

NORD GOLD SE UPCOMING OFF-MARKET BID AND EXPIRY OF ON-MARKET BID

Cardinal Resources Limited (ASX / TSX: CDV) (“**Cardinal**” or “**the Company**”) provides the following updates in respect of the ongoing takeover offers for the Company including the unconditional off-market takeover bid for Cardinal (**Nordgold Off-Market Takeover Bid**) made by Nord Gold S.E. (**Nordgold**) as well as Nordgold’s unconditional on-market takeover bid (**Nordgold On-Market Takeover Bid**) and the unconditional off-market takeover offer by Shandong Gold Mining (HongKong) Co., Ltd. (**Shandong Gold Off-Market Takeover Bid**).

Nordgold Off-Market Takeover Bid – Offers to shortly open

Cardinal notes that in respect of the Nordgold Off-Market Takeover Bid, under the *Corporations Act 2001* (Cth) (**Corporations Act**):

1. the offers must be shortly dispatched and open (by no later than 21 December 2020); and
2. the Nordgold Off-Market Takeover Bid must remain open for a minimum of at least one month from the date the first offer is made.

Cardinal also notes that under the terms of the relief granted by ASIC to Nordgold to permit Nordgold to make contemporaneous on-market and off-market takeover offers, if the consideration offered under the Nordgold On-Market Takeover Bid is improved by increasing the cash sum offered, the consideration offered under the Nordgold Off-Market Takeover Bid must be improved by the same amount.

Having regard to the above circumstances, Cardinal notes that while the Nordgold On-Market Takeover Bid may shortly expire (subject to the points noted below), shareholders will have more time to consider an offer from Nordgold (in the form of the Nordgold Off-Market Takeover Bid) and Cardinal will respond in due course to that offer pursuant to a formal Target’s Statement.

Nordgold On-Market Takeover Bid - Expiry

The Nordgold On-Market Takeover Bid is due to expire at the close of trade on ASX on Wednesday 23 December 2020 (unless extended or withdrawn in accordance with the Corporations Act).

In considering the potential expiry of the Nordgold On-Market Takeover Bid, Shareholders should have regard to the below circumstances in which the Nordgold On-Market Takeover Bid may still be extended and Cardinal’s observations in respect of the Nordgold Off-Market Takeover Bid above.

Cardinal notes that it is now within the last 5 trading days of the Nordgold On-Market Takeover Bid offer period, and as a result the Nordgold On-Market Takeover Bid can only be extended by Nordgold if during these last 5 trading days:

1. another person lodges with ASIC a bidder’s statement for a takeover bid for Cardinal shares;
2. another person announces a takeover bid for Cardinal shares;

3. another person makes offers under a takeover bid for Cardinal shares; or
4. the consideration for offers under another takeover bid for Cardinal shares is improved.

The Nordgold On-Market Bid may also be automatically extended pursuant to the Corporations Act if, within the last 7 days of the offer period of the Nordgold On-Market Takeover Bid, Nordgold's voting power in Cardinal increases to more than 50%.

To date, none of the above circumstances have arisen.

Cardinal's Recommendation

Cardinal takes this opportunity to remind shareholders that the Cardinal Board continues to recommend shareholders accept the Shandong Gold Off-Market Takeover Bid which is also priced at A\$1.05 per share, and scheduled to close on 31 December 2020 (unless extended or withdrawn in accordance with the Corporations Act).

Cardinal's Board remains of the view that whilst Nordgold has matched Shandong Gold's offer price of A\$1.05 per share under Nordgold's On-Market Takeover Bid, there is no compelling reason for the Board of Cardinal to change its recommendation, noting:

- Shareholders who accept the Shandong Gold Off-Market Bid will benefit from any potential increase in offer price which may be made by Shandong Gold prior to the close of its offer. The same uplift benefit does not apply to shareholders who accept the Nordgold On-Market Takeover Bid;
- Cardinal has obligations under the Bid Implementation Agreement (as varied) (**BIA**) with Shandong Gold and Shandong Gold Mining Co., Ltd such that it must continue to recommend the Shandong Gold unless a Superior Proposal emerges which is not matched by Shandong Gold; and
- If Cardinal were to breach the BIA, it would incur a Compensating Amount of A\$5.94 million (payable to Shandong Gold).

The Board of Cardinal, like many of our shareholders, is growing increasingly frustrated with the protracted duration of this takeover battle. Despite the fact Shandong Gold and Nordgold are now free to increase their respective offers from A\$1.05 per share neither bidder appears minded to draw this process to a conclusion.

Not only does Cardinal want the best and a definitive outcome for shareholders as soon as possible, the Board wishes to ensure our Namdini Project continues to be advanced to production for the benefit of all stakeholders. This requires the takeover process to be concluded as soon as possible.

Cardinal urges Shandong Gold and Nordgold to bring this process to a conclusion to avoid further unwarranted delays to the progression of the Namdini Project, and unnecessary frustrations to the decision-making processes of our shareholders.

Cardinal will provide further updates to shareholders as soon as it is able.

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.