



ASX Release

24 December 2020

Shandong Gold acquires control of Cardinal and confirms increase of Offer price to A\$1.075

Shandong Gold Mining (HongKong) Co., Ltd (**Bidder**) refers to its off-market takeover offer for Cardinal Resources Limited ACN 147 325 620 (**Cardinal**) dated 13 August 2020 (as varied by notices dated 7 September 2020, 21 September 2020, 12 October 2020, 23 October 2020, 26 October 2020 and 24 November 2020) (**Shandong Gold Offer** or **Offer**). The Offer is contained in the bidder's statement issued by the Bidder and dated 11 August 2020 (as supplemented on 7 September 2020, 19 October 2020 and 24 November 2020) (**Bidder's Statement**).

Unless otherwise defined in this announcement, words defined in the Bidder's Statement have the same meaning in this announcement.

Shandong Gold acquires control of Cardinal

Following the announcement of Shandong Gold earlier this morning that it held a relevant interest in 43.39% of all Cardinal Shares as at 7.00pm on 23 December 2020, Shandong Gold is pleased to confirm that it has today received a number of acceptances of the Offer, giving it a relevant interest in excess of 50% of all Cardinal Shares. Shandong Gold intends to exercise the control it has now acquired in accordance with the intentions set out in the Bidders Statement, including by proposing representatives for appointment to the Cardinal board of directors in due course.

Increase to Shandong Gold Offer price

Shandong Gold refers to its announcement of 22 December 2020 in which it announced its intention to increase its Offer price from A\$1.05 to **A\$1.075** per Cardinal Share, subject to both of the following conditions (**Price Increase Conditions**) being satisfied:

- 1 Shandong Gold acquiring a relevant interest in at least 30% of all Cardinal shares by 7.00pm (Sydney time) on Thursday 31 December 2020; and
- 2 the offer period for the on-market takeover offer by Nord Gold S.E. (**Nordgold**) for all of the shares in Cardinal (**Nordgold Market Offer**) not being extended beyond the close of trading on ASX on 23 December 2020.

Shandong Gold confirms that both of the Price Increase Conditions have been satisfied, and Shandong Gold will proceed to lodge documentation to effect the formal increase in Offer price to **A\$1.075** per Cardinal Share in due course.

Acceptances and extension of Offer Period

Shandong Gold urges all remaining Cardinal Shareholders to accept the Shandong Gold Offer as soon as possible and receive the benefit of A\$1.075 per Cardinal share cash consideration in three business days.¹

In line with the Bidder's Second Supplementary Bidder's Statement dated 19 October 2020, Cardinal Shareholders can accept the Shandong Gold Offer by submitting a scanned copy of their completed and signed Acceptance Form (together with all documents required by the instructions on the Acceptance Form) by email to corpactprocessing@computershare.com.au prior to the end of the Offer Period (in addition to returning their Acceptance Form by post).

The Shandong Gold Offer is currently scheduled to close at 7.00pm (Sydney time) on Thursday 31 December 2020 (unless extended). If the Offer Period is not automatically extended by operation of the Corporations Act,² Shandong Gold intends to extend the Offer Period so as to close not earlier than 12 January 2021. Documentation to formally give effect to the Offer Period extension will be lodged in due course and notified to Cardinal Shareholders.

Dongshan indicative, conditional proposal

Shandong Gold notes the announcement earlier today by Cardinal referring to an intention by Dongshan Investments Limited (**Dongshan**) to make an off-market takeover bid for Cardinal, subject to a number of conditions including FIRB and other regulatory approvals, a 50.1% minimum acceptance condition, obtaining finance and completing due diligence (**Dongshan Proposal**).

In light of Shandong Gold having acquired a relevant interest in more than 50% of all Cardinal Shares, it is clear that the announced minimum acceptance condition attached to the Dongshan Proposal will not be satisfied. It also appears highly improbable that the other announced conditions to the Dongshan Proposal will be satisfied, either at all or in a short period of time.

Enquiries

If you require assistance or have any enquiries in relation to the Bidder's Offer, please call **1300 148 804** (toll-free within Australia) or **+61 3 9415 4305** (from outside Australia), Monday to Friday between 9.00am and 5.00pm (Sydney Time). Canadian Branch Shareholders should contact their broker or financial adviser or call the Depositary Agent toll free at 1-800-564-6253 for assistance with respect to acceptance of the Offer.

¹ Payment will be dispatched within 3 business days of acceptance.

² Under section 624(2) of the Corporations Act, if Shandong Gold improves its Offer price in the last 7 days of the offer period (ie. between 25 December 2020 and 31 December 2020), the Offer Period is automatically extended so that it ends 14 days after the date of improvement of Offer price.

This announcement has been authorised for release by the Bidder's board of directors.

A handwritten signature in black ink, appearing to be the Chinese characters '杜强' (Du Qiang).

Du Qiang

Director

Shandong Gold Mining (HongKong) Co., Limited