

PRESS RELEASE
7 September 2020

ASX/TSX: CDV
2020-26

Recommended Revised and Improved All-Cash Takeover Offer of Cardinal Resources by Shandong Gold

Cardinal Resources Limited (ASX / TSX: CDV) ("**Cardinal**" or "**the Company**") refers to its announcements of 2 and 3 September 2020 in relation to the revised Nord Gold S.E. ("**Nordgold**") on-market takeover offer for Cardinal at A\$0.90 cash per share ("**Nordgold Takeover Bid**").

As announced earlier today, Cardinal has received a revised and improved proposal for an off-market takeover offer from Shandong Gold Mining (HongKong) Co., Ltd. ("**Shandong Gold**"), pursuant to which Shandong Gold will offer to acquire all of the shares in Cardinal it does not presently own at a cash price of A\$1.00 per share ("**Improved Shandong Gold Offer**").

The Cardinal Board, together with the Special Committee and its financial and legal advisers, carefully considered the Improved Shandong Gold Offer in detail and given the superior price to the Nordgold Takeover Bid, the Cardinal Board unanimously recommends that Cardinal Shareholders:

- **ACCEPT** the Improved Shandong Gold Offer (in the absence of a Superior Proposal); and
- **REJECT** the Nordgold Takeover Bid.

The recommended Improved Shandong Gold Offer of A\$1.00 cash per share values Cardinal at approximately A\$565.6 million on a fully diluted basis and represents an attractive premium of approximately 11.1% to the revised Nordgold Takeover Bid of A\$0.90 cash per share.

The Improved Shandong Gold Offer is no longer subject to Chinese Regulatory Approvals or FIRB Approval, and only remains subject to a number of standard market conditions for a transaction of this nature (including primarily, 50.1% minimum acceptance by Cardinal shareholders). The Cardinal Board has no reason to believe that the remaining conditions of the Improved Shandong Gold Offer cannot be satisfied within a reasonable timeframe based on the information available to it as at the date of this announcement and in careful consultation with Cardinal's advisers.

Bid Implementation Agreement

As the Directors have determined to continue to unanimously recommend that Cardinal Shareholders accept the Improved Shandong Gold Offer (in the absence of a Superior Proposal), Cardinal has today entered into a deed with each of Shandong Gold and Shandong Gold Mining Co., Ltd. to amend the Bid Implementation Agreement (attached as Appendix A) to give effect to the Improved Shandong Gold Offer ("**Second Amendment Deed**").

In summary, the Second Amendment Deed amends the Bid Implementation Agreement to, amongst other matters:

- increase the Offer Price of the Improved Shandong Gold Offer to A\$1.00 per Share;
- increase the ascribed value per Cardinal Option for certain Cardinal Options;
- increase the break fee so that it continues to represent approximately 1% of the deal value; and

- amend the definition of “Acceptance Date” (refer to the paragraph below).

Director Acceptances

As announced to the market on 3 September 2020, the Cardinal Directors maintain their Acceptance Intention as required under the Bid Implementation Agreement. Under the Second Amendment Deed, Cardinal and Shandong Gold have agreed to amend the “Acceptance Date” (being the date on which the Cardinal Directors who own or control Cardinal Shares intend to accept the Improved Shandong Gold Offer (in the absence of a Superior Proposal)) to a date that is 5 Business Days after the date of the Second Amendment Deed. Accordingly, the Cardinal Directors who own or control Shares in Cardinal intend to accept the Improved Shandong Gold Offer in respect of all of the Shares they own or control on Monday, 14 September 2020, subject to there being no Superior Proposal.

Advisors

Cardinal’s joint financial advisers are Maxit Capital LP, BMO Capital Markets, 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.

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APPENDIX A



Shandong Gold Mining Co., Ltd

山东黄金矿业股份有限公司

Building 3 Shuntai Plaza 2000 Shunhua Road

Jinan, 250100 P.R. China

中华人民共和国山东省济南市舜华路 2000 号舜泰广场 3 号楼

7 September 2020

2020 年 9 月 7 日

The Directors
Cardinal Resources Limited
Suite 1, 28 Ord Street
West Perth WA 6005 Australia

董事
卡帝诺资源有限公司
澳大利亚西珀斯市奥德街 28 号 1 号
邮编: 6005

Dear Sirs

敬启者:

Second Amendment of Bid Implementation Agreement

对要约实施协议的第二次修订

1 Background

背景

We refer to the Bid Implementation Agreement dated 18 June 2020 between Shandong Gold Mining (HongKong) Co., Limited (**SG**), Shandong Gold Mining Co., Ltd (**Guarantor**) and Cardinal Resources Limited ACN 147 325 620 (**Cardinal**), as amended by a letter deed between the parties dated 29 July 2020 (**Bid Implementation Agreement**).

本函系关于山东黄金矿业（香港）有限公司（“**山东黄金**”）、山东黄金矿业股份有限公司（“**担保人**”）与卡帝诺资源有限公司（澳洲公司代码 147 325 620）（“**Cardinal**”）于 2020 年 6 月 18 日签订的（并在 2020 年 7 月 29 日根据一份补充协议函修改的）《要约实施协议》（“**要约实施协议**”）。

Capitalised terms that are not otherwise defined in this letter have the meanings given in the Bid Implementation Agreement.

除非本函另有规定，否则本函中的大写术语具有要约实施协议所赋予的含义。

2 Purpose

目的

On 5 September 2020, SG provided a Matching Offer to Cardinal for the purposes of clause 9.7(a)(v) of the Bid Implementation Agreement, in response to the increase of offer price under the on-market takeover bid by Nord Gold S.E. on 2 September 2020.

针对 Nord Gold S.E.于 2020 年 9 月 2 日提高其场内要约收购价格，山东黄金根据要约实施协议第 9.7(a)(v)条于 2020 年 9 月 5 日向 Cardinal 提供了匹配要约。

The purpose of this letter is to amend the Bid Implementation Agreement pursuant to clause 9.7(c) of the Bid Implementation Agreement to reflect the changes required to be made to the Bid Implementation Agreement in light of the Matching Offer provided by SG.

本函旨在根据要约实施协议第 9.7 (c) 条对该协议进行修订，以体现由于山东黄金提供的匹配要约而需要对要约实施协议作出的变更。

3 Amendments

修订

On and from the date of this letter, SG, the Guarantor and Cardinal agree that the Bid Implementation Agreement is amended as follows:

自本函日期（含）起，山东黄金、担保人与 Cardinal 同意要约实施协议以如下方式被修订：

- (a) replace the definition of “Compensating Amount” in clause 1.1 with the following:

将第 1.1 条中“赔偿额”的定义替换为：

“Compensating Amount means A\$5,660,000.”

“赔偿额指 5,660,000 澳元。”

- (b) replace the definition of “Acceptance Date” in clause 1.1 with the following:

将第 1.1 条中“接受日”的定义替换为：

“Acceptance Date means the date that is 5 Business Days after 7 September 2020.”

“接受日指 2020 年 9 月 7 日后的第 5 个工作日。”

- (c) replace the definition of “Acceptance Intention” in clause 1.1 with the following:

将第 1.1 条中“接受意向”的定义替换为：

“Acceptance Intention has the meaning given in clause 4(c) of the letter agreement between the parties dated on or around 7 September 2020.”

“接受意向的定义如在各方于 2020 年 9 月 7 日当日或此日期近期签订的协议函中第 4(c)条所述。”

- (d) replace clause 2.2 with the following:

将第 2.2 条替换为：

“The offer price for each Cardinal Share will be \$1.00 (**Offer Price**).”

“每股 Cardinal 股份的要约价格为 1.00 澳元（**要约价格**）。”

- (e) replace the content of Schedule 7 with the content set out in Attachment A to this letter.

以本函附件 A 的内容代替附件 7 的内容。

4 Director intentions

董事意向

- (a) The following provisions of this clause 4 supplement, and do not derogate from, clause 4.5 of the Bid Implementation Agreement.

以下第 4 条条款对于要约实施协议第 4.5 条做出补充，但不减损其限定。

- (b) Cardinal represents and warrants to SG that each Cardinal Director in office at the date of this letter agreement has confirmed that he or she will act in accordance with clause 4(c) below.

Cardinal 向山东黄金陈述并保证，于本协议函日期在任的每位 Cardinal 董事已确认，其将按照以下第 4(c) 条的规定行事。

- (c) Cardinal must use its best endeavours to procure that each Cardinal Director publicly states, including in an announcement released to ASX following the execution of this letter agreement, that they intend to accept the Offer on the Acceptance Date (as defined in clause 3(b) above) in respect of all Cardinal Shares owned or controlled by that director, subject only to there being no Superior Proposal (**Acceptance Intention**).

Cardinal 必须尽最大努力促使每个 Cardinal 董事公开表示，包括在此协议函签署后在 ASX 发布的公告中，他们意图在接受日（如以上第 3(b) 条中定义）就他们各自持有或控制的全部 Cardinal 股份接受要约，此规定的唯一前提是没有更优报价（**接受意向**）。

5 Agreement

协议

Please confirm Cardinal's agreement to amend the Bid Implementation Agreement in accordance with this letter agreement by arranging for Cardinal to countersign a copy of this letter agreement.

请安排 Cardinal 会签一份本信函协议副本，以确认 Cardinal 同意根据本信函协议对要约实施协议进行修订。

6 General

通用条款

Each party executes this letter with the intention that it will be immediately legally bound by this letter which will take effect as a deed. To avoid any doubt, there will be no need for further delivery of this document.

各方签署本函的意图是立即受本函（将作为契约生效）约束。为免疑问，各方无需进一步递交本文件。

The parties agree that subject to the amendments stated in this letter, all the terms of the Bid Implementation Agreement remain in full force and effect.

各方在此同意，除本函所述修改外，要约实施协议所有其他条款仍完全有效。

This letter and the deed resulting from acceptance of the same is governed by and construed in accordance with the laws of Western Australia. The parties submit to the non-exclusive jurisdiction of the Courts of Western Australia and courts competent to determine appeals from those courts.

本函和因接受本函形成的契约受西澳大利亚州法律管辖，并依其进行解释。各方接受西澳大利亚州法院和有权裁定就该等法院之判决所作上诉的法院的非排他管辖权。

This letter and the deed resulting from acceptance of the same may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes an original of this letter, and all together constitute one document.

本函和因接受本函形成的契约可签署任意数量的副本，且各方可分别签署不同的副本。每份副本均为本函原件，但所有副本共同构成同一份协议。

7 English language prevails

英文文本优先

This document has been prepared in English and translated into Chinese. The parties agree that in the event of any inconsistency, difference or contradictions between the English language provisions and the Chinese language provisions, the English language provisions will prevail.

本文件以英文起草，并被翻译为中文。各方同意，如英文文本和中文文本之间有任何不一致、差异或冲突，应以英文文本为准。

EXECUTED as a deed.

作为协议进行签署

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EXECUTED by LIU QIN as authorised)
representative for SHANDONG GOLD)
MINING (HONGKONG) CO., LIMITED:)
由刘钦作为山东黄金矿业（香港）有限)
公司授权代表签署)

signed by Liu Qin

.....
By executing this document the)
signatory warrants that the signatory is)
duly authorised to execute this)
document on behalf of SHANDONG)
GOLD MINING (HONGKONG) CO.,)
LIMITED)
通过签署本文件，签字人保证其拥有正)
式授权以代表山东黄金矿业（香港）有)
限公司签署本文件)

EXECUTED by LI TAO as authorised)
representative for SHANDONG GOLD)
MINING CO., LTD:)
由李涛作为山东黄金矿业股份有限公司)
授权代表签署:)

signed by Li Tao

.....
By executing this document the)
signatory warrants that the signatory is)
duly authorised to execute this)
document on behalf of SHANDONG)
GOLD MINING CO., LTD)
通过签署本文件，签字人保证其拥有正)
式授权以代表山东黄金矿业股份有限公)
司签署本文件)

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EXECUTED by **CARDINAL RESOURCES LIMITED** in accordance with section 127(1) of the *Corporations Act 2001* (Cth) by authority of its directors:

由 **CARDINAL RESOURCES LIMITED** 董事根据 2001 年公司法（联邦）第 127（1）条签署

signed by Archie Koimtsidis

Signature of director
董事签名

ARCHIE KOIMTSIDIS

Name of director (block letters)
董事姓名（清晰印刷体）

signed by Michele Muscillo

Signature of director/company secretary*
董事/公司秘书签名
*delete whichever is not applicable
*如不适用请删除

MICHELE MUSCILLO

Name of director/company secretary* (block letters)
董事/公司秘书姓名（清晰印刷体）
*delete whichever is not applicable
*如不适用请删除

Attachment A - “Schedule 7 – Cardinal Options

附件 A — “附件 7—Cardinal 期权

	Class 类别	Total number 总数	Ascribed Value per Cardinal Option (\$) 每份 Cardinal 期权的赋予价值 (澳元)
1	Expiring 12 March 2021, exercisable at \$1.00 per share 2021 年 3 月 12 日到期, 行权价每股 1 澳元 Designated “OP6” 指定为 “OP6”	1,867,817	\$0.0679 0.0679 澳元
2	Expiring 12 April 2022, exercisable at \$0.50 per share 2022 年 4 月 12 日到期, 行权价每股 0.5 澳元 Designated “OP2” 指定为 “OP2”	18,500,000	Final Offer Price less \$0.50 最终要约价格减去 0.50 澳元
3	Expiring 21 December 2022, exercisable at \$0.59 per share 2022 年 12 月 21 日到期, 行权价每股 0.59 澳元 Designated “OP8” 指定为 “OP8”	2,180,049	Final Offer Price less \$0.59 最终要约价格减去 0.59 澳元
4	Expiring 21 December 2022, exercisable at \$0.679 per share 2022 年 12 月 21 日到期, 行权价每股 0.679 澳元 Designated “OP7” 指定为 “OP7”	2,180,049	Final Offer Price less \$0.679 最终要约价格减去 0.679 澳元
5	Expiring 21 December 2022, exercisable at \$0.75 per share 2022 年 12 月 21 日到期, 行权价每股 0.75 澳元 Designated “OP5” 指定为 “OP5”	1,000,000	Final Offer Price less \$0.75 最终要约价格减去 0.75 澳元

	Class 类别	Total number 总数	Ascribed Value per Cardinal Option (\$) 每份 Cardinal 期权的赋予价值 (澳元)
6	Expiring 21 December 2022, exercisable at \$0.965 per share 2022 年 12 月 21 日到期, 行权价每股 0.965 澳元 Designated "OP4" 指定为 "OP4"	2,018,100	\$0.0744 0.0744 澳元
7	Expiring 10 December 2024, no exercise price 2024 年 12 月 10 日到期, 无行权价 Designated "OP9" 指定为 "OP9"	5,476,530	N/A 不适用
8	Expiring 10 December 2024, no exercise price 2024 年 12 月 10 日到期, 无行权价 Designated "OP11" 指定为 "OP11"	6,369,557	N/A 不适用
	TOTAL 合计	39,592,102	

In this Schedule 7, Final Offer Price means the Offer Price at the time of acquisition of the relevant Cardinal Option."

本附件 7 中, '最终要约价格' 指在收购相关 Cardinal 期权时的要约价格。"