

CARDINAL RESOURCES LIMITED  
ACN 147 325 620

NOTICE OF GENERAL MEETING  
AND  
EXPLANATORY MEMORANDUM

IMPORTANT INFORMATION

*This is an important document that should be read in its entirety.  
If you do not understand it you should consult your professional advisers without delay.*

*If you wish to discuss any aspect of this document with the Company please contact  
Ms Sarah Shipway on telephone (+61 8) 9322 6600*

CARDINAL RESOURCES LIMITED  
ACN 147 325 620  
NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of the Shareholders of Cardinal Resources Limited will be held at Level 1, 115 Cambridge Street West Leederville WA 6007 at 9.00am (WST) on 19 August 2016 to conduct the following business and to consider, and if thought fit, to pass the following Resolutions.

**AGENDA**

**RESOLUTION 1 – RATIFICATION OF THE ISSUE OF PLACEMENT SHARES – LISTING RULE 7.1**

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

*“That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders ratify the allotment and issue of 33,311,201 Shares on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue, and any associates of such a person. 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.

**RESOLUTION 2 – RATIFICATION OF THE ISSUE OF PLACEMENT SHARES – LISTING RULE 7.1A**

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

*“That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders ratify the allotment and issue of 22,207,469 Shares and on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue, and any associates of such a person. 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.

**RESOLUTION 3 – APPROVAL FOR THE ISSUE OF PLACEMENT SHARES**

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

*“That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the allotment and issue of 19,481,330 Shares on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a 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 this Resolution is passed, and any associates of such a person. 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.

DATED THIS 11<sup>th</sup> DAY OF JULY 2016

BY ORDER OF THE BOARD

SARAH SHIPWAY  
COMPANY SECRETARY

## NOTES

### Definitions

Terms which are used in this Notice and which are defined in Section 3 of the Explanatory Memorandum have the meanings ascribed to them therein.

### Note

If you have recently changed your address or if there is any error in the name and address used for this notice, please notify the Company Secretary. In the case of a corporation, notification is to be signed by a director or company secretary.

### Proxies

A Shareholder who is entitled to vote at this Meeting has a right to appoint a proxy and should use the proxy form enclosed with this notice. The proxy need not be a Shareholder of the Company and can be an individual or a body corporate.

A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of this appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

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 a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, section 249X of the Corporations Act will take effect so that each proxy may exercise half of the votes (ignoring fractions).

A proxy's authority to speak and vote for a Shareholder at the meeting is suspended if the Shareholder is present at the meeting.

The proxy form must be signed and dated by the Shareholder or the Shareholder's attorney. Joint Shareholders must each sign.

Proxy forms and the original or a certified copy of the power of attorney (if the proxy form is signed by an attorney) must be received:

- **By Mail**                      Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne VIC 3001 Australia
- **By Fax**                        1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
- **Custodian Voting**        For Intermediary Online subscribers only (custodians) please visit [www.intermediary.com](http://www.intermediary.com) to submit your voting intentions

not later than 9.00am (WST) on 17 August 2016.

Pursuant to regulation 7.11.37 of the Corporations Regulations, the Board has determined that the shareholding of each Shareholder for the purposes of ascertaining the voting entitlements for the Meeting will be as it appears in the share register at 4.00pm (WST) on 17 August 2016.

### Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one.

Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

**CARDINAL RESOURCES LIMITED**  
**ACN 147 325 620**

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum forms part of a Notice convening the General Meeting of Shareholders of Cardinal Resources Limited to be held at Level 1, 115 Cambridge Street West Leederville WA 6007 at 9.00am (WST) on 19 August 2016. This Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed. Certain terms used in this Explanatory Memorandum are defined in Section 3.

**1. RESOLUTIONS 1 & 2 – RATIFICATION OF THE ISSUE OF PLACEMENT SHARES**

**1.1 Background**

On 11 July 2016, the Company announced that it had completed a Share placement of up to 75 million Shares at an issue price of \$0.29 per Share to raise up to approximately \$22 million (“Placement”). Of the Shares comprising the Placement, 55,518,670 were issued without prior Shareholder approval pursuant to the Company’s placement capacities under Listing Rules 7.1 and 7.1A. The ratification of the issue of the Shares is sought by Resolutions 1 and 2.

Of the Shares comprising the Placement, 19,481,330 will be issued subject to prior Shareholder approval being obtained. Shareholder approval is sought by Resolution 3 for this purpose.

The Placement results in welcoming a number of new, well credentialed fund managers to the Company’s share register, including Precious Capital Global Mining and Metals Fund in Switzerland and Colonial First State Growth Equities in Australia, amongst others. Precious Capital and Colonial First State provided cornerstone support for this capital raising, which was also well supported by a number of leading international institutional investors.

The Placement at \$0.29 cents per share represented a discount of only 6.7% to Cardinal’s 5-day VWAP, and is a 20% premium to Cardinal’s 30 day VWAP (both calculated from the announcement date).

The funds raised will be applied primarily to fund further RC and diamond drilling at the Company’s Namdini Gold Project in Ghana, West Africa, exploration of the Company’s other Ghanaian properties, provide capital for any potential payments in relation to acquiring tenements located adjacent to the Namdini Gold Project, technical studies in respect of the Namdini Gold Project, and for working capital.

Hartleys Limited (Australia) is Lead Manager to the Placement, with Clarus Securities Inc. (Canada) and RFC Ambrian Limited (London) acting as Co-Managers to the Placement.

**1.2 Listing Rules Chapter 7**

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company’s ordinary securities then on issue (in the case of Listing Rule 7.1) and 10% of the company’s ordinary securities then on issue (in the case of Listing Rule 7.1A)

Listing Rule 7.2 sets out the exceptions to Listing Rules 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 and Listing Rule 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 or 7.1A (as the case may be).

By ratifying the issue of the Shares the subject of Resolutions 1 and 2, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, and the 10% placement capacity under Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

Resolutions 1 and 2 are both ordinary resolutions.

### 1.3 Resolution 1 - Information Required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Shares the subject of Resolution 1:

- (a) 33,311,201 Shares were issued at an issue price of \$0.29 per Share;
- (b) The Shares 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;
- (c) The Shares were issued to professional, sophisticated and institutional investors under section 708 of the Corporations Act, and such investors being clients of Hartleys (Australia), Clarus Securities Inc. (Canada) and RFC Ambrian Limited (London).
- (d) The funds raised from the issue (being in total \$9,660,249 (before costs)) will be applied primarily to fund further RC and diamond drilling at the Company's Namdini Gold Project in Ghana, West Africa, exploration on the Company's other Ghanaian properties, provide capital for potential payments in relation to acquiring tenements located adjacent to the Namdini Gold Project, technical studies in respect of the Namdini Gold Project, and for working capital.

The Chairman intends to vote all available proxies in favour of Resolution 1.

### 1.4 Resolution 2 - Information Required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Shares the subject of Resolution 2:

- (a) 22,207,469 Shares were issued at an issue price of \$0.29 per Share;
- (b) The Shares 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;
- (c) The Shares were issued to professional, sophisticated and institutional investors under section 708 of the Corporations Act, and such investors being clients of Hartleys (Australia), Clarus Securities Inc. (Canada) and RFC Ambrian Limited (London).
- (d) The funds raised from the issue (being in total \$6,440,166 (before costs)) will be applied primarily to fund further RC and diamond drilling at the Company's Namdini Gold Project in Ghana, West Africa, exploration on the Company's other Ghanaian properties, provide capital for potential payments in relation to acquiring tenements located adjacent to the Namdini Gold Project, technical studies in respect of the Namdini Gold Project, and for working capital.

The Chairman intends to vote all available proxies in favour of Resolution 2.

## 2. RESOLUTION 3 – APPROVAL FOR THE ISSUE OF PLACEMENT SHARES

### 2.1 Background

As noted in Section 1.1, in addition to the Shares the subject of Resolutions 1 and 2, of the Shares comprising the Placement, 19,481,330 will be issued subject to prior Shareholder approval being obtained. Shareholder approval is sought by Resolution 3 for this purpose.

### 2.2 Listing Rule Chapter 7

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue (in the case of Listing Rule 7.1) and 10% of the company's ordinary securities then on issue (in the case of Listing Rule 7.1A).

By approving the issue of Shares the subject of Resolution 3, the Company will retain the flexibility to issue equity securities in the future up to the 15% and 10% annual placement capacities set out in Listing Rule 7.1 and 7.1A without the requirement to obtain prior Shareholder approval.

In the event that Shareholder approval is not obtained for the issue of the Shares the subject of Resolution 3, those Shares will be nonetheless issued to the extent permissible under the Company's 15% and 10% annual placement capacities, thereby reducing the capacity for the Company to issue further securities without first having to seek Shareholder approval.

Resolution 3 is an ordinary resolution.

### 2.3 Technical Information Required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the proposed issue of the Shares the subject of Resolution 3:

- (a) 19,481,330 Shares are proposed to be issued at an issue price of \$0.29 per Share.
- (b) The Shares will be issued to sophisticated and institutional investors under section 708 of the Corporations Act, and such investors being clients of Hartleys (Australia), Clarus Securities Inc. (Canada) and RFC Ambrian Limited (London).
- (c) The Shares are 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 will be issued as soon as practicable after the Meeting, and in any event, within 3 months of the date of the Meeting.
- (e) It is anticipated that all of the Shares will be issued on the same date;
- (f) The funds raised from the issue (being in total \$5,649,585 (before costs)) will be applied primarily to fund further RC and diamond drilling at the Company's Namdini Gold Project in Ghana, West Africa, exploration on the Company's other Ghanaian properties, provide capital for potential payments in relation to acquiring tenements located adjacent to the Namdini Gold Project, technical studies in respect of the Namdini Gold Project, and for working capital.

The Chairman intends to vote all available proxies in favour of Resolution 3.

### 3. DEFINITIONS

In this Explanatory Memorandum:

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

“**ASX**” means ASX Limited ACN 008 624 691;

“**Board**” means the board of Directors;

“**Business Day**” has the meaning given to it in the Listing Rules;

“**Chairman**” means the chairman of the Board;

“**Company**” means Cardinal Resources Limited (ACN 147 325 620);

“**Constitution**” means the constitution of the Company;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a director of the Company;

“**Explanatory Memorandum**” means this Explanatory Memorandum;

“**Listing Rules**” means the official listing rules of the ASX;

“**Notice**” and “**Notice of Meeting**” means the notice of meeting to which this Explanatory Memorandum is attached;

“**Official List**” means the official list of ASX;

“**Option**” means an option to acquire one Share and “**Optionholder**” has a corresponding meaning;

“**Placement**” has the meaning given to that term in Section 1.1;

“**Resolution**” means a resolution set out in this Notice;

“**Schedule**” means a schedule to this Notice;

“**Section**” means a section of this Explanatory Memorandum;

“**Securityholder**” means a holder of Shares or Options;

“**Share**” means an ordinary fully paid ordinary share in the capital of the Company and “**Shareholder**” has a corresponding meaning;

“**WST**” means Western Standard Time.

**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](http://www.intermediaryonline.com)

**For all enquiries call:**

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

CDV

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



**Proxy Form**

**XX**

**For your vote to be effective it must be received by 9.00am (WST) Wednesday, 17 August 2016**

**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.**

**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](http://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 your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

**Your secure access information is:**

**SRN/HIN: I9999999999**

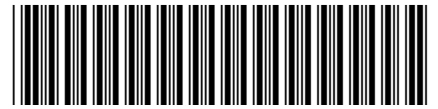


**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



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 General Meeting of Cardinal Resources Limited to be held at Level 1, 115 Cambridge Street, West Leederville, Western Australia on Friday, 19 August 2016 at 9.00am (WST) and at any adjournment or postponement of that meeting.

## 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.

	For	Against	Abstain
Resolution 1 Ratification of the issue of Placement Shares – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Ratification of the issue of Placement Shares – Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval for the issue of Placement Shares	<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 / /