

7 September 2020

Market Announcements Office  
ASX Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

**By: ASX Online**

Dear Sir or Madam

**Shandong Gold Mining (HongKong) Co., Limited – First Supplementary Bidder's Statement**

We act for Shandong Gold Mining (HongKong) Co., Limited, an entity incorporated in Hong Kong as a limited liability company, under Company Number 2489909 (**Bidder**) in respect of its off-market takeover bid (**Offer**) for all of the ordinary shares in Cardinal Resources Limited ACN 147 325 620 (ASX:CDV) (**Cardinal**).

On behalf of the Bidder, we attach a first supplementary bidder's statement dated 7 September 2020, which supplements the Bidder's bidder's statement, dated 11 August 2020.

Yours sincerely



King & Wood Mallesons

**Contacts**

**Heath Lewis | Partner**  
**King & Wood Mallesons**  
T +61 8 9269 7163 | M +61 423 844 021  
[heath.lewis@au.kwm.com](mailto:heath.lewis@au.kwm.com)

**Angela Zhao | Solicitor**  
**King & Wood Mallesons**  
T +61 8 9269 7298 | M +61 497 086 738  
[angela.zhao@au.kwm.com](mailto:angela.zhao@au.kwm.com)



Shandong Gold Mining Co., Ltd.  
Building 3 Shuntai Plaza 2000 Shunhua Road  
Jinan, 250100 P.R. China

## **FIRST SUPPLEMENTARY BIDDER'S STATEMENT**

### **7 September 2020**

in respect of the all cash Offer by Shandong Gold Mining (HongKong) Co., Limited (Company Number 2489908) for all of the ordinary shares in Cardinal Resources Limited ABN 56 147 325 620

**For each Cardinal Share you will receive \$1.00**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to how to deal with this document, you should consult your legal, financial or other professional adviser as soon as possible

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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) if you require assistance. 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.

## IMPORTANT INFORMATION

This document is the first supplementary bidder's statement under section 643 of the *Corporations Act 2001* (Cth) issued by Shandong Gold Mining (HongKong) Co., Limited (**Bidder**) (**First Supplementary Bidder's Statement**) to the Bidder's Statement dated 11 August 2020 (**Bidder's Statement**) issued by the Bidder and lodged with the Australian Securities and Investments Commission (**ASIC**) on 11 August 2020, in relation to the Bidder's off-market takeover bid for all of the ordinary shares in Cardinal Resources Limited ACN 147 325 620 (**Cardinal**) (**Offer**).

The First Supplementary Bidder's Statement supplements, and is to be read together with, the Bidder's Statement. This First Supplementary Bidder's Statement prevails to the extent of any inconsistency with the Bidder's Statement.

A copy of this First Supplementary Bidder's Statement was lodged with ASIC and provided to ASX on 7 September 2020. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this First Supplementary Bidder's Statement or the merits of the Offer.

Unless the context requires otherwise, defined terms in the Bidder's Statement have the same meaning in this First Supplementary Bidder's Statement. The rules of interpretation in section 9.2 of the Bidder's Statement also apply to this First Supplementary Bidder's Statement.

A copy of this document and the Bidder's Statement can be obtained from the ASX company announcements platform (under Cardinal), and also are on Cardinal's issuer profile at [www.sedar.com](http://www.sedar.com).

## SUPPLEMENTARY INFORMATION

### 1 Increase in Offer price to \$1.00

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The Offer price has been increased from \$0.70 to **\$1.00** per Cardinal Share.

The increased Offer price represents a significant premium of:<sup>1</sup>

- 11.1% to Nordgold's revised offer price of \$0.90 per share announced on 2 September 2020;
- 300% over the closing price of \$0.25 of Cardinal Shares on 13 March 2020 (unaffected share price prior to the Nordgold Indicative Proposal);
- 192.7% over the 20-day volume weighted average price of \$0.342 of Cardinal Shares up to 13 March 2020 (unaffected share price prior to the Nordgold Indicative Proposal); and
- 176.0% over the 6-month weighted average price of \$0.362 of Cardinal Shares for the period up to 13 March 2020 (unaffected share price prior to the Nordgold Indicative Proposal).

The increased Offer price will apply to all Cardinal Shareholders who accept the Bidder's Offer, including Cardinal Shareholders who have already accepted the Offer.

The Offer is currently scheduled to close at 7:00 pm (Sydney Time) on 13 October 2020 unless extended or withdrawn in accordance with the *Corporations Act 2001* (Cth).

Annexure A includes a copy of the formal notice under section 650D of the *Corporations Act* in respect of the increase in Offer price.

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<sup>1</sup> Source: IRESS Limited. As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this paragraph contains ASX trading information sourced from IRESS Limited without its consent.

## 2 Canadian exemptive relief

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As foreshadowed in section 8.5(c) of the Bidder's Statement, on 20 August 2020, the Bidder made an application to the Canadian Securities Regulatory Authorities for relief from certain of the requirements of a foreign take-over bid in respect of the Offer.

The Bidder confirms that on 3 September 2020, the Bidder was granted a decision by the applicable principal regulator, the Ontario Securities Commission, under the process for exemptive relief applications in multiple jurisdictions in Canada, exempting the Offer, as amended, supplemented or replaced, from the requirements applicable to take-over bids in Part 2 and Part 3 of National Instrument 62-104 *Takeover Bids and Issuer Bids* (**Canadian Relief**).

The Canadian Relief removes various constraints on the Bidder arising from Canadian requirements. As a result, the Bidder may now, amongst other things, waive the 50.1% minimum acceptance condition (at the Bidder's discretion), and, upon the Offer becoming or being declared unconditional, "take up" deposited Cardinal Shares prior to the 35 day "minimum deposit period".

The Canadian Relief was granted on the basis that the Bidder will, among other things, continue to send all materials relating the Offer to all Canadian Branch Shareholders at the same time as they are sent to Australian Branch Shareholders.

Other than the removal of certain regulatory constraints on the Bidder, the Canadian Relief does not otherwise affect the Offer terms made to Canadian Branch Shareholders. Canadian Branch Shareholders continue to be able to accept the Offer. Please refer to clause 4.3(j) of the Offer Terms in Appendix 1 of the Bidder's Statement on how Canadian Branch Shareholders can accept the Offer.

## 3 Cash Consideration

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Based on the number of Cardinal Shares on issue as at the date of this First Supplementary Bidder's Statement, the maximum amount of cash that would be payable by the Bidder under the Offer if acceptances were received for all Cardinal Shares (including the Employee Shares) is approximately \$500.50 million.

As at the date of this First Supplementary Bidder's Statement, the Bidder understands that Cardinal has 11,846,087 Nil Priced Options on issue and 27,746,015 Sale Options on issue, comprising a total of 39,592,102 Cardinal Options on issue.

If all Nil Priced Options are exercised and the resulting Cardinal Shares are accepted into the Offer, approximately \$11.85 million additional Cash Consideration will be payable.

If the holders of all the Sale Options are legally permitted to exercise, and do exercise, those Cardinal Options, and accept the Offer in respect of the Cardinal Shares issued to them, approximately \$27.75 million additional Cash Consideration will be payable in accordance with the Offer.

Accordingly, the maximum Cash Consideration which may be required to settle acceptances under the Offer is approximately \$540.10 million.

However, if all holders of Sale Options enter into an Options Assignment Deed<sup>2</sup> and the conditions to assignment of the relevant Sale Options are satisfied, the Bidder will pay approximately \$11.37 million to the relevant Optionholders (instead of the \$27.75 million referred to above), in which case the maximum Cash Consideration which may be required to settle acceptances under the Offer is approximately \$523.72 million.

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<sup>2</sup> As at the date of this First Supplementary Bidder's Statement, no Option Assignment Deeds (as described in section 8.4 of the Bidder's Statement) have yet been fully executed between the applicable parties.

On 27 August 2020, Shandong Gold announced its unaudited interim financial statements. As at 30 June 2020, Shandong Gold had approximately RMB 3.792 billion (approximately US\$537 million<sup>3</sup> or approximately A\$777 million<sup>4</sup>) of bank balances and cash.

## 4 Second Amendment to the Bid Implementation Agreement

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On 7 September 2020, the Bidder, Shandong Gold and Cardinal entered into a letter deed to further amend the Bid Implementation Agreement (**Second Amendment to BIA**), pursuant to which the parties agree to:

- vary the Offer price to \$1.00 per Cardinal Share;
- amend the Compensating Amount to \$5,660,000;
- amend the definitions of "Acceptance Intention" and "Acceptance Date" so that each of the Cardinal Directors will publicly state that they intend to accept the Offer on the date that is 5 Business Days after 7 September 2020 in respect of all Cardinal Shares owned or controlled by that director, subject only to there being no Superior Proposal; and
- amend the Ascribed Values applicable to the relevant Sale Options in light of the variation of the Offer price.

Subject to the amendments set out in the Second Amendment to BIA, all the other terms of the Bid Implementation Agreement remain in full force and effect.

The full terms of the Second Amendment to BIA can be viewed as part of the announcement made by Cardinal to the ASX on 7 September 2020.

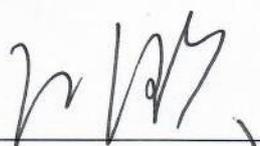
## 5 Authorisation

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This First Supplementary Bidder's Statement has been approved by a resolution passed by the Directors of the Bidder.

Dated 7 September 2020.

Signed on behalf of the Bidder.



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**Liu Qin**  
Director  
Shandong Gold Mining (HongKong) Co., Limited

<sup>3</sup> Based on an exchange rate of 0.1416 RMB to USD as at 30 June 2020, sourced from S&P Capital IQ.

<sup>4</sup> Based on an exchange rate of 0.2050 RMB to AUD as at 30 June 2020, sourced from S&P Capital IQ.

## **Annexure A**

**Shandong Gold Mining (HongKong) Co., Limited**

A limited liability company incorporated in Hong Kong under Company Number 2489908

**Notice under section 650D(1) of the Corporations Act 2001 (Cth)  
Variation of offer – increase in offer consideration**

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7 September 2020

**To: Australian Securities and Investments Commission (ASIC)**

**ASX Limited**

**Cardinal Resources Limited (ACN 147 325 620) (Cardinal)**

**Each person to whom an Offer was made as described in section 650D(1)(c)(iii) of the Corporations Act 2001 (Cth) (as modified by ASIC Class Order [CO 13/521])**

This notice (**Notice**) is given under section 650D of the *Corporations Act 2001 (Cth)* (**Corporations Act**) by Shandong Gold Mining (HongKong) Co., Limited, a limited liability company incorporated in Hong Kong under Company Number 2489908 (**Bidder**) in relation to its offer dated 13 August 2020 (**Offer**) under its off-market takeover bid to acquire all of the ordinary shares in Cardinal. The Offer is contained in the bidder's statement issued by the Bidder and dated 11 August 2020 (**Bidder's Statement**).

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

**Variation: increase in Offer price**

Pursuant to section 650D of the Corporations Act, the Bidder gives notice that it varies the Offer by increasing the Cash Consideration offered for each Cardinal Shares under the Offer to \$1.00 per Cardinal Share.

**Amendment**

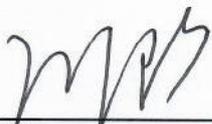
The Bidder's Statement and Acceptance Form are amended by replacing all references to the Offer price of "\$0.70" with "\$1.00".

**Date and ASIC disclaimer**

A copy of this Notice was lodged with ASIC on 7 September 2020. ASIC takes no responsibility for the contents of this Notice.

**Authorisation**

Signed for and on behalf of Shandong Gold Mining (HongKong) Co., Limited (Company Number 2489908) pursuant to a resolution of its Directors approving this Notice by its authorised representative:



**Liu Qin  
Director**