

Nordgold provides update on its Offer for Cardinal Resources Declares Offer Best and Final at A\$1.00

London, United Kingdom, 26 October 2020 – Nord Gold S.E. (“**Nordgold**” or the “**Company**”) will not increase its A\$1.00 cash offer price for each Cardinal share under its on-market unconditional offer, unless there is a higher competing offer.

Nordgold believes that Cardinal’s announcement of Friday 23 October 2020 headed “*Shareholders representing 19.38% of Cardinal’s shares intend to accept Shandong Gold Offer in the absence of an increase from Nordgold or a superior proposal*” was materially misleading. Nordgold has made an application to the Takeovers Panel and is seeking remedial orders. More information about Nordgold’s application will be announced later.

Background to Nordgold’s Offer

Cardinal announced on 16 March 2020 that it had received from Nordgold a proposal to seek a transaction with Cardinal. Nordgold announced an unconditional offer for all shares in Cardinal on 15 July 2020 and has increased its offer on three occasions.

Shandong and Cardinal have recently suggested that Nordgold has sought to curtail competition for control of Cardinal. Clearly, the opposite is the case:

- Nordgold has on three occasions improved its offer. Offers for Cardinal shares are now at A\$1.00 per share, a 67% premium to Shandong’s initial offer price;
- without Nordgold’s involvement, it is reasonable to believe that control of Cardinal would have passed to Shandong at its offer price of 60 cents, which was recommended for acceptance by Cardinal;
- Shandong has, throughout this process, benefited from matching rights provided by Cardinal, along with other deal protections such as a substantial break fee. Nordgold has had no such protections and its offer has been free of any conditions for three months;
- Shandong elected to declare its offer best and final on 19 October 2020 in order to encourage shareholders to accept its offer shortly before the closing date of the offer. This decision was Shandong’s alone;
- in contrast, Nordgold has not sought to put shareholders under time pressure to make decisions, having made a number of extensions, all with appropriate notice ahead of scheduled closing dates.

Cardinal announced on Friday 23 October that it holds commitments of support for Shandong’s offer of A\$1.00 per Cardinal share, and is working with Shandong in its endeavours to obtain options over 3.3% of Cardinal’s shares (on a diluted basis). Cardinal says that it considers that the commitments of support may provide Nordgold with an incentive to increase its offer. Nordgold does not agree, and Cardinal’s action in obtaining these statements and in soliciting further statements for the benefit of Shandong has led Nordgold to conclude that it must declare its offer final, unless there is a higher competing offer.

Nordgold’s Offer

Cardinal shareholders now have the choice between two offers at A\$1.00 per share which have both been declared best and final. In making this choice, Nordgold encourages shareholders to consider the following:

- Nordgold initiated the auction process and has been responsible for lifting the 60 cent offer made by Shandong, and recommended by Cardinal, to the current A\$1.00 level;
- both Shandong and Nordgold’s offers are now best and final. Shareholders who accept the Nordgold offer will receive payment in the normal course on a T+2 basis, a more attractive

settlement than offered by Shandong. Shareholders who wish to accept can do so by simply instructing their broker; and

- Nordgold is Cardinal's largest shareholder at approximately 28 percent and has a proven track record of best practice operations in West Africa, placing sustainability, safety and community support as its key priorities.

Extension of Offer Period

Nordgold gives notice under section 649C of the *Corporations Act 2001* (Cth) (**Corporations Act**), that Nordgold varies the Offer by extending the offer period, so that the offer period will now expire immediately at the close of trading on ASX on 6 November 2020 (unless further extended or withdrawn in accordance with the Corporations Act).

Lodgment with ASIC

A copy of this notice will be lodged with ASIC and provided to Cardinal today.

ASIC takes no responsibility for the contents of this notice.

Signed for an on behalf of Nordgold by:



Nikolay Zelenskiy

Director and CEO

Nord Gold S.E.

About Nordgold

Nordgold is an internationally diversified gold producer, headquartered in the United Kingdom, with 10 operating assets across two continents, including Burkina Faso and Guinea in West Africa, and a portfolio of high quality projects in feasibility study and in advanced exploration stages.

Nordgold is committed to running safe, efficient and profitable operations, which enable strong free cash flow generation and provide for continued investment in the Company's pipeline of growth opportunities. In 2019, Nordgold produced in excess of one million ounces of gold.

For further information on Nordgold please visit the Company's website: www.Nordgold.com

Advisers

Bacchus Capital acts as exclusive financial adviser to Nordgold, and DLA Piper is acting as legal adviser. Taylor Collison is acting as broker to the Offer.

Enquiries

Nordgold

Olga Ulyeva
Head of Media Relations

olga.ulyeva@nordgold.com

Bacchus Capital

Peter Bacchus
Cillian Spillane

peter.bacchus@bacchuscapital.co.uk
cillian.spillane@bacchuscapital.co.uk

Powerscourt

Peter Ogden

peter.ogden@powerscourt-group.com
Tel: +44 (0) 20 7250 1446

Citadel-MAGNUS (Australia)

John Gardner

jgardner@citadelmagnus.com
Tel: +61 (0) 413 355 997

Forward-Looking Information

This news release and each of the documents referred to herein contains “forward-looking information” within the meaning of applicable securities legislation. All statements, other than statements of historical fact, included herein are forward-looking information, including, for greater certainty, statements regarding the Offer, including the anticipated benefits and likelihood of completion thereof.

Generally, forward-looking information may be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “proposed”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. There can be no assurance that such forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such forward-looking information. This forward-looking information reflects Nordgold’s current beliefs and is based on information currently available to Nordgold and on assumptions Nordgold believes are reasonable. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Nordgold to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: risks associated with economic conditions, dependence on management and currency risk; risks relating to anti-money laundering laws and regulation; other governmental and environmental regulation; public opinion and perception of the mining industry; risks related to the enforceability of contracts; reliance on the expertise and judgment of senior management of Nordgold; risks related to proprietary intellectual property and potential infringement by third parties; risks inherent in a mining business; risks relating to energy costs; reliance on key inputs, suppliers and skilled labor; cybersecurity risks; tax and insurance related risks; risks related to the economy generally; risk of litigation; conflicts of interest; and risks relating to certain remedies being limited and the difficulty of enforcement of judgments. Although Nordgold has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this news release is expressly qualified by this cautionary statement. The forward-looking information contained in this news release represents the expectations of Nordgold as of the date of this



news release and, accordingly, is subject to change after such date. However, Nordgold expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.