

PRESS RELEASE
24 December 2020

ASX/TSX: CDV
2020-44

SHANDONG GOLD ACQUIRES CONTROL OF CARDINAL

Cardinal Resources Limited (ASX / TSX: CDV) (**Cardinal** or **the Company**) notes the announcement made today by Shandong Gold Mining (HongKong) Co., Ltd. (**Shandong Gold**) that Shandong Gold has received aggregate acceptances in respect of its unconditional off-market takeover offer for Cardinal (**Shandong Gold Offer**) in excess of 50% of all Cardinal Shares.

Shandong Gold has accordingly acquired a controlling shareholding in Cardinal.

Shandong Gold has also now formally confirmed the variation of offer price of the Shandong Gold Offer to **A\$1.075** per Cardinal Share, and has noted it intends to extend the Shandong Gold Offer so as to close not earlier than 12 January 2021 (to the extent that it is not automatically extended under the Corporations Act). Shandong Gold has stated that it will proceed to lodge the formal documentation regarding the variation in due course.

Nordgold Closes Offer for Cardinal

Cardinal notes that at the close of trading on ASX yesterday (Wednesday 23 December 2020), the offer period of the unconditional on-market takeover bid (**Nordgold On-Market Takeover Bid**) made by Nord Gold S.E. (**Nordgold**) expired. Accordingly, the Nordgold On-Market Takeover Bid is no longer available to Shareholders.

Cardinal also notes that:

- on 21 December 2020, Nordgold stated that it will not be dispatching the bidder's statement to Cardinal shareholders in relation to its unconditional off-market takeover bid (**Nordgold Off-Market Takeover Bid**); and
- on 24 December 2020, Nordgold decided to accept the Shandong Gold Offer.

Dongshan Conditional Indicative Offer – Condition not able to be satisfied

Cardinal refers to its announcement of 24 December 2020 in relation to the press release made by Dongshan Investments Limited (**Dongshan**) whereby Dongshan stated that it intends to make an off-market takeover offer of A\$1.20 per share to acquire all of the issued capital of Cardinal, subject to a number of conditions (**Dongshan Conditional Indicative Offer**).

The Cardinal Board has carefully considered the Dongshan Conditional Indicative Offer, but having regard to the controlling shareholding obtained by Shandong Gold as noted above, considers that there is no longer any reasonable prospect that the conditions of the Dongshan Conditional Indicative Offer can be satisfied, particularly having regard to the minimum acceptance condition requiring Dongshan to obtain a relevant interest in at least 50.1% (by number) of the Cardinal Shares (on a fully diluted basis). Cardinal notes in this regard that the Dongshan Conditional Indicative Offer was made prior to Nordgold announcing to the ASX its intention to accept the Shandong Gold Offer and prior to Shandong Gold acquiring its over 50% shareholding in Cardinal.

The Cardinal Board also notes that having regard to the other conditions of the Dongshan Conditional Indicative Offer (FIRB approval, due diligence and securing committed financing) the likely timeframe in

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which an unconditional offer capable of acceptance could have theoretically emerged was at least a number of months in the future.

Accordingly, the Cardinal Board has determined not to engage further with Dongshan in respect of the Dongshan Conditional Indicative Offer given the above factors and the controlling shareholding now held by Shandong Gold.

Engineers & Planners Takeover Bid - Condition not able to be satisfied

Cardinal refers to its announcement of 24 November 2020 in respect of the bidder's statement for a conditional off-market takeover offer for Cardinal at A\$1.05 cash per Share (**E&P Takeover Bid**) from Engineers & Planners Company Limited (a company incorporated in Ghana) (**E&P**).

Cardinal has not been given notice as regards the dispatch of the bidder's statements in respect of the E&P Takeover Bid. As Shandong Gold now holds a controlling shareholding in Cardinal, the Cardinal Board considers that there is no longer any reasonable prospect that the conditions of the E&P Takeover Bid can be satisfied, particularly having regard to the 50.1% minimum acceptance condition. Accordingly, the Cardinal Board has determined to not engage further with E&P in relation to the E&P Takeover Bid.

Recommendation of Cardinal Board – Accept the Shandong Gold Offer

Given that:

- Shandong Gold have acquired control of Cardinal and now holds over 50% of the Cardinal Shares;
- the Nordgold On-Market Takeover Bid has expired, the Nordgold Off-Market Takeover Bid will not be dispatched and Nordgold have accepted the Shandong Gold Offer; and
- the minimum acceptance conditions of the Dongshan Conditional Indicative Offer and the E&P Takeover Bid can no longer be satisfied,

the Cardinal Board continues to recommend that Shareholders **ACCEPT** the Shandong Gold Offer (in the absence of a superior proposal).

Cardinal's joint financial advisors are Maxit Capital LP, BMO Capital Markets, Euroz Hartleys Limited and Canaccord Genuity Corp. Cardinal's legal advisors 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

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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.

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