

Tuesday, 31 October 2017

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2017

**Cardinal Resources Limited** (ASX: CDV; TSX: CDV) (“**Cardinal**” or “**the Company**”), an African gold focused exploration company, is pleased to present to shareholders its Quarterly Activities report for the period ended 30 September 2017. Currently Cardinal holds four tenements within the Bolgatanga Project, with Subranum comprised of a single tenement in central Ghana (Figure 1).

### HIGHLIGHTS

- On July 10, 2017, the ordinary shares of the Company began trading in Canada, on the TSX, under the symbol “CDV”.
- On July 11, 2017 Mr Robert Schafer was appointed to the Board and Mr Derrick Weyrauch was appointed as Chief Financial Officer
- On July 13, 2017, the Company reported that a Large-Scale Mining License for Namdini was granted by the Minister of Lands and Natural Resources of Ghana. Additionally, the Company has executed the necessary documentation to assign the ‘Namdini Mining Licence’ to a wholly owned subsidiary of Cardinal.
- On July 27, 2017, the Company reported results for Phase Two of its metallurgical test programme at Namdini. Utilizing standard gold recovery techniques, the Company demonstrated a gold recovery rate of 86% with a conventional grind-flotation-regrind-CIL flowsheet.
- On August 14, 2017, the Company announced a 4km long auger drill hole soil gold anomaly on its Kungongo Prospect located 45 Km west of the Namdini Project.
- On August 16, 2017 the Company announced the acquisition of two large scale prospecting licences located in Northeastern Ghana from a subsidiary of Kinross Gold Corp. The licenses are strategically located adjacent to Cardinal’s Ndongo tenement and cover 114 square kilometers, thereby increasing the combined Ndongo tenements to 287 square kilometers. The enlarged area significantly increases Cardinal’s landholdings over the Namdini major regional shear.
- On September 18, 2017, the Company announced an updated Mineral Resource estimate for the Namdini Gold Project in Ghana, West Africa. The updated Mineral Resource estimated an Indicated Mineral Resource of 120 M tonnes grading 1.1 g/t Au for **4.3 Moz Au** and an Inferred Mineral Resource of 84 M tonnes grading 1.2 g/t Au for **3.1 Moz Au**, each at a 0.5 g/t Au cut off.

### SUBSEQUENT TO QUARTER END

- On October 12, 2017, Mr Jacques McMullen and Mr Michele Muscillo were appointed to the Board. Mr Mark Connelly and Mr Simon Jackson resigned from the Board to focus on their other significant commitments.
- On October 23, 2017 Cardinal announced that it had entered into an agreement with Clarus Securities Inc., on behalf of a syndicate of underwriters, pursuant to which the Underwriters have agreed to purchase, on a “bought deal” basis, 18,461,600 Ordinary Shares of the Company at a price of C\$0.65 per Ordinary Share for aggregate gross proceeds to the Company of C\$12,000,040.

## OUTLOOK

The principal activity of the Corporation (and its subsidiaries) is gold exploration in Ghana. The Corporation holds interests in five tenements prospective for gold mineralisation in Ghana in two NE-SW trending Paleo-Proterozoic granite-greenstone belts: the Bolgatanga Project and the Namdini Gold Project (“Namdini Gold Project” or “Namdini”), which are, respectively, located within the Nangodi and Bole-Bolgatanga Greenstone Belts in northeast Ghana, and the Subranum Project, which is located within the Sefwi Greenstone Belt in southwest Ghana.

The main focus of activity is the Namdini Gold Project where an Indicated Mineral Resource of 120 M tonnes grading 1.1 g/t Au for **4.3 Moz Au** and an Inferred Mineral Resource of 84 M tonnes grading 1.2 g/t Au for **3.1 Moz Au** each at a 0.5 g/t Au cutoff grade, has been established. The map that follows shows the location of the Namdini Gold Project and the Corporation’s other properties in Ghana.



**Figure 1 Cardinal Resource’s Tenements in Ghana**

The principal activity of the Company is the development of the Namdini Project through a Mineral Resource expansion drilling programme and engineering studies, which will form the basis of a Preliminary Economic Assessment (“PEA”).

Additional drilling is in progress to further improve Mineral Resource classification and to further expand the resource. Cardinal anticipates continued newsflow and is planning another Mineral Resource update which will feed into the ongoing feasibility study.

Other drilling planned on the Namdini Gold Project will include Geotechnical studies, close spaced Grade Control test patterns, Hydrogeological studies and Sterilization programs over possible infrastructure location sites.

Diamond (DD), Reverse Circulation (RC) and Auger drilling is also planned for Cardinal's regional tenements in the Bolgatanga area which consist of the Ndongo Prospect, the Kungongo Prospect and the Bongo Prospect. Detailed ground Geophysical surveys are also in progress at these tenements.

## THE NAMDINI GOLD PROJECT

### Property Title / Mining Lease

On July 13, 2017, the Company reported that a Large-Scale Mining License for Namdini was granted by the Minister of Lands and Natural Resources of Ghana. Additionally, the Company has executed the necessary documentation with Savannah Mining Limited ("**Savannah**") to assign the 'Namdini Mining License' to a wholly owned subsidiary of Cardinal. The license is for an initial period of 15 years and is renewable.

The Namdini Mining License covers an area of 19.54 Sq Km in the Upper East Region of Ghana. Savannah completed an EIS for Namdini and has filed the EIS with the Environmental Protection Agency ("EPA"). Following completion of a PEA, Cardinal will submit to the Minerals Commission an updated EIS and an application for an Operating Permit for the project scale envisioned in the PEA.

### Mineral Resources

In September 2017, Cardinal commissioned MPR Geological Consultants Pty Ltd ("**MPR**") to carry out an independent updated Mineral Resource estimate for scoping study purposes, using Multiple Indicator Kriging ("**MIK**") and all of the updated drill hole database, with an effective date September 11, 2017. The MPR MIK estimate reports increased Indicated tonnages at similar gold grades for higher contained gold at potentially economic cut-off grades.

Lower cut-off grade (g/t)	Million Tonnes (Mt)	Average Grade (Au g/t)	Million ounces (Au Moz)
<b>Indicated Resources</b>			
<b>0.3</b>	159	0.9	4.8
<b>0.4</b>	140	1.0	4.6
<b>0.5</b>	120	1.1	4.3
<b>0.6</b>	102	1.2	4.0
<b>0.7</b>	86	1.3	3.6
<b>Inferred Resources</b>			
<b>0.3</b>	111	1.0	3.5
<b>0.4</b>	98	1.1	3.3
<b>0.5</b>	84	1.2	3.1
<b>0.6</b>	72	1.3	2.9
<b>0.7</b>	61	1.4	2.7

**Table 1 September 2017 MPR MIK NI43-101 and JORC 2012 compliant resource estimate**

#### Notes

- JORC (2012) Code was followed for Mineral Resources. MPR has reconciled the Mineral Resources to CIM Definition Standards (2014) and there are no material differences.
- Mineral Resources are estimated at a cut-off grade of 0.5 g/t Au constrained by a preliminary pit shell.
- Incorporates drill holes completed as of September 11, 2017.
- Numbers may not add due to rounding.

The table above (Table 1) highlights Mineral Resource estimations at a series of cut-off grades. Currently, the 0.5 g/t Au cut-off grade approximates to an operational parameter that the Company believes to be applicable. This is in

accordance with the guidelines of Reasonable Prospects for Eventual Economic Extraction (“RPEEE”) per the Canadian Institute of Mining, Metallurgy and Petroleum “CIM Definition Standards for Mineral Resources and Mineral Reserves” (CIM, 2014) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code 2012).

MPR estimated recoverable resources for Namdini using MIK with block support adjustment, a method that has been demonstrated to provide reliable estimates of recoverable open pit resources in gold deposits of diverse geological styles. The mineralized domain used for the current study was interpreted by MPR and Cardinal geologists on the basis of two metre down-hole composited gold grades and captures zones of continuous mineralisation with composite grades of greater than nominally 0.1 g/t Au. The domain trends north-northeast over 1.2 km and dips approximately 60° to the west with an average horizontal width of approximately 350m. The Mineral Resource can reasonably be expected to provide appropriately reliable estimates of potential mining outcomes at the assumed selectivity, without application of additional mining dilution or mining recovery factors. Validation of the MIK model was undertaken visually and statistically.

### Mineral Processing and Metallurgical Testing

In July 2017, the Company reported interim results for Phase Two of its metallurgical test programme at Namdini. Utilizing standard gold recovery techniques the company demonstrated an overall gold recovery rate of 86% with a conventional grind-flotation-regrind-CIL flowsheet.

The Phase Two metallurgical test programme is focused on determining ore variability for the Company’s main lithology domains being metavolcanics, granite and diorite. The test programme is developed to enhance metallurgical understanding in order to help ensure a robust process design.

For life of mine planning, Cardinal selected 16 separate drill holes as representative samples from the three main lithologies across the entire deposit. The five metre downhole sample lengths were then composited by lithology for metallurgical testing.

The geostatistical resource model was used to target the average grade of the combined samples for each lithology, based on a notional cut-off grade of 0.4 g/t Au (“grams per tonne gold”). The intervals were selected to ensure that the following criteria were met:

- Representative spatial distribution within the overall Namdini deposit,
- A range of gold grades, predicted to be encountered during normal mining operations, and
- Average gold grades matching the overall Namdini geostatistical resource model above a 0.4 g/t Au cut-off

In addition to the above, the Company is conducting additional tests for the anticipated starter pit area. The supplemental metallurgical testing is still in progress.

As the metallurgical testing advances in the project development phase, the process flowsheet will continue to be optimized in order to provide the necessary detailed design criteria.

### Project Development Activities

Cardinal developed a study programme to advance the Namdini Gold Project. This consisted of engaging consultants to assist with the phased development of the Namdini Gold Project. The consultants and their roles are tabulated below:

Consultant	Responsibility	Phase
Suntech	Fresh Rock Metallurgical Testwork	Phase 1 metallurgical testwork
IMO	Fresh Rock Metallurgical Testwork Scope of Work	Phase 2 LoM metallurgical testwork
OMC	Comminution Design	Scoping Study

Gekko	Oxide Metallurgical Testwork	Scoping and Prefeasibility Study
Lycopodium	Process and Infrastructure Design	Scoping and Prefeasibility Study
Golder & Associates	Mining Design	Scoping and Prefeasibility Study
Nemas Consult	ESIA	Full Permit and Licencing Phases
Cardno BEC	Power Supply Study	Scoping Study

The Company engaged Lycopodium Minerals Pty Ltd. (“**Lycopodium**”) and Golder Associates Ltd. (“**Golder**”) to evaluate processing and mining options, respectively, for the Namdini Gold Project.

Lycopodium’s mandate comprises the process plant, associated infrastructure and tailings facilities, while being supported by Knight Piesold Ltd with respect to tailings management.

Golder’s mandate comprises geology, hydrology, hydrogeology, mining, geotechnical and environmental services.

Independent Metallurgical Operations Pty Ltd. (“**IMO**”) are contracted to assist the Company in developing testwork programmes through the different phases of the Namdini Gold Project. Suntech Geometallurgical Laboratories (“**Suntech**”) and Gekko are contracted by the Company to undertake metallurgical testwork studies to establish the composition and amenability of the resource to different processing techniques. Testwork is ongoing and entering into an optimization phase.

Oreway Mineral Consultants (“**OMC**”) are responsible for the comminution circuit design and interface directly with the process designers in finalizing the comminution circuit requirements of the process.

Cardno BEC completed a scoping study on the power reliability in Ghana and also considered different supply options with recommendations that best suit the Company’s requirements from a technology and cost points of view.

Three project size options are currently being evaluated; they include a 4.5 million tonne per annum (“**mtpa**”), 7 mtpa and 9.5 mtpa throughput.

## Drilling and Sampling Summary

**Diamond drilling** comprised of Infill drill holes over the Namdini mineralisation and geotechnical test holes of expected pit area during this quarter (Figure 2). 31 drill holes were completed by the end of this quarter which will be sampled and assayed during Q4 2017.

**RC drill holes** were completed over the Namdini mineralisation and also to the north of Namdini mineralisation. These included Resource infill, grade control test patterns and sterilisation drilling. 5 drill holes were in progress at the end of this quarter which will be sampled and assayed during Q4 2017.

**Total drilling** for the quarter comprised 443 drill holes totalling 36,070.90m, with a combined total of 35,058 samples, including blanks and standards, which were submitted to the SGS Tarkwa, SGS Ougadougou, ALS Kumasi and Intertek Tarkwa laboratories for standard fire assays (Table 2).

Drill Method	No. Holes	Total (m)	No. Samples	Duplicates	Blanks	Standards
<b>Resource Drilling</b>						
DD	25	8,786.95	8,859	0	59	60
RC	14	2,523.00	2,523	132	67	63
<b>Total</b>	<b>39</b>	<b>11,309.95</b>	<b>11,382</b>	<b>132</b>	<b>126</b>	<b>123</b>
<b>Sterilisation Drilling</b>						
RC	82	8,352.00	8,152	413	205	207
<b>Total</b>	<b>82</b>	<b>8,352.00</b>	<b>8,152</b>	<b>413</b>	<b>205</b>	<b>207</b>
<b>Grade Control Test Drilling</b>						
RC	315	13,120.00	13,026	644	324	324
<b>Total</b>	<b>315</b>	<b>13,120.00</b>	<b>13,026</b>	<b>644</b>	<b>324</b>	<b>324</b>
<b>Geotechnical Test Drilling</b>						
DD	7	3,288.95	-	-	-	-
<b>Total</b>	<b>7</b>	<b>3,288.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>443</b>	<b>36,070.90</b>	<b>32,560</b>	<b>1,189</b>	<b>655</b>	<b>654</b>

Table 2: Namdini Drilling (Q3 2017)

#### *Diamond Drilling*

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

The diamond drill holes were cored from surface. The soft near surface materials were drilled with a Triple Tube core barrel to reduce core losses. Once harder rock was encountered, HW steel casing was inserted for drill hole stability and HQ size core was drilled to their final depths.

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

#### *RC Drilling*

The general strike of the host rocks is 010° and dipping at approximately -60° W. The RC drilling was orientated normal (at 90°) to the strike of 100° azimuth with all drill holes inclined to the east as these drill holes were all planned to be relatively shallow and generally deviate very little from their intended direction.

The soft near surface materials were drilled until harder formations were encountered, then PVC casings were inserted for drill hole stability. The transition and fresh rocks were drilled with button bits attached to the hammer and dry chips were recovered at 1m intervals through a cyclone.

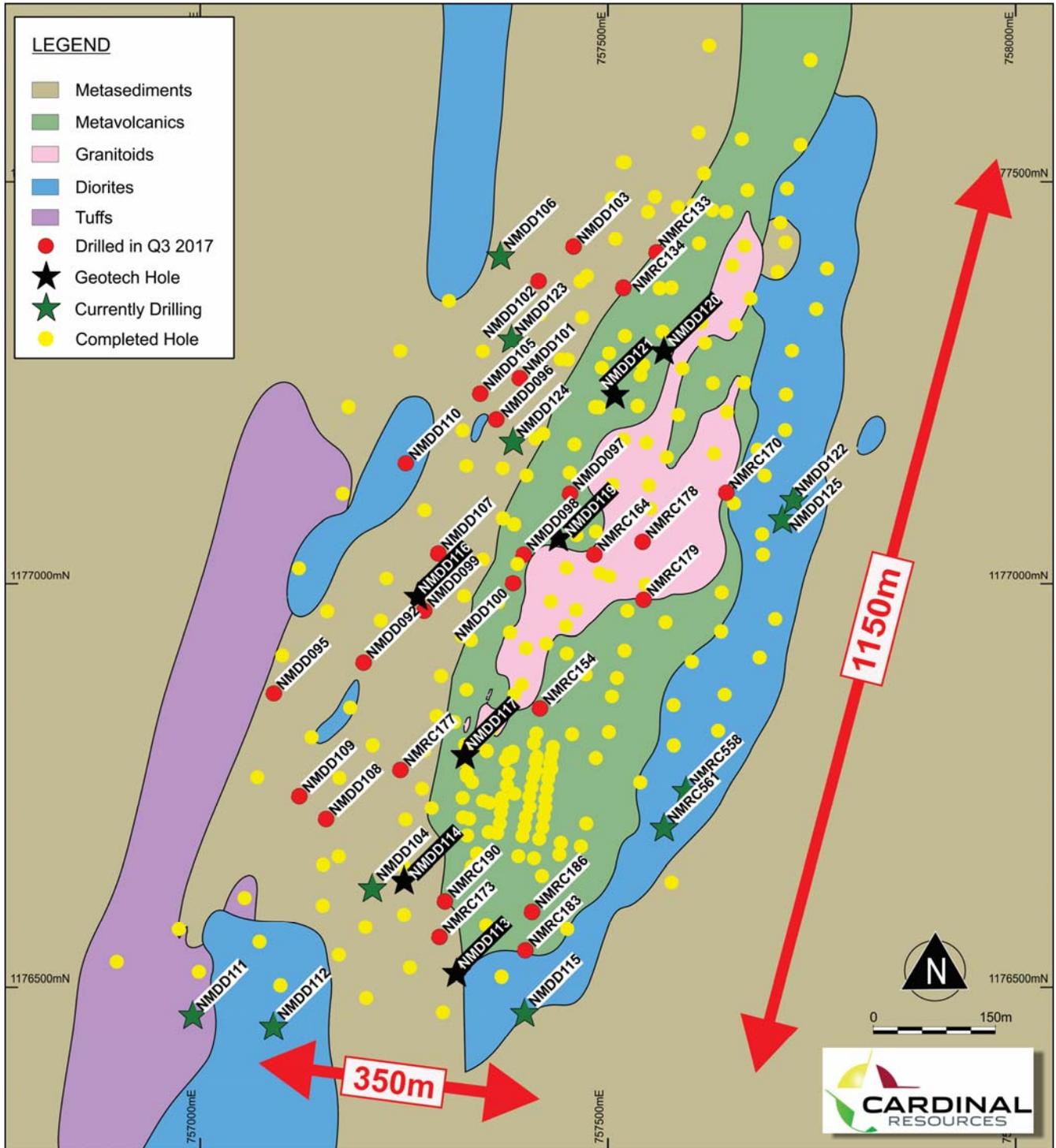


Figure 2: Namdini Project Q3 2017 Drill Hole Collars

*Diamond Drill Core Sampling*

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

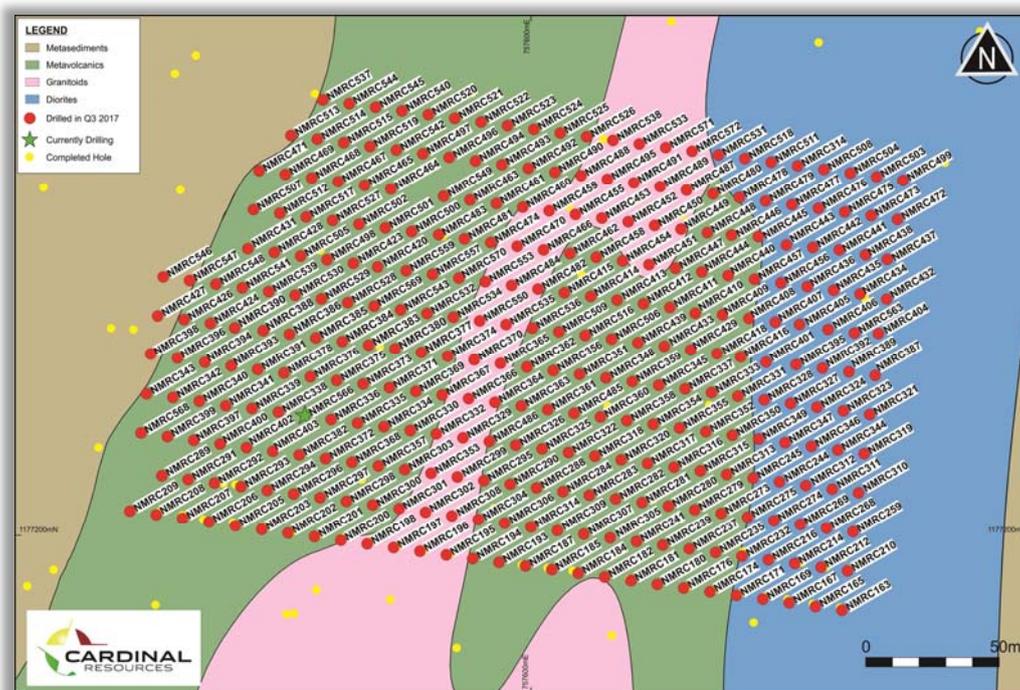
The core was photographed, cut in half, then quartered, with the same quarter sector consistently sampled to reduce sample bias. The remaining three quarters of core were stored in metal core trays and placed on metal racks under cover in the core shed at Bolgatanga. The quarter core samples were sent to the SGS Laboratories in both Burkina Faso and Tarkwa, Ghana for fire assay to speed up the receipt of results.

**RC Drill Sampling**

RC samples were weighed and split in the field to obtain two samples from each meter drilled, with 1 sample for laboratory analysis and the other stored at the Bolgatanga core yard for repeat analyses if required. Chips selected from meter sample bags were washed, placed in chip trays, logged and photographed both dry and wet. Completed chip trays were stored at the Bolgatanga core shed.

**Namdini Grade Control Test Drilling**

An area of approximately 180m (N) x 300m (E) within the Namdini mineralised zone close to surface was selected, within the expected starter pit area, for close spaced drilling. The drill holes were drilled at -65° using RC at a 15m (N) x 10m (E) spaced pattern, 42m deep. This equates to roughly 30m vertical depth with at least 10m into the fresh rock. The trial grade control drilling program over representative Namdini gold mineralization, will allow for some comparisons to be made with the resource drilling. Assays will be returned next quarter.



**Figure 3 Namdini Project Grade Control Test pattern**

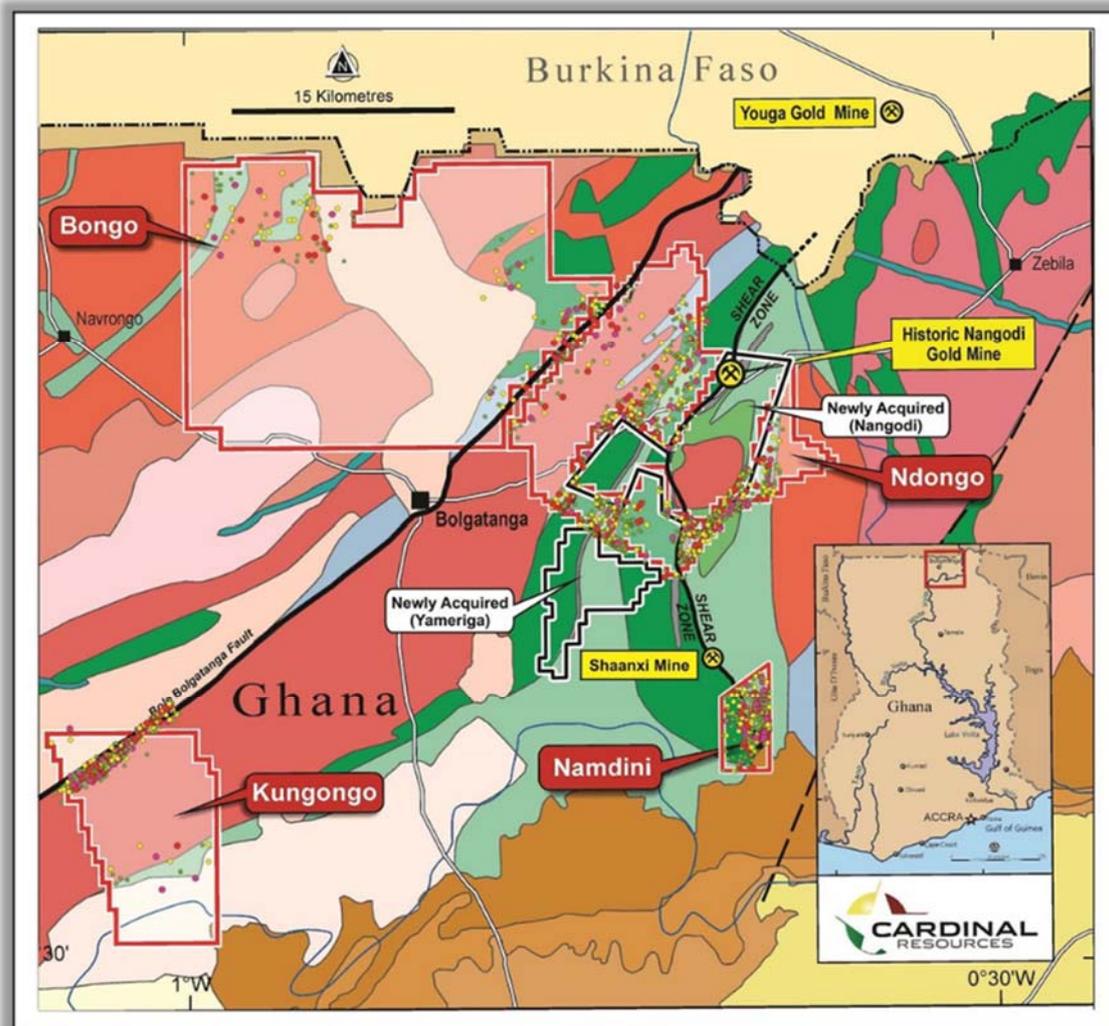
**Namdini Tenement Sterilisation Test Drilling**

An extensive campaign of sterilisation drilling on the tenement north and west of the Namdini deposit was commenced this quarter. This RC drilling program was designed to confirm that the proposed ground is suitable for mine infrastructure and without potentially economic gold mineralization.

## REGIONAL EXPLORATION UPDATE

### Bolgatanga Project (includes Ndongo, Kungongo, Bongo)

During the quarter ended September 30, 2017, the Company conducted geological mapping, geophysical surveys, auger drilling and shallow scout RC drilling.



**Figure 4 Regional Prospect Areas Proximity Map.**

The Company announced on August 16, 2017 the Company acquired 100% interest in two prospecting licenses from Red Back Mining Ghana Limited, a subsidiary of Kinross Gold Corporation. The licenses are strategically located adjacent to Cardinal's Ndongo tenement (173.36 sq km) which increases the new Ndongo / Nangodi combined tenement area to 286.67 sq km.

This enlarged area significantly increases Cardinal's land holding over the Namdini major regional shear and allows the Company to extend its exploration programme into this highly prospective area.

## **Ndongo Prospect**

Infill shallow auger soil drilling was completed at 200m x 50m over a portion of Ndongo. The results from this programme have identified scattered Au soil anomalies on 200m line spacing.

These Au anomalous targets will be tested over the coming months with a combination of RC and DD scout drill holes.

A drill hole and exploration data set obtained from the Kinross purchase of the Ndongo area, which contains the historic Nangodi Mine, will be reviewed in detail and planned exploration programmes will be implemented during Q4 2017.

### *Geophysical Surveys*

The airborne geophysical surveys carried out to date over the Bolgatanga Project tenements, provides an excellent basis for the interpretation of the regional geology and structural controls. Ground geophysics has provided the next level of geophysical detail, as the location of chargeable and resistive zones may provide insight to subsurface gold mineralization.

2 x GSM-19 Overhauser walking magnetometers, with GPS attached, recording at 2 second intervals, measuring total magnetic field in Nano Teslas, were used along with a GSM-19 Overhauser (base station) recording at 5 second intervals.

Coupled with the auger geochemical programme, the aim is to build an integrated data set that will provide information on defining additional gold resources on the Ndongo and Nangodi region and on other licenses controlled by Cardinal. In addition, the data set will provide insights to the structural and lithological controls on gold mineralization within the Cardinal Bolgatanga projects. This work is still in progress and field confirmation and exploration drilling are required to test the many targets that have been generated.

Southern Geoscience Consultants, Perth, Western Australia, will process this raw Total Magnetic data and delineate target areas for further exploration.

## **Kungongo Prospect**

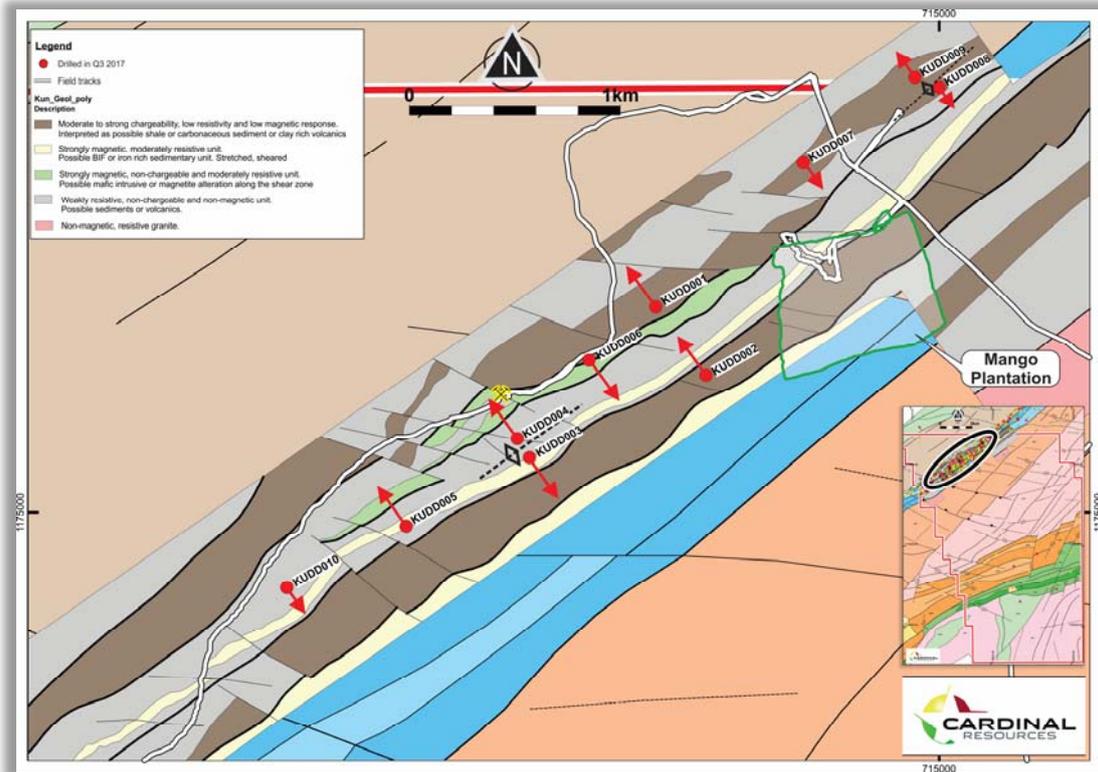
Three diamond drill holes were drilled across strike during this quarter to determine dip variation of the strata (Figure 5).

The dips were found to be variable down each drill hole, varying between NW and SE directions, confirming that the strata are very folded.

The extensive regional Bole-Bolgatanga shear zone occurs over a length of 6.5 km across the northwest corner of the tenement. The tenement is underlain by Birimian greenstones, which strike northeast across the tenement, which have been extensively intruded by younger granitoids.

The core has been logged, sampled and submitted for fire assaying.

Further diamond has been planned for this area during Q4 2017.



**Figure 5 Kungongo Prospect diamond drill collars with drill directions**

## Bongo

Soil auger programmes were completed over targets identified by airborne geophysical surveys. Gradient Array Induced Polarisation (GAIP) and Ground Magnetic (GMAG) ground geophysical surveys will be undertaken over the Au anomalous areas. Auger geochemical drilling has proved to be an excellent exploration technique, highlighting a number of anomalous Au areas.

Infill auger soil drilling over selected areas during this quarter included 545 holes completed, totalling 1,883 metres. Results will be returned next quarter.

Deeper RC drilling programmes may be planned for this area subject to results from the shallow auger soil drilling.

599 samples, including QAQC samples, have been submitted for Bottle Roll analyses.

The auger soil drilling programme follows the standard operating procedure for auger geochemical logging and sampling. Holes are marked in the field using GPS techniques, the rig geologist logs the auger samples as they are drilled using hand-held logging software until the saprolite zone is reached and is penetrated for at least 1 m.

## CORPORATE

### Dual-Listed on ASX and TSX

The Company's ordinary shares commenced trading on the Toronto Stock Exchange (the "TSX") under the symbol "CDV" on July 10, 2017.

### Board Changes

Subsequent to quarter end Cardinal announced additions to its Board and Management Team.

#### Mr. Jacques McMullen - P.Eng., M.A.Sc., I.C.D.D

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 operation's 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 (Detour Gold: TSX: DGC).

#### Mr. Michele Muscillo – LLB (Hons)

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).

The Company also reported that both Mark Connelly and Simon Jackson resigned from the board of directors to focus on their other significant commitments.

### C\$12.0 Million Bought Deal Announced

The Company announced on October 23, 2017 that it had entered into an agreement with Clarus Securities Inc., on behalf of a syndicate of underwriters (collectively, the "Underwriters"), pursuant to which the Underwriters have agreed to purchase, on a "bought deal" basis, 18,461,600 Ordinary Shares (the "Ordinary Shares") of the Company at a price of C\$0.65 per Ordinary Share (the "Offering Price") for aggregate gross proceeds to the Company of C\$12,000,040 (the "Offering").

The Company has agreed to grant the Underwriters an over-allotment option to purchase up to an additional 2,769,240 Ordinary Shares at the Offering Price, exercisable in whole or in part at any time for a period ending 30 days from the closing of the Offering. In the event the over-allotment option is exercised in full, the aggregate gross proceeds of the Offering will be C\$13,800,046.

The Company intends to use the net proceeds from the Offering to continue exploration and development at its Namdini Gold Project and the Company's other Ghanaian properties, and for general working capital purposes.

The Ordinary Shares will be offered by way of a short form prospectus to be filed in each of the provinces of Canada, other than the Province of Quebec, by way of a private placement in the United States, and in those jurisdictions outside of Canada and the United States which was mutually agreed to by the Company and the Underwriters, where the Ordinary Shares can be issued on a private placement basis, exempt from any prospectus, registration or other similar requirements. The Company proposes to issue the Ordinary Shares under its 7.1 and 7.1A capacity, being 30,884,556 Ordinary Shares.

The Offering is expected to close on or about 14 November 2017 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Toronto Stock Exchange (the “Exchange”).

### CAPITAL STRUCTURE

As at 30 September 2017 the Company had following capital structure;

Capital Structure	Listed	Unlisted	Total
Fully Paid Ordinary Shares (CDV)	350,529,559	-	350,529,559
Options Ex. \$0.15 on or before 30 September 2019	115,682,937	-	115,682,937
Options Ex. \$0.22 on or before 18 March 2020	-	8,000,000	8,000,000
Milestone Options Ex. \$0.50 on or before 12 April 2022	-	23,500,000	23,500,000
- Class A Performance Shares	-	50	50
- Class C Performance Shares	-	60	60

### Cash Balance

The Company’s cash balance at 30 September 2017 was approximately \$19.76 million.

**TENEMENT SCHEDULE - ASX LISTING RULE 5.3.3**

The following mining tenement information is provided pursuant to ASX Listing Rule 5.3.3. No tenements in part or whole, were relinquished, surrendered or otherwise divested during the quarter ended 30 September 2017.

Tenement	Licence Status	Ref	Note	Interest Acquired During Quarter	Interest Divested During Quarter	Interest Held at End of Quarter
<b>Ghana</b>						
<b><i>Bolgatanga Project</i></b>						
Ndongo	Prospecting	PL9/22	-	-	-	100%
Kungongo	Reconnaissance	RL9/28	-	-	-	100%
Bongo	Reconnaissance	RL9/29	-	-	-	100%
Nangodi	2x Propecting	-	-	100%	-	100%
<b><i>Namdini Project</i></b>						
Namdini	Mining Licence	-	1	-	-	100%
<b><i>Subranum Project</i></b>						
Subranum	Prospecting	PL/309	-	-	-	100%

**Notes:**

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

The application by Savannah for a Large-Scale Mining Licence over an area of approximately 19.54 Sq Km in the Upper East Region of Ghana covering Cardinals Namdini Project has been granted by the Minister of Lands and Natural Resources of Ghana.

Cardinal and Savannah have both signed the necessary documentation to assign the Namdini Mining License to Cardinal Namdini Mining Limited (Cardinal Namdini), a wholly owned subsidiary of Cardinal, for \$1.00 as per the Savannah Agreement.

Savannah Mining Limited is continuing to seek and acquire small scale mining licences within the ML in accordance with its existing contractual arrangements with the Company.

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**Competent / Qualified Person Statement**

The scientific and technical information in this Quarterly report that relates to the Namdini Gold Project has been reviewed and approved by Mr. Richard Bray, a Registered Professional Geologist with the Australian Institute of Geoscientists and Mr. Ekow Taylor, a Chartered Professional Geologist with the Australasian Institute of Mining and Metallurgy. Mr. Bray and Mr. Taylor have more than five years' experience relevant to the styles of mineralisation and type of deposits under consideration and to the activity which is being undertaken to qualify as a Competent

Person, as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” and as a Qualified Person for the purposes of NI43-101. Mr. Bray and Mr. Taylor are full-time employees of Cardinal and hold equity securities in the Company.

The scientific and technical information in this Quarterly report that relates to Exploration Results, Mineral Resources or Ore Reserves at the Bolgatanga Project and Subranum Project is based on information prepared by Mr. Paul Abbott, a full time employee of Cardinal Resources Limited, who is a Member of the Geological Society of South Africa. Mr. Abbott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.

## **JORC 2012**

This report contains information extracted from the following reports which are available for viewing on the Company’s website [www.cardinalresources.com.au](http://www.cardinalresources.com.au):

- 18 Sep 2017 Cardinal’s Namdini Deposit Mineral Resource Update
- 23 Aug 2017 Namdini Infill Drilling
- 16 Aug 2017 Cardinal Purchase Kinross Land Package along Namdini Trend
- 14 Aug 2017 Cardinal Discovers New 4Km Long Auger Soil Anomaly
- 10 Aug 2017 Namdini Drilling
- 27 July 2017 Interim Metallurgical Update Demonstrates 86% Gold Recovery
- 13 July 2017 Namdini Mining Licence Granted
- 11 July 2017 Board and Management Additions
- 10 July 2017 Cardinal is Now Dual Listed on ASX and TSX

The Company confirms it is not aware of any new information or data that materially affects the information included in this report relating to exploration activities and all material assumptions and technical parameters underpinning the exploration activities in those market announcements continue to apply and have not been changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.