



Second Supplementary Target's Statement of
Cardinal Resources Limited

ACN 147 325 620

In relation to the
Offer

By

Nord Gold S.E.

(Company Number SE000102)

to acquire all of your Shares in Cardinal Resources Limited

Your Directors unanimously recommend that you **REJECT**
the Nordgold Offer of A\$0.90 per Cardinal Share

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

It should be read in its entirety. If you are in doubt about how to deal with this document, you should consult your legal, financial or other professional adviser immediately.

**SECOND SUPPLEMENTARY TARGET'S STATEMENT BY
CARDINAL RESOURCES LIMITED ACN 147 325 620
IN RESPONSE TO THE ON-MARKET TAKEOVER BID
BY NORD GOLD S.E. (COMPANY NUMBER SE000102)
FOR ALL OF YOUR SHARES IN CARDINAL RESOURCES LIMITED**

1. Introduction

This document is the second Supplementary Target's Statement under section 644 of the *Corporations Act 2001* (Cth) (**Corporations Act**) dated 9 September 2020 (**Second Supplementary Target's Statement**) issued by Cardinal Resources Limited ACN 147 325 620 (**Cardinal**), in relation to the on-market takeover bid for all of the fully paid ordinary shares in Cardinal (**Nordgold Offer**) by Nord Gold S.E. (Company Number SE000102) (**Nordgold**).

This document supplements, and should be read together with Cardinal's Target's Statement lodged with the Australian Securities and Investments Commission (**ASIC**) on 27 July 2020 (**Target's Statement**) and the first Supplementary Target's Statement lodged with ASIC on 31 July 2020 (**First Supplementary Target's Statement**). Unless the context requires otherwise or the terms are separately defined in this Second Supplementary Target's Statement, terms defined in the Target's Statement have the same meaning in this Second Supplementary Target's Statement.

A copy of this Second Supplementary Target's Statement was lodged with ASIC, given to ASX and filed under Cardinal's profile on SEDAR on 9 September 2020. Neither ASIC, ASX, TSX or any Canadian securities regulatory authority, nor any of their respective officers take any responsibility for the contents of this Second Supplementary Target's Statement.

This is an important document and requires your immediate attention. If you are in any doubt as to how to deal with this document you should consult your financial or legal adviser as soon as possible.

2. Background and timeline of recent events

On 24 August 2020, Nordgold announced to the market that the Nordgold Offer had been extended so that the offer period ends at the close of trading on ASX on 10 September 2020 (unless it is further extended or withdrawn in accordance with the Corporations Act).

On 2 September 2020, Nordgold lodged its First Supplementary Bidder's Statement¹ and Supplementary Broker Announcement announcing, amongst other matters, that:

- the Offer Price in respect of the Nordgold Offer had been increased from A\$0.66 to A\$0.90 per Cardinal Share;
- no other terms of the Nordgold Offer had changed; and
- Nordgold and its associates held a Relevant Interest in 104,361,619 Cardinal Shares, representing voting power of approximately 19.8%.

On 2 September 2020, Cardinal gave notice of the revised Nordgold Offer to Shandong Gold in accordance with the matching rights provisions under the Bid Implementation Agreement. Pursuant to the matching rights provisions of the Bid Implementation Agreement, Shandong Gold had the opportunity (but not the obligation) to provide a

¹ As required by ASIC Class Order 13/521, Cardinal will make available a copy of this document, free of charge, within two business days to Cardinal Shareholders who request it during the Offer Period.

matching or superior proposal to the revised Nordgold Offer by 5:30pm (AWST) on Monday 7 September 2020.

On 3 September 2020, Nordgold lodged its Second Supplementary Bidder's Statement¹ and announced, amongst other matters, that:

- Nordgold had increased its interest in Cardinal to 149,344,714 Cardinal Shares representing voting power of approximately 28.5%; and
- Nordgold proposed to seek to enter into private arrangements with holders of certain of the Cardinal Options to acquire their Cardinal Options for the payment of an acquisition fee on the same terms as those offered by Shandong Gold. Completion of the transactions contemplated under such arrangements would be conditional on:
 - obtaining all ASX approvals, confirmations or waivers necessary to undertake and effect the transactions without first obtaining shareholder approval; and
 - holders of relevant Cardinal Options being released from their arrangements with Shandong Gold, and not otherwise having dealt with their Cardinal Options.

On 5 September 2020, Shandong Gold advised Cardinal that it intended to increase the Offer Price of the Shandong Gold Offer to A\$1.00 per Cardinal Share.

3. Second Amendment to Bid Implementation Agreement

On 7 September 2020, Cardinal announced that it had entered into a letter deed with each of Shandong Gold and Shandong Gold Mining Co., Ltd, to amend the Bid Implementation Agreement in respect of the 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 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 "Acceptance Date" (being the date on which the Cardinal Directors who own or control Cardinal Shares intend to accept the Shandong Gold Offer (in the absence of a "Superior Proposal"²)) 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 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.

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

² As that term is defined in the Bid Implementation Agreement.

4. Directors' recommendation

The Cardinal Board continues to recommend that Cardinal Shareholders **REJECT** the Nordgold Offer.

The Cardinal Board's recommendation in respect of the Nordgold Offer was reached in the context of the improved and recommended Shandong Gold Offer of A\$1.00 cash per share which 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 Offer of A\$0.90 cash per share.

The 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 its nature (including primarily, 50.1% minimum acceptance by Cardinal shareholders). The Cardinal Board has no reason to believe that the remaining conditions of the Shandong Gold Offer cannot be satisfied within a reasonable timeframe based on the information available to it as at the date of this Second Supplementary Target's Statement.

Shareholders should refer to the First Supplementary Target's Statement in respect of the Shandong Gold Offer lodged today on 9 September 2020 for further information in respect of the Shandong Gold Offer (which the Directors unanimously recommend that Shareholders accept in the absence of a Superior Proposal).

5. Additional Information for Canadian Shareholders

On 4 September 2020, Nordgold made a news release in Canada as to how Canadian Shareholders of Cardinal may accept the Nordgold Offer. As noted above, the Cardinal Board continues to recommend that Cardinal Shareholders **REJECT** the Nordgold Offer.

Canadian shareholders of Cardinal may accept the Nordgold Offer but must transfer their shares to an Australian shareholding position in order to accept the Nordgold Offer on ASX. The process to transfer your Cardinal Shares from TSX to ASX is set out below:

For Shares held in the Canadian Depository for Securities (CDS)

The registered Canadian broker, custodian or CDS participant in CDS (**Canadian Broker**) will detail the following information within Computershare's xSettle site (a Canadian Broker internet site, with which Canadian Brokers are familiar):

- (a) CDS Withdrawal Reference ID – the CDS Withdrawal Reference ID that is generated after the CDS Withdrawal has been keyed. The CDS Withdrawal should be keyed with the following information:
 - (1) Window location "OTH" should be selected.
 - (2) In the memo field state "CAN to AU movement – no certificates required";
- (b) Registered Name and Address to appear on the AU register; and
- (c) If the shares are to be held by an AU Custodian/Broker in CHESS, the AU Custodian's/Broker's CHESS PID and the CHESS HIN must be supplied.

Shares Represented by a Physical Share Certificate

A Canada to Australia Removal Form is required to be completed by the shareholder and sent, together with the share certificate, to Computershare Canada using the following address:

Computershare Investor Services Inc.
100 University Avenue, 8th Floor
Toronto, Ontario, Canada
M5J2Y1
Attention: Transfer Team

Fax: 1 888 453 0330
Email: globaltransactionteam@computershare.com

It is recommended that shareholders submit their forms utilizing registered mail or a courier service is used.

6. Lodgement with ASIC

A copy of this Second Supplementary Target's Statement was lodged with ASIC on 9 September 2020. This Second Supplementary Target's Statement will prevail to the extent of any inconsistency with the Target's Statement and the First Supplementary Target's Statement.

Neither ASIC nor any of its officers takes any responsibility for the contents of this Second Supplementary Target's Statement.

7. Approval

This document has been approved by a resolution passed by the directors of Cardinal Resources Limited.

Dated: 9 September 2020

Signed for and on behalf of
Cardinal Resources Limited



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Kevin Tomlinson
Chairman
Cardinal Resources Limited