

## ASX ANNOUNCEMENT AND MEDIA RELEASE

19 July 2016

# ISSUE OF PLACEMENT SHARES

Cardinal Resources Limited (ASX: CDV) (“**Cardinal**” or “**the Company**”) is pleased to advise that it has issued 55,518,670 fully paid ordinary shares (“**Shares**”) at 29 cents per share under ASX Listing Rule 7.1 and 7.1A as announced on 11 July 2016.

Subject to shareholder approval at a general meeting to be held in August 2016, the Company will issue up to a further 19,481,330 shares (“**Tranche 2 Shares**”). The Company will send a notice of meeting to shareholders in due course with respect to, amongst other things, the approvals required for the issue of the Tranche 2 Shares.

### Disclosure required under ASX Listing Rules 7.1A.4(b) and 3.10.5A

The shares issued under the Placement were issued pursuant to the Company’s 15% placement capacity under ASX Listing Rule 7.1 and the Company’s additional 10% placement capacity under ASX Listing Rule 7.1A. As such, the Company provides the below information under ASX Listing Rules 3.10.5A and 7.1A.4(b) in respect of the shares issued under ASX Listing Rule 7.1A.

- (a) The Company issued 22,207,469 shares at \$0.29 per share under ASX Listing Rule 7.1A which resulted in the following dilution to existing shareholders:

Number of shares on issue 12 months before the issue date	222,074,697
Shares issued under ASX Listing Rule 7.1A	22,207,469
Percentage of voting dilution of existing shareholders as a result of the shares issued pursuant to the Placement	10%

Further details of the approximate percentage of the issued capital post 7.1A placement held by the pre-placement security holders and new security holders are as follows:

Percentage of pre-placement security holders who did not participate in the 7.1A placement	99%
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- (b) The Company issued the shares as a placement under ASX Listing Rule 7.1A as it was of the view that it was the most efficient and expedient mechanism to raise the funds required to achieve its stated objectives.
- (c) The Company confirms that there was no underwriter in respect to the Placement.

### Cardinal Resources Limited ABN 56 147 325 620

[www.cardinalresources.com.au](http://www.cardinalresources.com.au)

**Ghana:** Durugu Residential Area, Kumbosco, Bolgatanga, Ghana P: +233 (0) 261905220 SKYPE: cardinal.archie

**Australia:** Level 1, 115 Cambridge Street, West Leederville, Perth, 6007 P: +61 (8) 9322 6600 F: +61 (8) 9322 6610

- (d) The fee payable by the Company in connection with the Placement comprises of a cash fee of 5% of funds raised pursuant to the placement and a 1% management fee.

The Appendix 3B and Cleansing Notice in respect to the securities issued pursuant to the Placement follows.

For further information contact:

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19 July 2016

ASX Limited  
Level 40 Central Park  
152-158 St Georges Terrace  
**PERTH WA 6000**

## **CARDINAL RESOURCES LIMITED SHARE PLACEMENT – NOTICE UNDER SECTION 708A (5)(e) OF THE CORPORATIONS ACT**

On 19 July 2016, Cardinal Resources Limited (**Company**) announced that 55,518,670 fully paid ordinary shares in the capital of the Company (**Shares**) were issued via a placement to Sophisticated and Professional Investors (as defined in the Corporations Act 2001 (**the Act**)).

The Company hereby notifies ASX under section 708A(5)(e) of the Act that:

- (a) the Shares were issued without disclosure to investors under Part 6D.2 of the Act;
- (b) as at 19 July 2016, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- (c) as at 19 July 2016, the Company has complied with Section 674 of the Act;
- (d) as at 19 July 2016, there is no information to be disclosed which is excluded information (as defined by section 708A(7) of the Corporations Act) that is reasonable for investors and their professional advisers to expect to find in a disclosure document.

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# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Cardinal Resources Limited

ABN

56 147 325 620

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |                            |
|---|---|----------------------------|
| 1 | +Class of +securities issued or to be issued  | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 55,518,670                 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>\$0.29 per share</p>
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issued pursuant to a placement to institutional and professional investors</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>19 November 2015</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>33,311,201</p>

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+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	22,207,469
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	Nil
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	<p>Yes</p> <p>VWAP Date: 15 July 2016 Share Issue Date: 19 July 2016 15 Day VWAP: \$0.317 75% VWAP: \$0.237</p> <p>Source: 2016 Orient Capital Pty Ltd</p>
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	See Annexure 1
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	19 July 2016

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

	Number	+Class
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	277,593,367
		Fully Paid Ordinary Shares
	117,587,039	Options exercisable at \$0.15 on or before 30 September 2019

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	9,500,000
		Unlisted Options exercisable at \$0.22 on or before 14 March 2020
	50	Class A Performance Shares
	50	Class B Performances Shares
	60	Class C Performance Shares

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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**Part 2 - Pro rata issue**

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A

+ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A

+ See chapter 19 for defined terms.



**Appendix 3B**  
**New issue announcement**

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	applicable)	<input type="text"/>
30	How do security holders sell their entitlements <i>in full</i> through a broker?	<input type="text" value="N/A"/>
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<input type="text" value="N/A"/>
32	How do security holders dispose of their entitlements (except by sale through a broker)?	<input type="text" value="N/A"/>
33	*Issue date	<input type="text" value="N/A"/>

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of \*securities  
(tick one)

(a)  \*Securities described in Part 1

(b)  All other \*securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the \*securities are \*equity securities, the names of the 20 largest holders of the additional \*securities, and the number and percentage of additional \*securities held by those holders

36  If the \*securities are \*equity securities, a distribution schedule of the additional \*securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000

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+ See chapter 19 for defined terms.

10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

38 Number of +securities for which +quotation is sought N/A

39 +Class of +securities for which quotation is sought N/A

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

N/A

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A	N/A

**Quotation agreement**

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Sarah Shipway  
Company secretary

Date: 19 July 2016

Print name: Sarah Shipway

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+ See chapter 19 for defined terms.

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	110,820,807
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>6 August 2015 – 1,838,462 Fully Paid Ordinary Shares approved at the Company’s General Meeting held on 27 July 2015</p> <p>25 September 2015 – 28,164,816 Fully Paid Ordinary Shares approved at the Company’s Annual General Meeting held on 19 November 2015</p> <p>27 November 2015 – 31,835,184 Fully Paid Ordinary Shares approved at the Company’s Annual General Meeting held on 19 November 2015</p> <p>27 November 2015 – 332,116 Fully Paid Ordinary Shares approved at the Company’s General Meeting held on 27 April 2016</p> <p>8 March 2016 – 42,666,642 Fully Paid Ordinary Shares approved at the Company’s General Meeting held on 27 April 2016</p> <p>9 May 2016 – 6,416,670 Fully Paid Ordinary Shares approved at the Company’s General Meeting held on 27 April 2016</p>
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	N/A
<b>“A”</b>	<b>222,074,697</b>

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15  <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	<b>33,311,204</b>
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	19 July 2016 – 33,311,201 Fully Paid Ordinary Shares
<b>“C”</b>	<b>33,311,201</b>
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<b>“A” x 0.15</b>  <i>Note: number must be same as shown in Step 2</i>	33,311,204
<b>Subtract “C”</b>  <i>Note: number must be same as shown in Step 3</i>	33,311,201
<b>Total [“A” x 0.15] – “C”</b>	<b>3</b>  <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	<b>222,074,697</b>
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	<b>22,207,469</b>
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	19 July 2016 – 22,207,469 Fully Paid Ordinary Shares
<b>“E”</b>	<b>22,207,469</b>

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<b>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</b>	
<b>"A" x 0.10</b> <i>Note: number must be same as shown in Step 2</i>	22,207,469
<b>Subtract "E"</b> <i>Note: number must be same as shown in Step 3</i>	22,207,469
<b>Total ["A" x 0.10] – "E"</b>	<b>0</b> <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.