

**PRESS RELEASE**  
 4 November 2020

ASX/TSX: CDV  
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## Cardinal Takeover Offers Update

**Cardinal Resources Limited** (ASX / TSX: CDV) (“**Cardinal**” or “**the Company**”) wishes to provide its shareholders an update in relation to the competing takeover offers set out below (“**Takeover Offers**”) and in relation to the various applications before the Australian Takeovers Panel (“**Panel**”) in relation to the affairs of Cardinal.

### Update on Takeover Offers

On 19 October 2020, Shandong Gold Mining (Hongkong) Co., Ltd (“**Shandong Gold**”) declared its off-market takeover offer of A\$1.00 per share (“**Shandong Gold Offer**”) its best and final offer (in the absence of a higher competing offer).

On 26 October 2020, Nord Gold S.E. (“**Nordgold**”) also declared its on-market takeover offer of A\$1.00 per share (“**Nordgold Market Offer**”) its best and final offer unless there is a higher competing offer.

Cardinal provides the following summary of key details and dates for its shareholders:

Shandong Gold Offer <sup>1</sup>	Nordgold Market Offer <sup>1</sup>
Off-market takeover offer from Shandong Gold for all of Cardinal’s shares at an offer price of A\$1.00 cash per share. <sup>1</sup>	On-market takeover offer from Nordgold for all of Cardinal’s shares at an offer price of A\$1.00 cash per share. <sup>1</sup>
The Shandong Gold Offer remains open for acceptance until 7pm (Sydney time) on 31 December 2020 (unless extended or withdrawn in accordance with the <i>Corporations Act 2001</i> (Cth)).	The Nordgold Market Offer remains open for acceptance until close of trading on 20 November 2020 (unless extended or withdrawn in accordance with the <i>Corporations Act 2001</i> (Cth)).
Cardinal shareholders who accept the Shandong Gold Offer will be paid cash consideration within 3 business days of accepting the Offer. <sup>2</sup>	Cardinal shareholders who accept the Nordgold Market Offer will be paid cash consideration in the normal course on a T+2 basis.
Cardinal shareholders who accept the Shandong Gold Offer <b>will</b> benefit from any potential increase in Shandong Gold’s offer price under the Shandong Gold Offer.	Cardinal shareholders who accept the Nordgold Market Offer <b>will not</b> benefit from any potential increase Nordgold’s offer price under the Nordgold Market Offer. <sup>3</sup>
The Cardinal Board continues to unanimously recommend that all Cardinal Shareholders <b>ACCEPT the Shandong Gold Offer</b> (in the absence of a superior proposal).	The Cardinal Board unanimously recommends that all Cardinal Shareholders <b>TAKE NO ACTION in respect of the Nordgold Market Offer</b> .

<sup>1</sup> For further information regarding the Takeover Offers refer to the Bidder’s Statement and each Supplementary Bidder’s Statement announced on the ASX from each of Shandong Gold and Nordgold.

<sup>2</sup> Cash consideration will be dispatched within 3 business days of acceptance.

<sup>3</sup> However, Shareholders should note the announcement by Nordgold on 28 October 2020 that it intends to make a simultaneous off-market unconditional cash offer on substantially the same terms and at the same offer price as the current Nordgold Market Offer, subject to obtaining certain technical regulatory relief. Should the off-market offer be made, Cardinal shareholders who accept that off-market offer **will** benefit from any potential increase in offer prices under that offer and Nordgold will be required to issue a further Bidder’s Statement with details regarding that offer. Cardinal will also be required to issue a further Target’s Statement.

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## Update on Takeovers Panel Proceedings

There are currently a number of applications before the Panel in relation to the affairs of Cardinal and the Panel has published Media Releases on 23, 26, 27 and 30 October 2020 and 2 November 2020. Cardinal has provided undertakings which prohibit Cardinal from directly or indirectly causing, participating in or assisting the canvassing in any media of any issue that is before the Panel (or any issue likely to be before the Panel) ("**Undertakings**"). Accordingly, Cardinal is only able to identify the parties, the subject matter of the relevant proceeding, the broad nature of the unacceptable circumstances alleged and/or the orders sought. Shareholders should refer further below in this regard.

In respect of each Application, Cardinal provides the following information:

### ***Cardinal Resources Limited 01***

This was an Application made by Nordgold on 22 October 2020 in relation to the affairs of Cardinal. The Application concerned, among other things, whether Cardinal's conduct in relation to a "best and final" statement made by Shandong Gold created uncertainty in respect of its interpretation (in particular, that it implied that Shandong Gold may be released from the legal consequences of that statement). Following clarifying announcements made by each of Cardinal and Shandong Gold on 23 October 2020, Nordgold sought the President's consent to withdraw its Application. The Panel Acting President was satisfied that it was not against the public interest to consent to the withdrawal of the Application and the Application was withdrawn.<sup>4</sup> As the Panel had not made a decision on whether to conduct proceedings, the Panel does not propose to publish reasons in relation to the matter.<sup>5</sup>

### ***Cardinal Resources Limited 02***

This was an Application made by Nordgold on 26 October 2020 in relation to the affairs of Cardinal.<sup>6</sup> The Application concerned, amongst other things, allegations that the description of the effect of the shareholder intention statements obtained by Cardinal were materially misleading and deceptive, Cardinal had used the "truth in takeovers" policy for an illegitimate purpose and that Shandong and Cardinal were associates. The Panel released a second Media Release in relation to this application<sup>7</sup> however this does not constitute the Panel's reasons and the Panel has not yet published its reasons for its decision. Accordingly, Cardinal remains subject to the Undertaking and cannot comment further on *Cardinal Resources Limited 02* until such time as the Panel's reasons have been published.

### ***Cardinal Resources Limited 03 – currently before the Panel***

This is an Application made by Samson Rock Capital LLP (Samson Rock) in relation to the affairs of Cardinal.<sup>8</sup> The Application concerns, amongst other things, that the auction for control of Cardinal has hit an impasse and there has ceased to be an efficient, competitive and informed market for control. Samson Rock seeks final orders that each of Nordgold and Shandong Gold be permitted to increase the offer price under their respective takeover bids above \$1.00 per Cardinal share, on the condition that, the successful bidder must pay compensation to any person who sold their Cardinal shares on-market after the date of the successful bidder's best and final statement but prior to the Panel making final orders.

### ***Cardinal Resources Limited 04 – currently before the Panel***

This is an Application made by Cardinal in relation to its affairs.<sup>9</sup> The Application concerns, amongst other things (i) that each of Nordgold and Shandong are engaging in a "virtual" bidding war, by stating or implying that they would pay more to acquire control of Cardinal after having made a last and final statement; (ii)

<sup>4</sup> Refer to Panel Media Releases TP20/63 (Cardinal Resources Limited – Panel Receives Application) on 23 October and TP20/65 (Cardinal Resources Limited 01 – Panel Application Withdrawn) on 27 October 2020.

<sup>5</sup> Refer to Panel Media Releases TP20/63 (Cardinal Resources Limited – Panel Receives Application) and TP20/65 (Cardinal Resources Limited 01 – Panel Application Withdrawn).

<sup>6</sup> Refer to Panel Media Release TP20/64 (Cardinal Resources Limited 02 – Panel Receives Application) on 26 October 2020.

<sup>7</sup> Refer to Panel Media Release TP20/67 (Cardinal Resources Limited 02 – Panel Declines to Conduct Proceedings) on 30 October 2020.

<sup>8</sup> Refer to Panel Media Release TP20/69 (Cardinal Resources Limited 03 – Panel Receives Application) on 30 October 2020.

<sup>9</sup> Refer to Panel Media Release TP20/71 (Cardinal Resources Limited 04 – Panel Receives Application) on 30 October 2020.

the “truth in takeovers policy” is being used as a sword against a rival bidder by exploiting a technicality in the Shandong last and final statement (i.e. a failure to cover an increase by Nordgold which merely matched the Shandong bid) and not as a shield for market integrity and to give rise to an efficient, informed and competitive market”; (iii) the Cardinal share price has consistently traded above \$1.00 per share at all times since the last and final statements were made by the bidders and it appears that no shareholders have accepted either bid as a result of the last and final statements (but where detriment has arisen, that such detriment could be cured with compensation orders); (iv) the announcement by Nordgold of its simultaneous off-market offer is a wholly exceptional circumstance or unforeseeable circumstance that could not have been within the contemplation of Shandong at the time of Shandong making its last and final statement; and (v) allowing both bidders to depart from their last and final statements in an appropriate and structured manner would allow a fully informed market to arise and allow a competitive market to arise. Cardinal is seeking final orders that Shandong and Nordgold be permitted to increase the offer price under their respective takeover offers or otherwise not be prevented from increasing the offer price.

#### ***Cardinal Resources Limited 05 – currently before the Panel***

This is an Application made by Shandong Gold in relation to the affairs of Cardinal.<sup>10</sup> The Application concerns, amongst other things, that (i) MM Asset Management Inc. (**MMAM**) and Nordgold had come to an agreement, arrangement or understanding that MMAM would accept into the Nordgold offer in consideration for Nordgold increasing its offer price from \$0.66 to \$0.90 per Cardinal share (**Nordgold Price Increase**); (ii) Nordgold acquired a relevant interest in 48,520,006 shares in Cardinal (**MMAM Stake**) prior to MMAM accepting into the Nordgold offer, resulting in Nordgold’s voting power in Cardinal exceeding 20% in breach of section 606; (iii) Shandong’s best and final statement was made in circumstances where there was not an efficient, competitive and informed market and Shandong had been deprived of the opportunity to compete for the MMAM Stake; and (iv) the MMAM Stake is particularly critical in circumstances where Nordgold has sought to frustrate the auction for control of Cardinal by choosing to match Shandong’s offer at \$1.00 per share (rather than exceed it) and declare its offer best and final (in the absence of a higher competing offer). Shandong Gold seeks final orders that the MMAM acceptance of the Nordgold offer be unwound and the accepted shares be returned to MMAM (in exchange for \$0.90 per share), Shandong be released from its best and final statement and Shandong be able to raise its offer price above \$1.00 per share.

Shareholders should note that in relation to each of these new applications, (*Cardinal Resources Limited 03, 04 and 05*) a sitting Panel has not yet been appointed and no decision has been made by the Panel on whether to conduct proceedings. The Panel has also made no comments on the merits of the Applications. Accordingly, as the matters the subject of these Applications remain before the Panel, Cardinal remains subject to the Undertakings and cannot comment further on those matters until such time as the Panel’s reasons have been published in respect of this matter. Where appropriate, the Panel will make further Media Releases in relation to these applications.

#### ***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.

<sup>10</sup> Refer to Panel Media Release TP20/72 (Cardinal Resources Limited 05 – Panel Receives Application) on 2 November 2020.

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](http://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.