee must not dispose of or otherwise deal with any Shares issued to them under the Plan while they are Restricted Shares.
- (d) The Company must impose a Restriction Period on Shares to the extent necessary to comply with any escrow restrictions imposed by any Exchange.
- (e) The Company may implement any procedure it considers appropriate to restrict an Optionee from dealing with any Restricted Shares for as long as those Shares are Restricted Shares.
- (f) The Optionee agrees to:
 - (i) execute a restriction agreement required by the ASX in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under the Plan;
 - (ii) the Company lodging the share certificates for Restricted Shares (where issuer sponsored) with a bank or recognised trustee to hold until the expiry of any Restriction Period applying to the Restricted Shares or until the Restricted Shares are otherwise released from restrictions (at which time the Company shall arrange for the share certificates to be provided to the Optionee); and
 - (iii) the application of a holding lock over Restricted Shares until any Restriction Period applying to the Restricted Shares under the Plan has expired (at which time the Company shall arrange for the holding lock to be removed).
- (g) When a Share ceases to be a Restricted Share, all restrictions on disposing of or otherwise dealing or purporting to deal with that Share provided in or under this Plan will cease.

13 **Withholding Obligations.** The Company's obligation to issue Shares to an Optionee pursuant to the exercise of Options shall be subject to the satisfaction of any withholding tax requirements under applicable tax legislation in respect of the exercise of Options ("**Withholding Obligations**"). The Company shall have the power and right to require the Optionee to remit to the Company an amount sufficient to satisfy the amount of the Withholding Obligations (the "**Withholding Amount**") by any of the following methods or by a combination of such methods as determined by the Company in its sole discretion:

- (a) the tendering by the Optionee of cash payment to the Company in an amount less than or equal to the Withholding Amount; or
- (b) the withholding by the Company from the Shares otherwise due to the Optionee such number of Shares as it determines are required to be sold by the Company, as agent on behalf of the Optionee, to satisfy the Withholding Amount (net of selling costs) ("**Funding Shares**"). By executing and delivering an exercise notice in respect of the Options, the Optionee shall be deemed to have consented to such sale and have granted to the Company an irrevocable power of attorney to effect the sale of such Funding Shares and to have acknowledged and agreed that the Company does not accept responsibility for the price obtained on the sale of such Funding Shares; or
- (c) the withholding by the Company from any cash payment otherwise due by the Company to the Optionee, including salaries, directors fees, consulting fees and any other forms of remuneration, such amount of cash as is required to pay and satisfy the Withholding Amount;

provided, however, in all cases, that the sum of any cash so paid or withheld and the fair market value of any Shares so withheld is sufficient to satisfy the Withholding Amount.

- 14 Income Tax Assessment Act 1997 (Australia). The Options are subject to deferred taxation under Subdivision 83A-C of the Income Tax Assessment Act 1997.
- 15 Non-assignability and Non-transferability of Options. Options granted under this Plan shall be non-assignable and non-transferable by the Optionee (subject to the provisions of Section 16) thereof otherwise than by will or the laws of descent and distribution, and shall be exercisable, during the Optionee's lifetime, only by the Optionee. All Options granted under this Plan shall be exercisable by an Optionee's heirs or administrators for a period of one year from such Optionee's death.
- 16 Restrictions on Transfers, Dealings and Hedging
- (a) Subject to the rules of any Exchange and in addition to Section 15, Options granted under the Plan to an Eligible Person who is an Australian resident are only transferable, assignable or able to be otherwise disposed or encumbered:
 - (i) in Special Circumstances with the consent of the Board (which may be withheld in its absolute discretion); or
 - (ii) by force of law upon death to the Optionee's legal personal representative or upon bankruptcy to the Optionee's trustee in bankruptcy.
 - (b) An Optionee must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure, to their Options.
 - (c) Where the Optionee purports to transfer, assign, mortgage, charge or otherwise dispose or encumber Options, other than in accordance with Section 16(a) or hedge Options contrary to Section 16(b), such Options shall immediately lapse.
- 17 Optionee Not a Shareholder. An Optionee shall not have any rights as a shareholder of the Company with respect to any Shares covered by any Options until such time as and to the extent that such Options have been duly exercised. There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options without exercising the Options.
- 18 Compliance with Statutes and Regulations. The granting of Options and the issuance of Shares under this Plan shall be carried out in compliance with applicable statutes and with the regulations of governmental authorities and any Exchange on which the Shares are then listed. If the Board determines that, in order to comply with any such statutes or regulations, certain action is necessary or desirable as a condition of or in connection with the granting of Options or the issue of Shares under Options, such Options may not be exercised in whole or in part unless that action shall have been completed in a manner satisfactory to the Board.
- 19 Participation Voluntary.
- (a) The participation of an Eligible Person in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Eligible Person any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment nor a commitment on the part of the Company to ensure the continued employment of such Eligible Person.
 - (b) The Plan does not provide any guarantee against any loss of profit, which may result from fluctuations in the market price of the Shares.

- (c) The Company does not assume responsibility for the income or other tax consequences for the Eligible Persons participating in the Plan and Eligible Persons are advised to consult with their own tax advisors.

20 Amendment of Plan.

- (a) Subject to receipt of requisite regulatory approval, where required, the Board may, in its absolute discretion, make amendments to the Plan, or any portion thereof, at any time without obtaining Shareholder Approval. Such amendments include, without limitation:
 - (i) amendments of a "house-keeping nature", including, without limitation, any amendment for the purpose of curing any ambiguity, error or omission in the Plan, correcting or supplementing any provision of the Plan that is inconsistent with any other provision of the Plan, correcting grammatical or typographical errors in the Plan and amending the definitions contained within the Plan;
 - (ii) amendments to the vesting provisions of Options or the Plan, other than changes to the Exercise Price and the expiration date of an Option as described in Section 20(b)(ii) and Section 20(b)(iii);
 - (iii) amendments to the provisions concerning the effect of the termination of an Optionee's employment or consulting arrangements (or, if applicable, those of its Consultant Company if the Optionee is an individual), or cessation of an Optionee's directorship, as applicable, on such Optionee's status under the Plan;
 - (iv) amendments to comply with the rules, policies, instruments and notices of any regulatory body to which the Company is subject, including any Exchange, or to otherwise comply with any applicable law or regulation; and
 - (v) amendments respecting the administration or implementation of the Plan.
- (b) Notwithstanding the foregoing, the Board may not make the following amendments to the Plan, without obtaining Shareholder Approval and any requisite regulatory approval:
 - (i) amendments to increase the maximum number of Shares reserved for issuance under the Plan, including a change from a fixed maximum percentage to a fixed maximum number of Shares;
 - (ii) amendments to reduce the Exercise Price of any Options;
 - (iii) amendments to extend the expiry date of any Options;
 - (iv) amendments to change the number of days set out in Section 8(b) of the Plan with respect to the extension of the expiry date of any Options expiring during or immediately following a Blackout Period;
 - (v) amendments that may permit the introduction or reintroduction of Non-Employee Directors on a discretionary basis or amendments that increase Non-Employee Director participation limits;
 - (vi) amendments which permit Options granted under the Plan to be transferable or assignable other than for normal estate settlement purposes;

(vii) amendments granting additional powers to the Board to amend Options or the Plan without security holder approval; and

(viii) amendments to this Section 20 of the Plan.

21 Termination of Plan. The Board may, in its absolute discretion, suspend or terminate the Plan at any time without obtaining Shareholder Approval, provided that, without the consent of an Optionee, such suspension or discontinuance may not in any manner adversely affect the Optionee's rights under any Options granted under the Plan. If the Plan is terminated, no further Options shall be granted, but the Options then outstanding shall continue in full force and effect in accordance with the provisions of the Plan.

22 Governing Laws. Grants made pursuant to the Plan to Canadian residents will be governed and construed in accordance with the laws of the Province of Ontario. Grants made pursuant to the Plan to Australian residents will be governed and construed in accordance with the laws of Western Australia.

23 Effective Date. The Plan will be effective on October 17, 2017.

EXHIBIT A

CARDINAL RESOURCES LIMITED

Offer Document

[insert date]

[insert name and address of Eligible Person]

Dear ●

CARDINAL RESOURCES LIMITED – STOCK OPTION PLAN

The board of directors of Cardinal Resources Limited (the “**Company**”) is pleased to make an offer to you of Options under its Stock Option Plan (the “**Plan**”) on the terms of this offer letter (“**Offer**”). Terms used in this Offer have the same meaning as used in the Plan.

The Company is pleased to advise you of the following:

- (a) this Offer is subject to the terms and conditions of the Plan, a copy of which is attached to this Offer;
- (b) subject to the following, the Company is willing to offer you the following Options, with the following Exercise Price and Exercise Period, and subject to the following vesting conditions:

[insert details of Options, Exercise Price, Exercise Period and vesting conditions]
- (c) the grant of the Options is subject to the terms of the Plan, including the Company obtaining any necessary Shareholder Approvals and you remaining an Eligible Person at the time the Options are to be granted and (subject to a number of exceptions), exercised and converted into Shares;
- (d) the Options under the Plan will be granted to you for [nil] cash consideration;
- (e) the Shares issued on exercise of the Options[will be subject to the following Restriction Periods/will not be subject to any Restriction Periods]:
 - (i) ●;
 - (ii) ●;
- (f) this Offer remains open for acceptance by you until 5 pm (WST) on [insert date] (the “**Closing Date**”) at which time the Offer will close and lapse;
- (g) you may apply for the Options by filling out Acceptance Form below and returning it to the Company Secretary before the Closing Date;
- (h) you may apply for the Options to be registered in your name;
- (i) unless the Plan provides otherwise, the Shares to which you are entitled on exercise of the Options will be issued to you as soon as practicable after the exercise date;

- (j) Options are only transferable in special circumstances as set out in the Plan;
- (k) the Company will apply for the Shares to be quoted on the ASX in accordance with the ASX Listing Rules within 10 Business Days of the later of the date the Shares are issued and the date any Restriction Period that applies to the Shares ends. The Shares may be subject to restrictions on disposal in accordance with the Plan in which case the Company will impose a Holding Lock with the Company's share registry and the Shares will not be able to be traded until the Holding Lock is lifted by the Company;
- (l) the Company will issue, where required to enable Shares issued on exercise of Options to be freely tradeable on the ASX (subject to any Restriction Period), a cleansing statement under section 708A(5) of the Corporations Act at the time Shares are issued. Where a cleansing statement is required, but cannot be issued, the Company will have a prospectus available in relation to the Shares which complies with the requirements of the Corporations Act;
- (m) the Company undertakes that, during the period commencing on the date of this Offer and expiring on the Closing Date, it will, within a reasonable period of you so requesting, make available to you the current market price of the underlying Shares to which the Options relate;
- (n) the current market price of the underlying Shares to which the Options relate can be found on the Company's ASX website at ●; and
- (o) Subdivision 83A-C of the *Income Tax Assessment Act 1997*, which enables tax deferral on Options, will apply (subject to the conditions in that Act) to Options granted to you under this Offer.

You should be aware that the business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company, including Options offered under the Plan, and Shares issued on exercise of the Options.

Any advice given by the Company in relation to the Options, or underlying Shares offered under the Plan, does not take into account your objectives, financial situation and needs (including financial or taxation issues).

This Offer and all other documents provided to you at the time of this Offer contain general advice only and you should consider obtaining your own financial product advice from an independent person to give such advice. You are advised to seek independent professional advice regarding the tax consequences of the grant of Options and the acquiring and disposing of any Shares that are issued on exercise of Options under the Plan according to your own particular circumstances.

Please confirm your acceptance of the Offer set out in this letter by completing the Acceptance Form below and returning it to the Company **by no later than ●**.

Yours faithfully

**For and on behalf of
CARDINAL RESOURCES LIMITED**

Encl.

EXHIBIT B

CARDINAL RESOURCES LIMITED

Stock Option Certificate

This Certificate is issued pursuant to the provisions of the Cardinal Resources Limited (the “**Company**”) stock option plan dated as of October 17, 2017 (as same may be amended, restated, amended and restated or otherwise modified from time to time, the “**Plan**”) and evidences that ● is the holder (the “**Optionee**”) of options (the “**Options**”) to purchase up to ● common shares (the “**Shares**”) in the capital of the Company at a purchase price of \$● per Share (the “**Exercise Price**”).

Subject to the provisions of the Plan:

- (a) the Effective Date of the grant of the Options is: ●;
- (b) the Options may be exercised up to 5:00 p.m. (WST) on ● (the “**Expiration Date**”);
- (c) the Options shall vest as follows: ●

The vested portion of the Options may be exercised at any time and from time to time, from and including the Effective Date through to 5:00 p.m. (WST) on the Expiration Date by delivering to the Company an Exercise Notice (in the form attached as Appendix A), together with this Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Options are being exercised.

Upon the exercise of Options, the Optionee must also remit to the Company an amount sufficient to satisfy any withholding tax requirements under applicable tax legislation in respect of the exercise of the Options (the “**Withholding Obligations**”). Unless otherwise permitted by the board of directors (the “**Board**”) or by applicable law, satisfaction of the amount of the Withholding Obligations (the “**Withholding Amount**”) may be accomplished by any of the following methods or by a combination of such methods as determined by the Company in its sole discretion:

- (a) the tendering by the Optionee of cash payment to the Company in an amount less than or equal to the Withholding Amount; or
- (b) the withholding by the Company from the Shares otherwise due to the Optionee such number of Shares as it determines are required to be sold by the Company, as agent on behalf of the Optionee, to satisfy the Withholding Amount (net of selling costs) (the “**Funding Shares**”). By executing and delivering the Exercise Notice, the Optionee shall be deemed to have consented to such sale and have granted to the Company an irrevocable power of attorney to effect the sale of such Funding Shares and to have acknowledged and agreed that the Company does not accept responsibility for the price obtained on the sale of such Funding Shares; or
- (c) the withholding by the Company from any cash payment otherwise due by the Company to the Optionee, including salaries, directors fees, consulting fees and any other forms of remuneration, such amount of cash as is required to pay and satisfy the Withholding Amount;

provided, however, in all cases, that the sum of any cash so paid or withheld and the fair market value of any Shares so withheld is sufficient to satisfy the Withholding Amount.

This Certificate and the Options evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Optionee hereby expressly agrees with the Company to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

The Optionee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by all the terms and provisions thereof.

IN WITNESS WHEREOF the Company has caused this Certificate to be executed on its behalf as of the ____ day of _____, 20__.

CARDINAL RESOURCES LIMITED

Per: _____

Name: _____

Title: _____

Acknowledged and Agreed to by:

_____ Witness	}	_____ ●
------------------	---	------------

APPENDIX A

Exercise Notice

TO: Cardinal Resources Limited (the “**Company**”)

The undersigned, being the holder of Options to purchase ● common shares of the Company (the “**Shares**”) at the exercise price of \$● per Share (the “**Exercise Price**”), hereby irrevocably gives notice, pursuant to the Company’s stock option plan dated as of October 18, 2017 (as same may be amended, restated, amended and restated or otherwise modified from time to time, the “**Plan**”), of the exercise of Options to acquire and hereby subscribes for ● Shares.

The undersigned tenders herewith a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the aforesaid Shares exercised and directs the Company to issue a certificate evidencing the Shares in the name of the undersigned to be mailed to the undersigned at the following address:

Registration Details:

[Name]

[Address]

Delivery Details:

[Mailing address for delivery of certificate]

By executing this Exercise Notice, the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan.

DATED this ____ day of _____, 20__.

_____ Witness	}	_____ ●
------------------	---	------------

SCHEDULE 3 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be:

- (i) \$0.825 for the Options to be issued to Robert Schafer and Derrick Weyrauch; and
- (ii) \$0.965 for the Options to be issued to Jacques McMullen and Michele Muscillo,

(Exercise Price).

(c) **Expiry Date**

Each Option will expire on the earlier of:

- (i) if the Option has not vested, immediately on the date upon which the Optionholder ceases to be retained or employed by the Company (or, in the case of a Director, resigns or retires) for any reason whatsoever (including without limitation resignation or termination for cause);
- (ii) if the Option has vested and has not been exercised by the Optionholder on the date upon which the Optionholder ceases to be retained or employed by the Company (or, in the case of a Director, resigns or retires) for any reason whatsoever (including without limitation resignation or termination for cause), 30 days from the date upon which the Optionholder ceases to be retained or employed by the Company (or, in the case of a Director, resigns or retires) for any reason whatsoever (including without limitation resignation or termination for cause); and
- (iii) 5:00 pm (WST) on that date which is five (5) years from the date of issue of the Options

(Expiry Date).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

Notwithstanding clauses (c)(i) and (ii), the Board may, in its absolute discretion, resolve to allow any Options not to lapse and be retained by the Optionholder after the Optionholder ceases to be retained or employed by the Company (or, in the case of a Director, resigns or retires).

(d) **Exercise Period**

The Options shall vest and are exercisable at any time on and from:

- (i) the earlier of:

- (A) the completion of a scoping study; or
- (B) the completion of a preliminary economic assessment,
of the Ghanaian Assets (**Milestone 1**);
- (ii) the beginning of earthworks for gold production at the Ghanaian Assets (**Milestone 2**); and
- (iii) the first pouring of gold at the Ghanaian Assets (**Milestone 3**),
until the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Change of Control Event**

A Change of Control event occurs where:

- (i) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional; or
- (ii) the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (iii) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50 per cent or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or
- (iv) the Company enters into agreements to dispose of its main business undertaking or the principal assets (whether or not in the form of shares in the Company) of the Company to a person, or a number of persons, and those agreements become unconditional.

On the occurrence of a Change of Control Event all unvested Options will vest and become exercisable in accordance with this clause (g) with such vesting deemed to have taken place immediately prior to the effective date of the Change of Control Event.

The Company shall give written notice of any Change of Control Event to each Optionholder. Upon the giving of any such notice a holder may exercise any of their vested Options within the Exercise Period by delivery to the registered office of the Company or such other address as determined by the Board of:

- (i) a signed Notice of Exercise; and
- (ii) a cheque or cash or such other form of payment determined by the Board in its sole and absolute discretion for the amount of the Exercise Price.

(h) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (h)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Deferred taxation**

Subdivision 83A-C of the *Income Tax Assessment Act 1997* applies to the Options.

(j) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(k) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(n) **Transferability**

The Options are not transferable.

ANNEXURE A – NOMINATION OF AUDITOR LETTER

9 October 2017

Cardinal Resources Limited
Suite 1
28 Ord Street
WEST PERTH WA 6005

I, Sarah Shipway, being a member of Cardinal Resources Limited (**Company**), nominate BDO (WA) Pty Ltd in accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this nomination as required by section 328B(3) of the Act.

Signed and dated 9 October 2017:

Sarah Shipway

CDV
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

XX

For your vote to be effective it must be received by 2:00pm (WST) Monday, 20 November 2017

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

This proxy is solicited by or on behalf of management of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View the Annual Report, 24 hours a day, 7 days a week:

www.cardinalresources.com.au

To view and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Cardinal Resources Limited hereby appoint

☐

the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Cardinal Resources Limited to be held at Intercontinental Perth City Centre, 815 Hay Street, Perth, Western Australia on Wednesday, 22 November 2017 at 2:00pm (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 6-8, 11 and 14 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 6-8, 11 and 14 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 6-8, 11 and 14 by marking the appropriate box in step 2 below.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority. Where a box is not marked, the proxy may vote as they choose subject to the relevant laws. This Proxy Form, when properly completed and signed confirms discretionary authority upon the proxy named herein to vote on any amendments to or variations of the motions described in the Notice of Meeting and on any other notions, if any, which may properly be brought before the Meeting or any adjournment thereof.

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Issue of Options to related party – Michele Muscillo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director – Kevin Tomlinson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Issue of Options to Derrick Weyrauch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Robert Schafer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Ratification of prior issue – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Director – Jacques McMullen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 11	Non-executive Directors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Election of Director – Michele Muscillo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 12	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Options to related party - Robert Schafer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 13	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Options to related party – Jacques McMullen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 14	Adoption of Stock Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

_____ / _____ / _____

Date

CDV

999999A

Computershare +