

Update in Respect of Competing Takeover Offers for Cardinal

Cardinal Resources Limited (ASX / TSX: CDV) (“**Cardinal**” or “**the Company**”) is providing an update to shareholders in reference to the ongoing takeover offers for the Company by Shandong Gold Mining (HongKong) Co., Ltd. (“**Shandong Gold**”) and Nord Gold S.E. (“**Nordgold**”).

Status of Takeover Bids

Cardinal notes the recent extension by Nordgold on 15 October 2020 of its unconditional on-market A\$0.90 per share offer (“**Nordgold Offer**”) to the close of trading on the ASX on 3 November 2020 (unless further extended or withdrawn).

Cardinal also notes the Second Supplementary Bidder’s Statement lodged by Shandong Gold on 19 October 2020 in relation to its recommended and unconditional off-market A\$1.00 per share takeover offer (“**Shandong Gold Offer**”). Pursuant to the Second Supplementary Bidder’s Statement, Shandong Gold has now declared the A\$1.00 cash per share offered to be Shandong Gold’s best and final offer price in the absence of a higher competing offer. The practical effect of this statement is that unless there is a higher competing offer to the Shandong Gold Offer (whether from Nordgold or a third party), Shandong Gold cannot increase its offer price.

The Nordgold Offer continues to be materially inferior to the A\$1.00 cash per share offered by the Shandong Gold Offer. Cardinal notes that while Nordgold has the right to continue to extend the Nordgold Offer, the most recent extension announcement is the 4th successive extension by Nordgold as the “Underbidder” and the 2nd extension following the Shandong Gold Offer becoming unconditional.

Cardinal considers that the lack of any price increase or any other updated guidance from Nordgold as to its current intentions with respect to Cardinal will result in unwarranted delays to the progression of the Namdini Gold Project and will continue to frustrate the decision making process of Cardinal’s shareholders.

Over 7 months have elapsed since the initial unsolicited, indicative, conditional and non-binding proposal from Nordgold was originally received in March 2020 when Cardinal’s share price was trading at a 3 year low during the early stages of the COVID 19 pandemic.

Cardinal’s permitted Namdini Gold Project is ready for development. Cardinal’s 2019 feasibility study has shown the superior economics of the Namdini Gold Project using a USD\$1,350 gold price (without taking into account the far stronger gold price at present).¹ Work on the ground and detailed engineering works are poised to commence. The Government of Ghana continues to be fully supportive of moving the Namdini Gold Project towards production and, being a permitted project, progress is now vital.

Cardinal makes the following key observations in respect of the competing takeover offers for Cardinal shareholders to consider at present:

- As Shandong Gold has now declared the A\$1.00 cash per share offered by the Shandong Gold Offer to be Shandong Gold’s best and final offer price, unless there is a higher competing offer for Cardinal (whether from Nordgold or a third party), Shandong Gold cannot increase its offer price;
- Any Cardinal shareholder who accepts the Shandong Gold “off-market” takeover offer will benefit from

¹ Refer to ASX/TSX Announcement “Mineral Resource and Ore Reserve Statement” released on the ASX/TSX on 15 October 2019 and ASX Announcement “Feasibility Study Confirms Namdini as Tier One Gold Project” released on ASX on 28 October 2019.

any potential increase in offer price which may be made by Shandong Gold, should Shandong Gold increase its offer price prior to the close of its offer – Cardinal does not know if Shandong Gold will increase its offer price, but Shandong Gold has reserved its right to do so in its agreement with Cardinal;

- Any Cardinal shareholder who accepts Nordgold’s takeover offer will not benefit from any potential future increase in the offer price offered by Nordgold (as such shares will have been sold “on-market”) – this means that a decision to accept the Nordgold Offer locks in the final return that a Cardinal Shareholder will receive for their shares;
- Following the most recent extension by Nordgold as the “Underbidder”, the Nordgold Offer is currently scheduled to close at the close of trading on ASX on 3 November 2020 (unless extended or withdrawn). If Nordgold wishes to extend the offer period of the Nordgold Offer, then (unless certain special cases apply) Nordgold must do so before the last five trading days of its offer period (currently, the end of trading on 27 October 2020, unless extended).
- The Shandong Gold Offer, unanimously recommended by the Cardinal Board, is unconditional and is currently scheduled to close at 7pm (Sydney time / AEDT) on 23 October 2020 (unless extended or withdrawn). If Shandong Gold wishes to extend the Shandong Gold Offer, then Shandong Gold may do so at any time before the Shandong Gold Offer closes; and
- Under the Bid Implementation Agreement (as varied) with Shandong Gold and Shandong Gold Mining Co., Ltd., Shandong Gold has “matching rights” which provide Shandong Gold with a brief period of time to provide a matching or superior offer to any competing transaction made for Cardinal by any other party. In the event the “matching right” is triggered, Cardinal will keep shareholders advised on the outcome of that event.

Update on Shandong Gold Offer

The highest offer presently made to Cardinal shareholders, and unanimously supported by the Cardinal Board, is A\$1.00 cash per share, offered by Shandong Gold. On 19 October 2020, Shandong Gold declared its offer to be best and final in the absence of a higher competing offer. Shandong Gold has acquired a Relevant Interest of 11.86% in Cardinal based on its most recent regulatory filing at the time of this announcement. The Shandong Gold Offer is currently scheduled to close at 7pm (Sydney time) on 23 October 2020 (unless extended or withdrawn).

Update on Nordgold Offer

Nordgold is offering Cardinal shareholders a price of A\$0.90 cash per share pursuant to its unconditional on-market takeover offer. Nordgold has acquired a Relevant Interest of 28.39% in Cardinal based on its most recent regulatory filing at the time of this announcement. Following the most recent extension announcement by Nordgold on 15 October 2020, the Nordgold Offer is currently scheduled to close at the close of trading on ASX on 3 November 2020 (unless extended or withdrawn). If Nordgold wishes to extend the offer period of the Nordgold Offer, then (unless certain special cases apply) Nordgold must do so before the last five trading days of its offer period (currently, the end of trading on 27 October 2020, unless extended).

The Cardinal Board continues to unanimously recommend that Cardinal Shareholders **ACCEPT the Shandong Gold Offer** (in the absence of a Superior Proposal) and **TAKE NO ACTION in respect of the Nordgold Offer**.

Advisors

Cardinal’s joint financial advisers are Maxit Capital LP, BMO Capital Markets, Euroz Hartleys Limited and Canaccord Genuity Corp. Cardinal’s legal advisers are HopgoodGanim Lawyers (Australia) and Bennett Jones LLP (Canada).

ABOUT CARDINAL

Cardinal Resources Limited (ASX/TSX: CDV) is a West African gold-focused exploration and development Company that holds interests in tenements within Ghana, West Africa.

The Company is focused on the development of the Namdini Gold Project and released its Feasibility Study on 28 October 2019.

Cardinal confirms that it is not aware of any new information or data that materially affects the information included in its announcement of the Ore Reserve of April 3, 2019. All material assumptions and technical parameters underpinning this estimate continue to apply and have not materially changed.

The Namdini Project has a published gold **Ore Reserve of 5.1 Moz (138.6 Mt @ 1.13 g/t Au; 0.5 g/t cut-off), inclusive of 0.4 Moz Proved (7.4 Mt @ 1.31 g/t Au; 0.5 g/t cut-off) and 4.7 Moz Probable (131.2 Mt @ 1.12 g/t Au; 0.5 g/t cut-off).*

Authorised for release by the Board of Cardinal Resources Limited.

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Competent / Qualified Person Statement

The scientific and technical information in this announcement that relates to Exploration Results, Mineral Resources and Ore Reserves at 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.

For further information on the Namdini project please see the Feasibility Study (FS) for the Namdini Gold Project, titled "Namdini Gold Project Feasibility Study 43-101 Report" by David Gordon, FAusIMM, Daryl Evans, FAusIMM, Nicolas Johnson, MAIG MPRM and Glenn Turnbull, FIMMM, MAusIMM, which was released on October 28, 2019. The technical report on the Feasibility Study, pursuant to NI 43-101 of the Canadian Securities Administrators, was issued on SEDAR at www.sedar.com on November 28, 2019.

Disclaimer

Cardinal confirms that it is not aware of any new information or data that materially affects the information included in its announcement of the Ore Reserve of April 3, 2019. All material assumptions and technical parameters underpinning this estimate continue to apply and have not materially changed.

This ASX / TSX press release has been prepared by Cardinal Resources Limited (ABN: 56 147 325 620) ("Cardinal" or "the Company"). Neither the ASX or the TSX, nor their regulation service providers accept responsibility for the adequacy or accuracy of this press release.

This press release contains summary information about Cardinal, its subsidiaries and their activities, which is current as at the date of this press release. The information in this press release is of a general nature and does not purport to be complete nor does it contain all the information, which a prospective investor may require in evaluating a possible investment in Cardinal.

By its very nature exploration for minerals is a high-risk business and is not suitable for certain investors. Cardinal's securities are speculative. Potential investors should consult their stockbroker or financial advisor. There are a number of risks, both specific to Cardinal and of a general nature which may affect the future operating and financial performance of Cardinal and the value of an investment in Cardinal including but not limited to economic conditions, stock market fluctuations, gold price movements, regional infrastructure constraints, timing of approvals from relevant authorities, regulatory risks, operational risks and reliance on key personnel and foreign currency fluctuations.

Except for statutory liability which cannot be excluded and subject to applicable law, each of Cardinal's officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this press release and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this Announcement or any error or omission here from. Except as required by applicable law, the Company is under no obligation to update any person regarding any inaccuracy, omission or change in information in this press release or any other information made available to a person nor any obligation to furnish the person with any further information. Recipients of this press release should make their own independent assessment and determination as to the Company's prospects, its business, assets and liabilities as well as the matters covered in this press release.

Forward-looking statements

Certain statements contained in this press release, including information as to the future financial or operating performance of Cardinal and its projects may also include statements which are 'forward-looking statements' that may include, amongst other things, statements regarding targets, anticipated timing of the feasibility study (FS) on the Namdini project, estimates and assumptions in respect of mineral resources and anticipated grades and recovery rates, production and prices, recovery costs and results, capital expenditures and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. These 'forward – looking statements' are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Cardinal, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies and involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Cardinal disclaims any intent or obligation to update publicly or release any revisions to any forward-looking statements, whether as a result of new information, future events, circumstances or results or otherwise after today's date or to reflect the occurrence of unanticipated events, other than required by the Corporations Act and ASX and TSX Listing Rules. The words 'believe', 'expect', 'anticipate', 'indicate', 'contemplate', 'target', 'plan', 'intends', 'continue', 'budget', 'estimate', 'may', 'will', 'schedule' and similar expressions identify forward-looking statements.

All forward-looking statements made in this press release are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.