

PRESS RELEASE

Tuesday, 31 July 2018

ASX/TSX: CDV

2018-12

CARDINAL EXECUTES US\$25 MILLION TERM SHEET WITH SPROTT

Cardinal Resources Limited (ASX/TSX: CDV) ("Cardinal" or "the Company") is pleased to announce it has received investment committee approval from and executed a term sheet with Sprott Private Resource Lending (Collector), L.P. ("**Sprott**") to be provided with a US\$25 million senior secured credit facility ("**Facility**"). The Facility is subject to mutually satisfactory documentation and other customary conditions precedent, which are expected to be completed on or about 17 August 2018.

A positive Preliminary Economic Assessment released in March this year clearly demonstrated Cardinal's flagship Namdini Gold Project in Ghana to be a low capital cost, high-margin development opportunity.

The US\$25 million Facility will provide working capital and funding to complete the Preliminary and Definitive Feasibility Studies for Namdini.

Archie Koimtsidis, CEO and Managing Director of Cardinal, stated:

"We are pleased to announce third-party validation from Sprott, a leading industry participant. This Facility provides Cardinal with the ability to continue to fast-track Namdini towards completion of a Definitive Feasibility Study, anticipated in Q3 2019, while also maximizing shareholder value by avoiding unnecessary dilution.

"Importantly, the term of the Facility is 30 months and therefore provides significant flexibility for the Company as it continues to de-risk Namdini's development."

Dušan Petković, Principal of Sprott, commented:

"As one of the largest investors dedicated to the natural resource sector, Sprott is excited to continue its partnership with Cardinal. Our partnership with Cardinal is consistent with our strategy of providing innovative and flexible capital to maximize the value of exceptional projects."

Key terms of the Facility are as follows:

- Committed loan facility for US\$25 million to be funded on the closing date
- 30-month repayment term
- Interest rate of LIBOR + 7.75%
- Early repayment flexibility
- Issue of 4,250,000 ordinary shares issued to Sprott (subject to regulatory approvals)
- The Facility is secured against assets of Cardinal and its wholly owned subsidiary, Cardinal Namdini Mining Limited.

ABOUT CARDINAL

Cardinal Resources Limited (ASX/TSX: CDV) is a gold-focused exploration and development Company which holds interests in tenements within Ghana, West Africa.

The Company's Namdini Gold Project has an **Indicated Mineral Resource** of **6.5 Moz** of gold contained in 180 Mt at 1.1 g/t Au at a cut-off of 0.5 g/t Au and an **Inferred Mineral Resource** of **0.5 Moz** of gold contained in 13 Mt at 1.2 g/t Au at a cut-off of 0.5g/t Au (Refer to Cardinal's ASX / TSX release "Cardinal Upgrades Indicated Mineral Resource to 6.5Moz" dated 5 March 2018).

The Company is currently focused on the development of Namdini through advancing its Preliminary Feasibility Study, supported by additional multi-disciplinary engineering and metallurgical activities.

Exploration programmes are also continuing at the Company's Bolgatanga (Northern Ghana) and Subranum (Southern Ghana) Projects.

ABOUT SPROTT

Sprott is an alternative asset manager and a global leader in precious metal and real asset investments. Through its subsidiaries in Canada, the US and Asia, the Corporation is dedicated to providing investors with best-in-class investment strategies that include Exchange Listed Products, Alternative Asset Management and Private Resource Investments. The Corporation also operates Merchant Banking and Brokerage businesses in both Canada and the US. Sprott is based in Toronto with offices in New York, Carlsbad and Vancouver and its common shares are listed on the Toronto Stock Exchange under the symbol (TSX:SII). For more information, please visit www.sprott.com.

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Disclaimer

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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.

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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 PEA 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.