

Cardinal gold discovery keeps growing

The more this company drills its flagship Namdini gold project, the more gold is revealed, strengthening the project's multi-million ounce potential.

Ngaire McDiarmid reports

Diamond drilling has intersected visible gold at Namdini

THREE DIAMOND DRILL RIGS are operating around the clock at Cardinal Resources' (ASX:CDV) Namdini gold project in northern Ghana, as the company works towards establishing its maiden resource.

Drilling to date has been outstanding, highlighting a large mineralised system over at least 900m, which contains high-grade gold zones, including 9m at 25.27g/t gold.

Managing director Archie Koimtsidis said Namdini was an exciting new gold discovery and Cardinal was poised to realise its full potential.

"Importantly, the Namdini system remains open at depth and along strike," he said.

"We believe it holds multi-million-ounce potential."

The key to the successful drilling campaign at this greenfields discovery is having the management and technical team based in Ghana, responding to results on an hourly basis and targeting drilling accordingly.

Both Koimtsidis and exploration manager Paul Abbott are based at Cardinal's operational office less than an hour from the Namdini project, in the regional centre of Bolgatanga.

They are using their in-country experience and express assaying



service to streamline exploration.

Koimtsidis said their presence on the ground was invaluable to progressing the company's projects.

Cardinal has also just appointed two independent drilling contractors to expedite the diamond drilling

programme and accelerate defining the potentially large-scale Namdini project.

African Mining Services and Geodrill Ltd were contracted this month to drill HQ diamond holes together with the company-owned combination RC/diamond drill rig, to establish Namdini's exploration target in the third quarter of 2016.

The results from the first diamond holes drilled late in 2015 established a 215m-wide gold mineralised zone, with significant intersections including 133.75m at 1.61g/t gold from 3m.

More recently, diamond drilling has also encountered visible gold mineralisation of 2m at 137g/t.

Koimtsidis described the result as outstanding and said the drilling continued to enhance the project's potential.

Early in April, Cardinal Resources identified more near-surface gold mineralisation at Namdini with an intersection of 47.5m at 1.30g/t gold from 20m.

Other highlights included 3m at 9.68g/t gold and 5.5m at 2.51g/t gold.

Koimtsidis said Namdini's location was ideal. "It's in open savannah terrain, it's close to infrastructure, including water and power, and is



within 15km of a sealed highway," he said.

"Ghana itself is a great country to operate in.

"It's politically stable, has a great mining code, a skilled population and the country is the second-largest gold producer on the continent after South Africa."

Cardinal's main focus is to expand the gold potential at Namdini and establish an exploration target later this year and ideally a maiden JORC resource estimate in 2017.

Cardinal also has several other highly prospective gold projects in Ghana which are at an earlier stage.

The large Bolgatanga gold project, to the north of Namdini, has a number of gold targets delineated by airborne geophysics surveys.

In the south-west of Ghana, RC drilling is planned for the Subranum gold project to better understand the 5.2km strike length.

Despite subdued equity market conditions, Cardinal has recently raised over A\$5 million to expedite the drilling.

The directors have real skin in the game, and three – Koimtsidis, Malik Easah and Mark Thomas – have also participated in the latest capital raising, subject to shareholder approval this month.

Koimtsidis said both domestic and international institutions and high net-worth investors recognised the significant potential of Cardinal's projects.

"Their participation in the company's recent capital raising supports the tremendous potential of our Ghanaian projects," he said.

Canada's Bank of Nova Scotia (Dynamic Fund) became a substantial shareholder in March and Koimtsidis welcomed the arrival of another key institutional investor.

Nova Scotia now joins the Macquarie Bank, US Global Investors and Cardinal directors as key holders of the company's stock.

The support means Cardinal will be well-funded to accelerate its exploration programme at Namdini.

"We're very pleased with the results and the confidence it shows in our project," Koimtsidis said.

The board has also been strengthened by three recent appointments who bring further experience to advance the company's projects.

Koimtsidis said Mark Thomas' experience with Macquarie Bank in funding numerous mines over the past 20 years would be invaluable in progressing the company's objectives.

Simon Jackson has experience in commissioning a mine in Ghana and in significant corporate transactions.

Experienced mining executive Mark Connelly has been appointed non-executive chairman to replace the tireless efforts of Alec Psimiris, who stepped down in November.

Connelly has extensive experience in financing, development, construction and operation of mining projects in a variety of commodities in West Africa, Australia, North America and Europe.

He was previously the head of ASX-listed Papillon Resources, a Mali-based gold developer which merged with Canadian B2Gold Corp in a US\$570 million deal.

"We're pleased to attract such exceptional executives to the board," Koimtsidis said.

"We look forward to their contribution to the development of the company's projects, to take Cardinal to the next level."

The company is now hard at work towards this aim and Koimtsidis said the drill bits were turning 24/7 at Namdini.

The 50m-by-100m spaced drilling will lead to establishing the exploration target in the September quarter, then the company is planning infill drilling to calculate its maiden resource.

A ground IP geophysics team is also working to identify more drilling targets along strike.

Koimtsidis said further metallurgical testwork would also be submitted over the coming months when representative samples are established.

"We anticipate a strong news flow over the coming months as we better define the exciting potential at Namdini," he said. ■

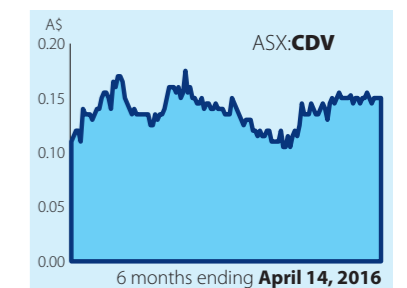
Outstanding drilling results are enhancing the gold potential at Namdini



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– ARCHIE KOIMTSIDIS
MANAGING DIRECTOR

CARDINAL RESOURCES AT A GLANCE



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DIRECTORS

Mark Connelly, Archie Koimtsidis, Malik Easah, Mark Thomas, Simon Jackson

MARKET CAPITALISATION

A\$32.3 million (at press time)

QUOTED SHARES ON ISSUE

215.7 million

MAJOR SHAREHOLDERS

Bank of Nova Scotia (Dynamic Fund) – 7.16%; Macquarie Bank – 5.63%; US Global Investors – 5.23%

Exploration has stepped up a gear at Namdini

