

# Cardinal Resources

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## Cardinal Resources' gold discovery a whole new ball game, says broker

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[Cardinal Resources](#) ([ASX:CDV](#)) has received a Speculative Buy and a 12 month price target of \$0.27 from Hartleys.

The target is almost double the last traded price of \$0.155.

The following is an extract from the report.

### NEW GOLD DISCOVERY FOR A WHOLE NEW BALL GAME

[Cardinal Resources](#) Limited first entered into an agreement to access the Namdini mining concessions in northern Ghana in late July 2014, following reports of an artisanal “gold rush” within the area.

The decision to pursue ground within the area has been a good one, and has led to the discovery of a new, shallow gold mineralised system (Namdini discovery) that has the characteristics of a significant deposit.

Though still early in discovery, with drilling ongoing to define the limits of mineralisation, wide zones (+100m) from “at” or “near-surface” continue to be reported at good grades.

We are excited by this gold discovery which given the style of mineralisation, geological setting and substantial mineralised intervals and grades (reported to date) have all the hallmarks of a gold deposit with plus million ounce potential; though this will be determined by the ongoing exploration (drilling).

The discovery is a game changer for the Company, which has led to a substantial share price appreciation since the start of the year of over 230%.

We initiate coverage of [Cardinal Resources](#) Limited with a Speculative Buy recommendation with a 12-month price target of 27cps.

The Company's low EV provides strong leverage to positive exploration results and new discoveries.

With mid-stage exploration (discovery) underway, we hope for good near-term catalysts for share price appreciation, including drill assays from diamond and RC drilling, and potential new ground acquisitions.

# Cardinal Resources

## **Impressive Board, strong track record and well-funded explorer**

The Company boasts an impressive Board for a junior gold explorer with extensive West African experience (former Papillion Resources, PMI Gold, Red Back Mining managers and executives), track record of first-class discoveries, project developments, gold production and important local expertise (MD, ED and Exploration Manager are all residents of Ghana).

Cardinal remains well funded for ongoing exploration with ~A\$5m in cash, some in-the-money options (potential near-term and longer term funding) and exploration tenure with proven prospectivity (gold discoveries).

## **First diamond hole confirms thicker mineralisation**

Cardinal is currently conducting an RC and diamond drill program within the Namdini mineralised corridor, with the aim of defining and extending gold mineralisation.

The RC drilling continues to be successful in defining thick, shallow mineralisation, with some drill highlights including (+20m drill intervals):

- 99m @ 1.21 g/t from surface (including 35m @ 2.5 g/t);
- 83m @ 1.41 g/t from 14m (ended in mineralisation);
- 67m @ 3.10 g/t from 3m (including 3m @ 15.30 g/t); and
- 51m @ 3.58 g/t from 85m.

Mineralisation remains open along strike (potential +1km), at depth and initial met-test work (cyanide leach) has been favourable.

Cardinal recently completed the first diamond hole at the Namdini gold discovery.

The hole was completed to a total drill depth of 362.5m, intersecting ~231m of sulphide-bearing volcanoclastics (generally higher grade) from only ~13m, and an additional ~64m of sulphide-bearing quartz diorite from ~244m.

Assays are pending at the time of writing and are expected in early December 2015. Though we anticipate a positive result, this remains a significant near-term risk (or catalyst for the optimists).

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