

**ASX ANNOUNCEMENT MEDIA RELEASE**

31 July 2015

## **QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2015**

### **HIGHLIGHTS**

- **Namdini Project area expanded around Namdini Licence**
- **New drill program will test at least three times more strike length than previously drilled**
- **32 RC drill holes planned at 50 x 50m spacing up to 6,000m**
- **12 diamond drill holes for QA/QC verification up to 2,000m**
- **Phase 1 to determine extensions to the current mineralisation**
- **Phase 2 to evaluate the monzonite granitoid quartz stockworks**

**Cardinal Resources Limited** (ASX: CDV) ("**Cardinal**" or "**the Company**"), an African gold focused exploration company, is pleased to present to shareholders its Quarterly Activities report for the period ended 30 June 2015. Currently Cardinal holds four tenements within the Bolgatanga Project, with Subranum comprised of a single tenement (Figure 1).

**From Bolgatanga, Ghana, Managing Director, Archie Koimtsidis said;**

"During the quarter the Company announced a new drill program commencing along strike at Namdini. The very encouraging results from the Namdini drill program have provided valuable information for the assessment of the gold potential along strike. The assessment of this entire drill program has greatly assisted in identifying the mineralised trend around Namdini so that the exploration areas could be expanded (Figures 2 and 4).

"The expanded area contains active shallow artisanal workings within monzonite granitoids which attest to the gold potential of the enlarged area (Figures 3 and 4).

"A successful capital raising was completed during the quarter enabling Cardinal to finalise new RC and diamond drilling programs for the enlarged Namdini Project area. The RC drill program has been divided into two phases: Phase 1 will test the Namdini strike extensions to the north within the Birimian volcanoclastics and Phase 2 will evaluate the monzonite granitoid quartz stockworks (Figures 5 and 6).

"We are optimistic that these new RC drill programs will intersect more gold mineralisation north along strike from Namdini which will increase the gold potential of the enlarged Namdini area.

"Cardinal owning and operating its own drill rig allows the flexibility to reposition the drill between Phase 1 and Phase 2, subject to the information received during the RC drilling program.

"Extensive site preparations were completed during the quarter and RC drilling commenced on 9 June 2015".

**Cardinal Resources Limited ABN 56 147 325 620**

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**Figure 1: Cardinal Resources Tenements in Ghana**

### **BOLGATANGA PROJECT, GHANA**

Exploration activities for this quarter were mainly comprised of extensive site preparations for the new drilling programs at the Namdini Project. RC drilling commenced on 9 June 2015.

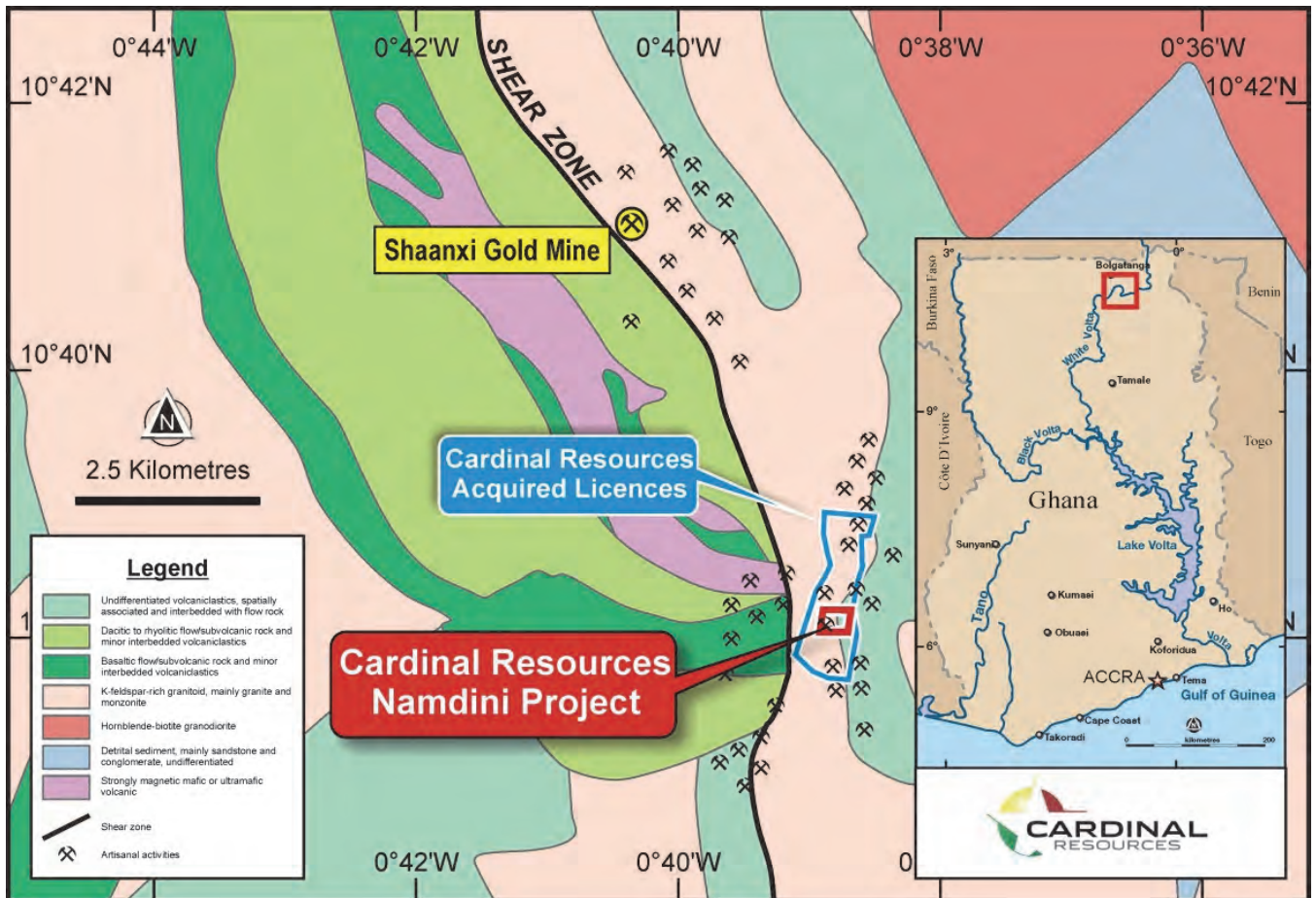
### **NAMDINI PROJECT**

The Namdini tenement is located ~12 km SE from Cardinal's Ndongo East Prospect and ~6 km SE of the producing Shaanxi Gold Mine. The area around the original Namdini Licence has been considerably expanded, which is anticipated to add to the Namdini Licence gold resources already identified (Figure 2).

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**Figure 2: Namdini Project with Expanded Licences Area**

On 15 April 2015 the Company announced that Cardinal through its wholly owned subsidiary, **Cardinal Mining Services Limited (CMS)**, had signed a Heads of Agreement (HOA) with **Savannah Mining Ghana Limited (Savannah)**, a Ghanaian based unlisted mining company, to provide “Mining Support” services to a further 11 Ghanaian Mining Licence holders which will provide additional ~1,900m of strike length at the Namdini Mining License.

**The key terms of HOA between CMS and Savannah include the following:**

- CMS has entered into a Heads of Agreement with Savannah on an exclusive right of first refusal basis, to provide technical and financial support towards the development of Ghanaian Mining License(s) which Savannah will secure under development agreements;
- CMS will assume the management of the Mining Licences from exploration to development and operation, including the provision of mining support services as required;
- Funding for exploration and other costs to develop and operate the Mining License(s) will be provided by CMS, at its absolute discretion; CMS will be entitled to the entire gross mineral values won from the Mining Licenses;
- Savannah will receive a royalty fee for each Mining License received, the terms of which will be finalised on an individual basis.

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Savannah has entered into 11 Mining Licence Development Agreements with Ghanaian residential holders. The terms of this agreement are materially the same as those entered into between CMS and Savannah.

**A summary of the Key Terms of the 11 Development Agreements are:**

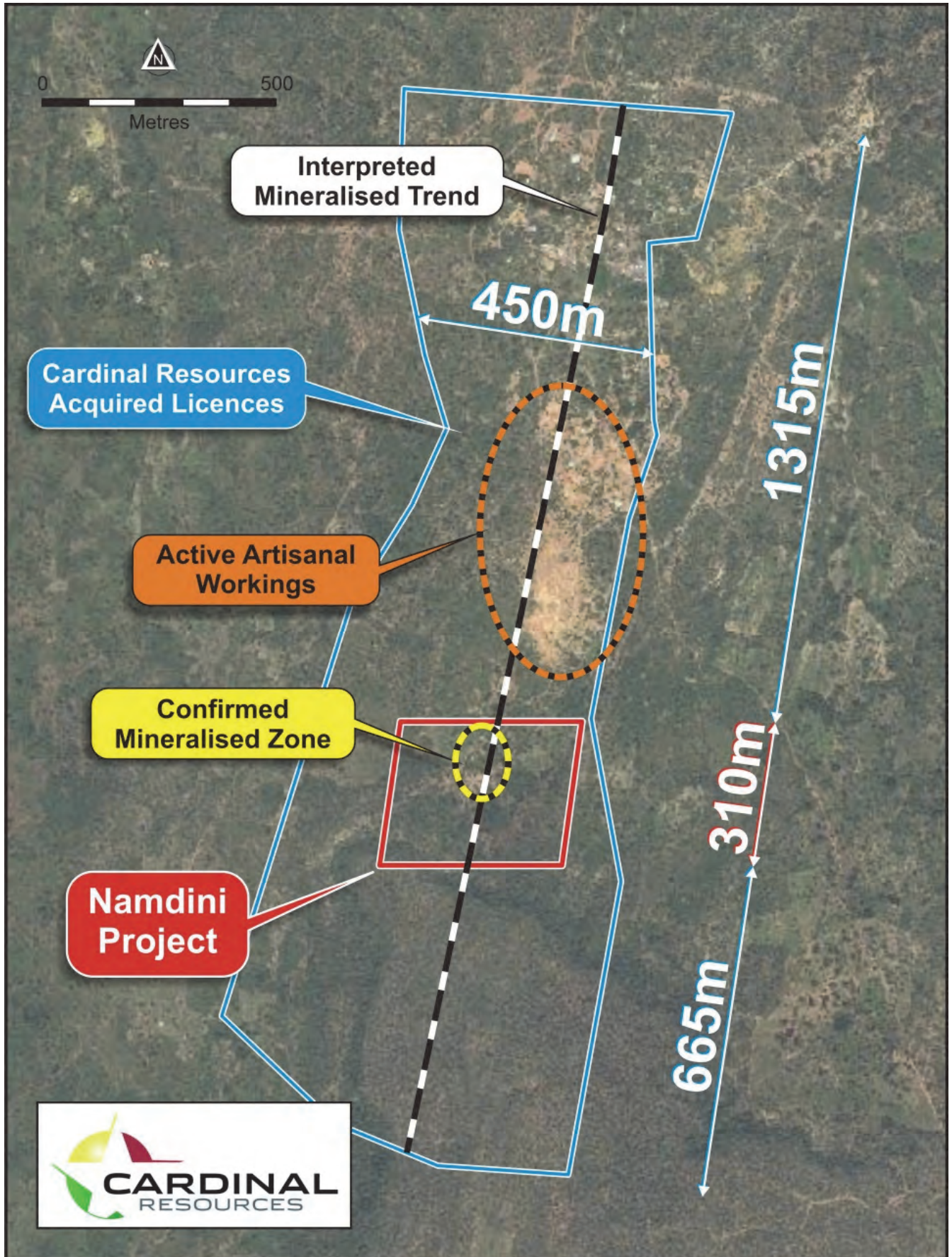
1. The payment of US\$10,000 within 7 days of executing of the Agreement;
2. Subject to the satisfaction of due diligence investigations by CMS, an additional cash payment within 6 months of executing the Agreement;
3. An entitlement to receive net smelter receipts from the gross minerals won from the Mining Licence.

There are active artisanal workings in monzonite granitoids within the enlarged project area which indicates that this area is mineralised which should increase the gold potential of the area (Figures 3 and 4).



**Figure 3: Active artisanal workings in monzonite granitoid**





**Figure 4: Location of Active Artisanal Workings North of Namdini Licence**

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### NEW DRILL PROGRAM ON EXPANDED NAMDINI AREA

New RC and diamond drill programs were planned during the quarter which will test at least three times more strike length than previously drilled on the Namdini Licence (Figures 5 and 6).

The RC drill program is planned for up to 6,000m with 32 RC drill holes. Phase 1 will determine extensions to the current mineralisation within the altered volcaniclastic rocks, and Phase 2 will evaluate the monzonite granitoid quartz stockworks.

The diamond drilling core program is planned for up to 2,000m with 12 diamond drill holes for QA/QC verification.

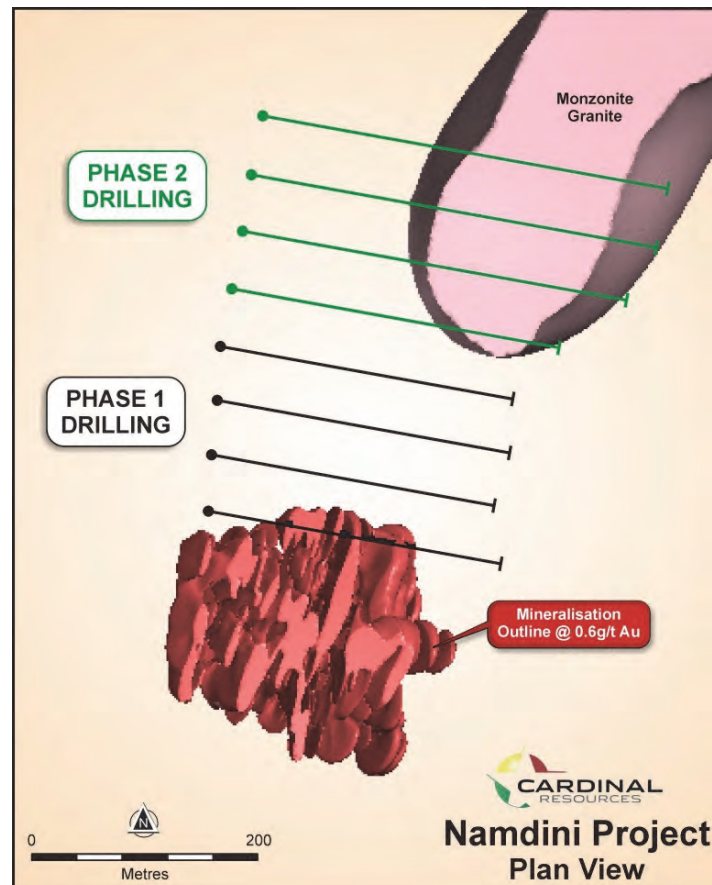


Figure 5: Namdini North Plan View of planned drill fences

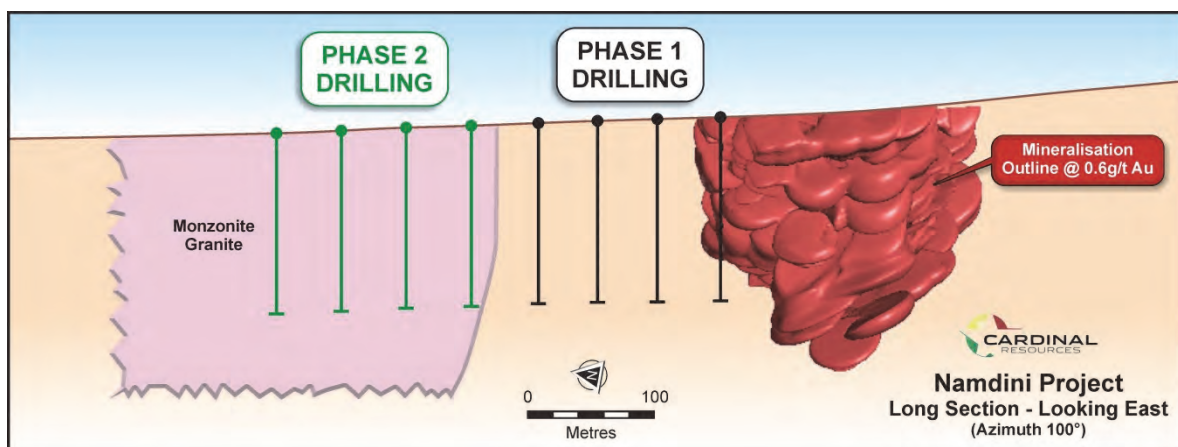


Figure 6: Long Section from Namdini Mineralisation (in south), through Phase 1 and Phase 2 RC Drilling (to north)

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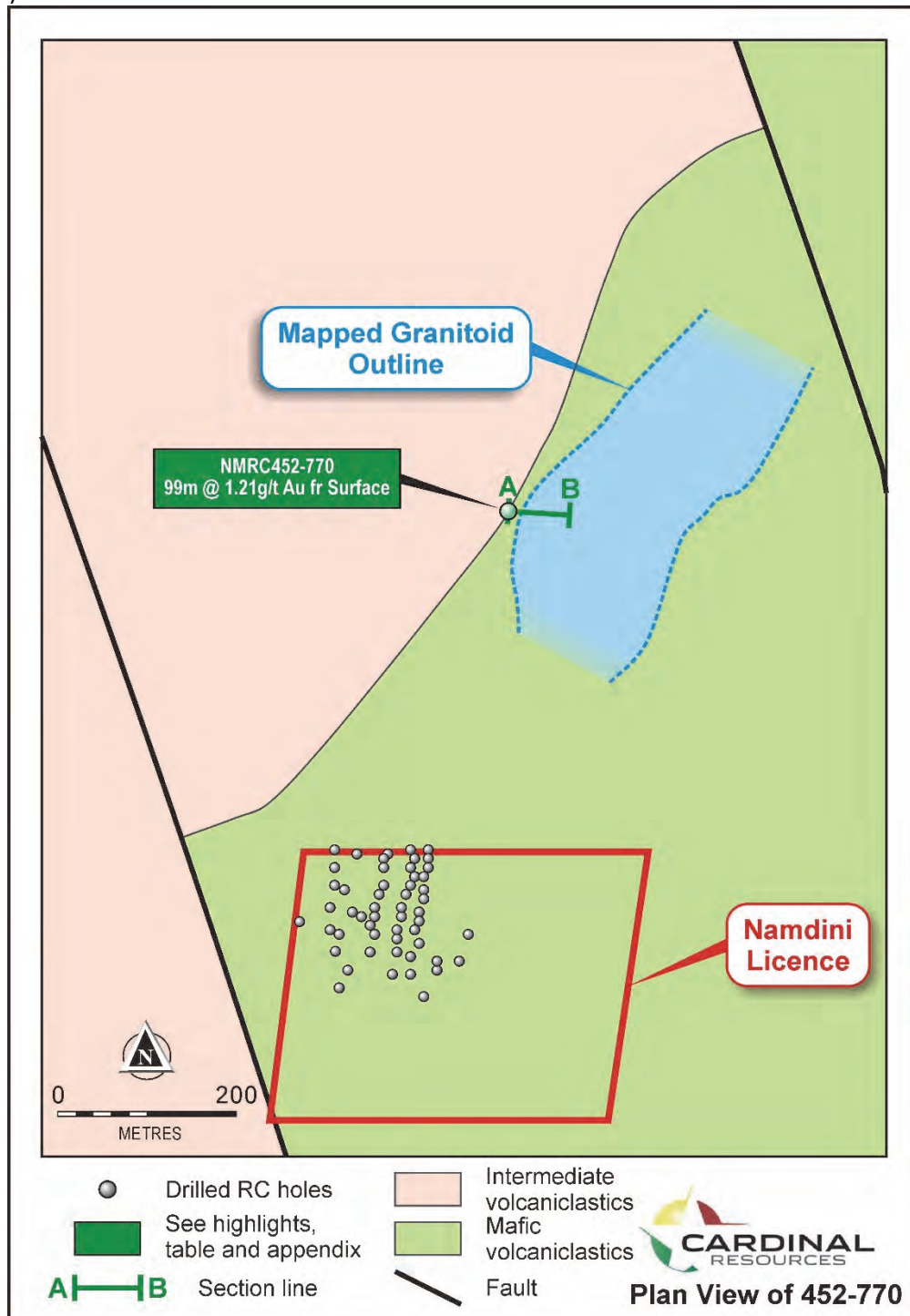
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## RC DRILLING

The general strike of the host rocks is 010° and dipping at approximately -60° W. The RC drilling is orientated at 90° to the strike of 100° azimuth with all drill holes inclined to the east.

During this quarter, 1 RC hole was drilled (Table 1; Figures 7 and 8), please see ASX announcement dated 2 July 2015, totalling 99m with a combined total of 109 samples, including duplicates, blanks and standards, submitted to the SGS Laboratory, Ouagadougou, Burkina Faso for assaying by standard fire assay methods. QAQC protocols were observed by the taking of duplicates, and inserting in-house blanks and commercial certified reference material (CRM) as standards.

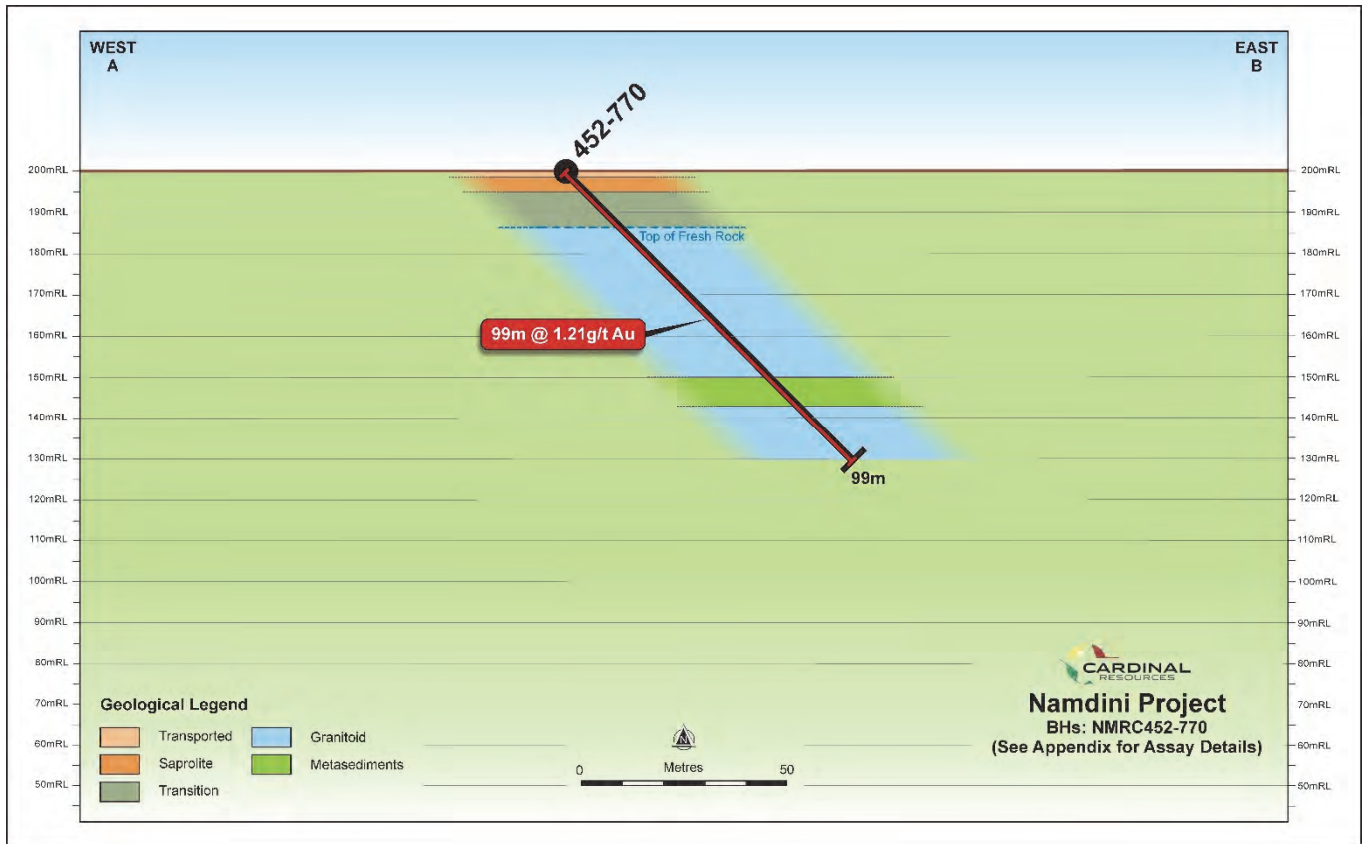


**Figure 7: Namdini Plan View of Drill Hole Collars and Drill Hole NMRC452-770**

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**Figure 8: Drill Hole NMRC452-770 Section**

DRILL METHOD	No. Holes	Total (m)	No. Samples	Duplicates	Blanks	Std's
RC Drilling (Namdini Q2, 2015)	1	99	99	5	3	2

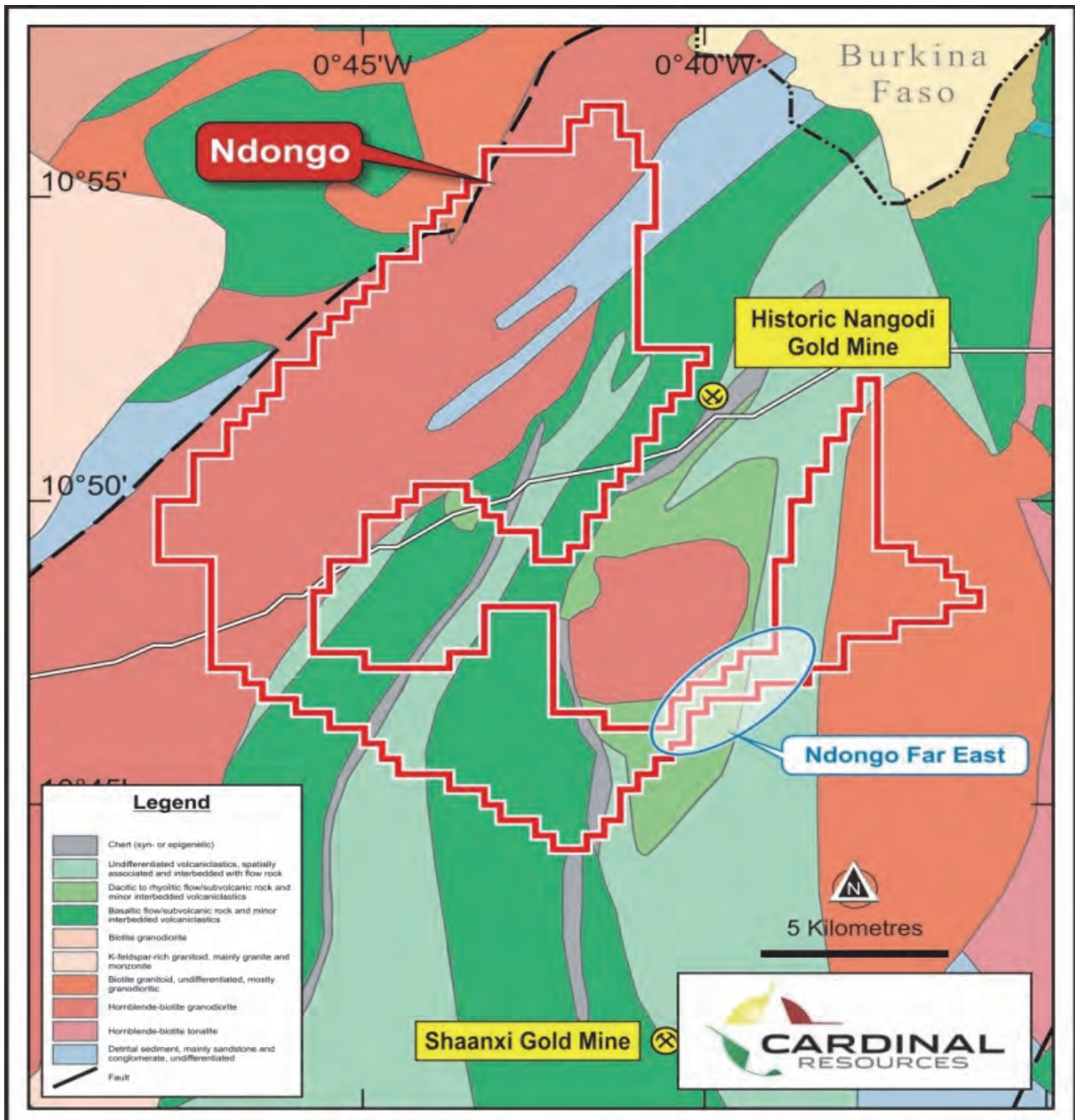
**Table 1: Namdini RC Drilling (Q2 2015)**



## NDONGO PROSPECT

### Ndongo Far East Prospect

The airborne geophysical survey over the Ndongo Tenement identified a magnetic body intruded into the low pressure dilation zone around the southern and SE margins of the Pelungu Granite (Figure 9).



**Figure 9: Ndongo Far East Prospect**

Previous geochemical sampling in this area delineated anomalous gold-in-soil values around the margins of this magnetic intrusive. A Gradient Array Induced Polarisation (GAIP) survey over this target area has been planned which should indicate whether any gold-bearing sulphides are developed around the margins of this magnetic intrusive.

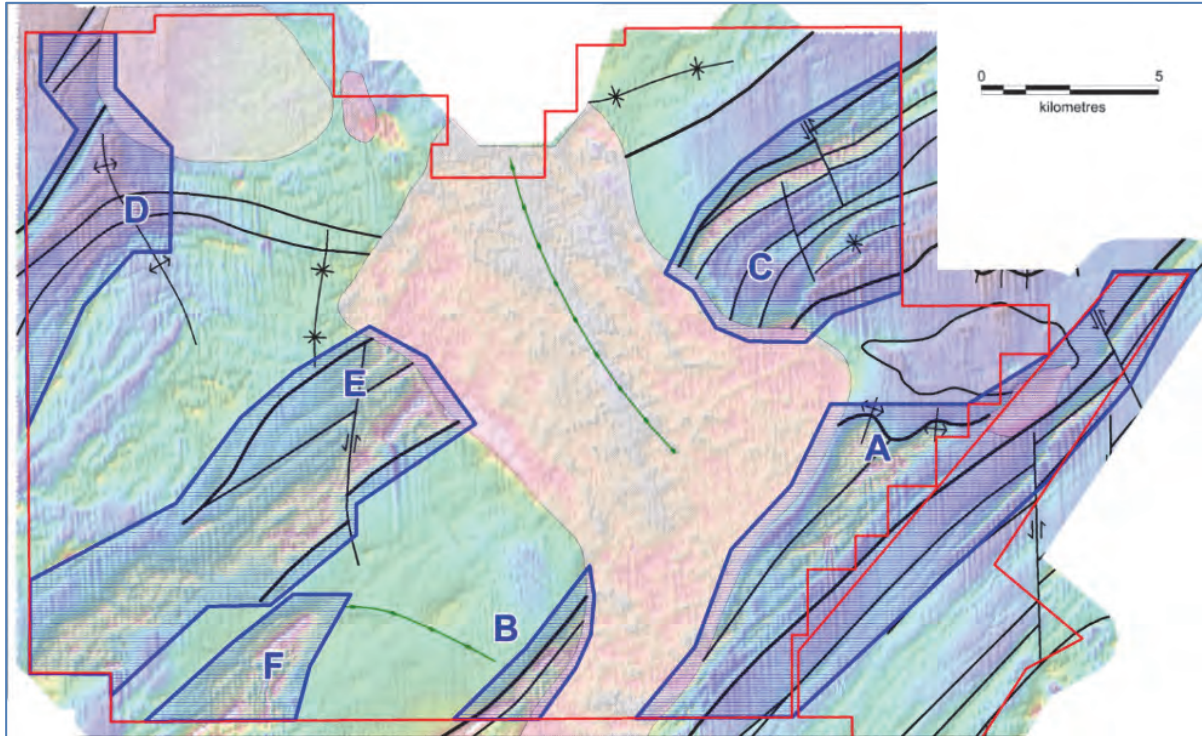
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## BONGO PROSPECT

The airborne geophysical survey over the Bongo Prospect delineated six interpreted target areas containing ~40 km of possible mineralised structures (Figure 10).



**Figure 10: Bongo - 2013 airborne survey magnetic image with preliminary interpretation and six target zones**

During this quarter field mapping over portions of Target C located magnetised mafic outcrops adjacent to an ultramafic unit. Rock chip sampling was done over the magnetised mafic outcrops and sent for multi-element analyses to determine their base metal potential. The analyses indicate there may be some base metal potential, which requires a ground geophysical survey to determine the extent of the magnetic rock unit and geochemical sampling to determine its base metal content.

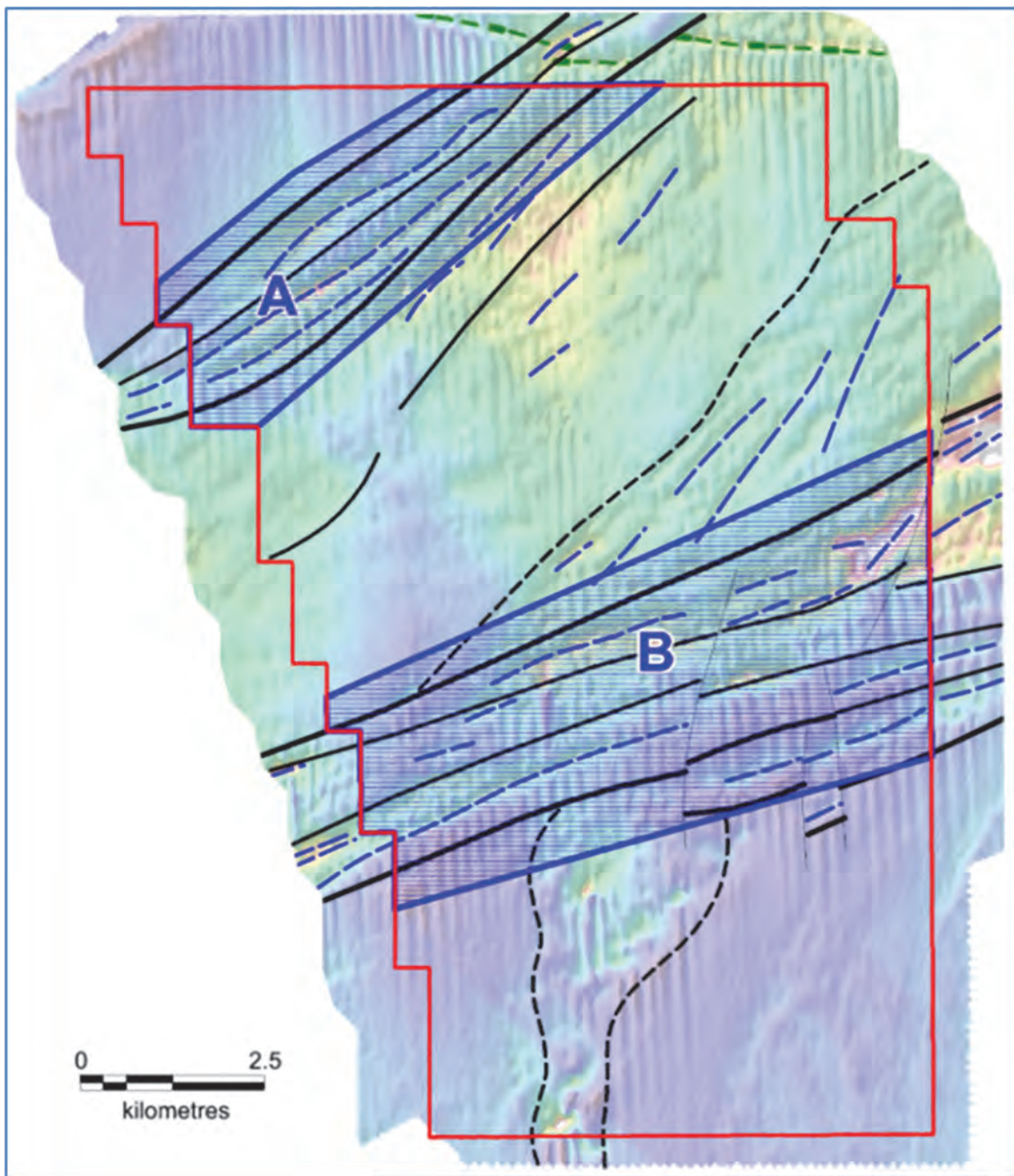


### KUNGONGO PROSPECT

The airborne geophysical survey over the Kungongo Prospect delineated two interpreted target areas containing ~30 km of possible mineralised structures (Figure 11).

Target A occurs over a ~6 km long portion of the SW extension of the regional Bole-Bolgatanga Fault (Shear) Zone which extends over northern Ghana. Target B occurs over a ~7 km long area underlain by Birimian greenstones and granitoids.

During this quarter further reconnaissance field checking of airborne geophysical targets was completed over Target A. Accessibility to these targets was checked to enable a RC drill program to be planned.



**Figure 11: Kungongo – 2013 airborne survey magnetic image with preliminary interpretation and two target zones**

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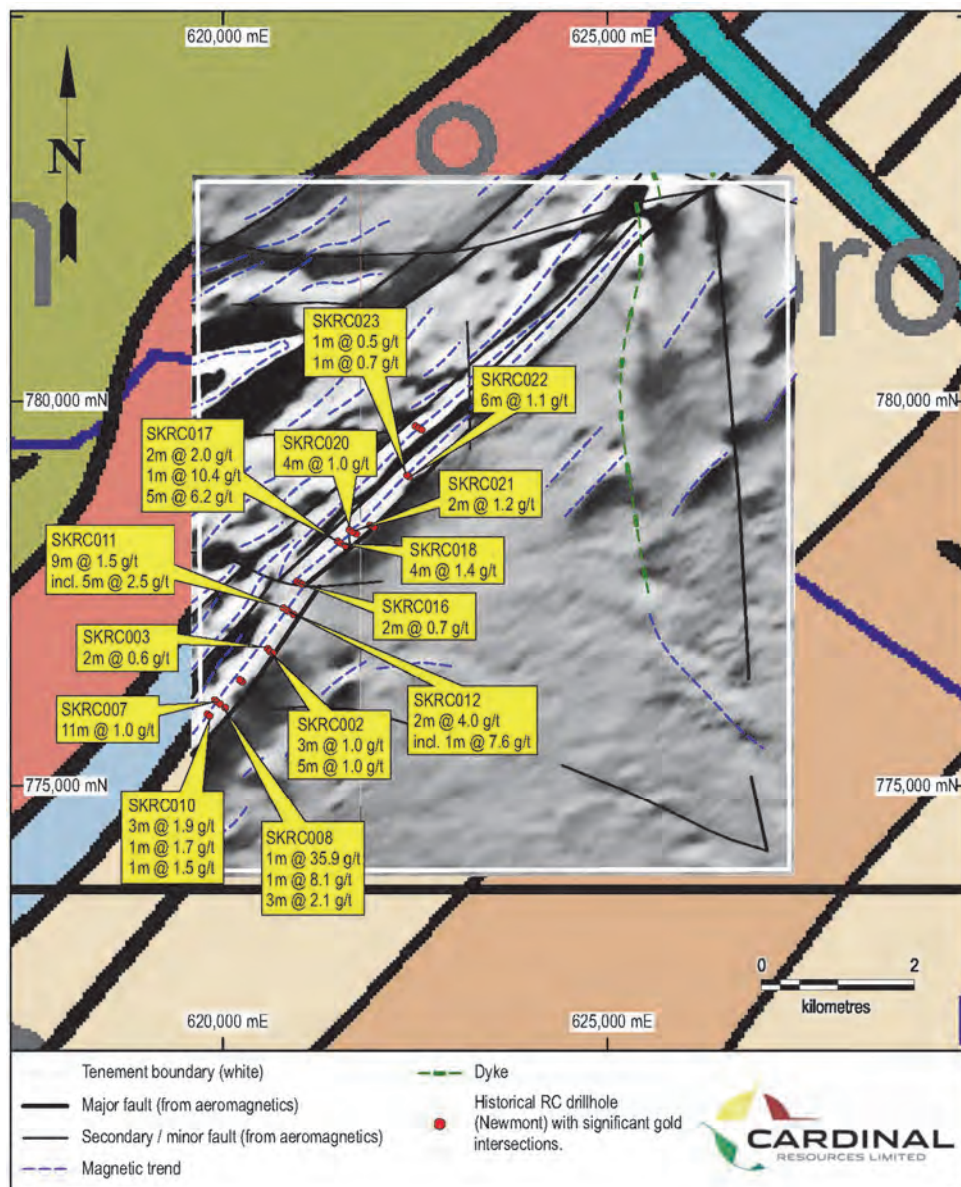
## SUBRANUM PROJECT

Previous exploration at Subranum has established that the significant anomalous zone has a 5.2km strike length. Previous drilling, however, had been on 11 fences of varying distances between 200m to >500m apart (Figure 12).

To properly evaluate the gold mineralisation contained within these anomalous zones, Cardinal has planned a systematic diamond drilling program at regular intervals across the strike length of these anomalies. This planned program will then determine whether the gold mineralisation is continuous or not, and whether there is a plunge to the mineralisation.

Cardinal's planned diamond drill program of 5,100m will concentrate on the 3 high priority targets, namely the SW Target (1,500m), the Central Target (2,100m) and the NE Target (1,500m).

This drill program is being planned subject to seasonal conditions.



**Figure 12: Historical RC drillholes (Newmont) with significant gold intersections highlighted. Magnetic greyscale image in background.**

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## CAPITAL STRUCTURE

As at the date of this report the Company has following capital structure;

Capital Structure	Listed	Unlisted	Total
Fully Paid Ordinary Shares (CDV)	110,820,807	-	110,820,807
Options Ex. \$0.15 on or before 30 September 2015	70,998,288	-	70,998,288
- Options Ex. \$0.20 on or before 31 December 2015	-	11,000,000	11,000,000
- Class A Performance Shares	-	50	50
- Class B Performance Shares	-	50	50
- Class C Performance Shares	-	60	60

## Cash Balance

The Company's cash balance at 30 June 2015 was approximately \$0.816 million.

## TENEMENT SCHEDULE - ASX LISTING RULE 5.3.3

The following mining tenement information is provided pursuant to ASX Listing Rule 5.3.3. No tenements in part or whole, were relinquished, surrendered or otherwise divested during the quarter ended 30 June 2015.

Tenement	Licence Status	Ref	Note	Interest Acquired During Quarter	Interest Divested During Quarter	Interest Held at End of Quarter
<b>Ghana</b>						
<b>Bolgatanga Project</b>						
Ndongo	Prospecting	PL9/22		-	-	100%
Ndongo North	Reconnaissance					-
Kungongo	Reconnaissance	RL9/28		-	-	100%
Bongo	Reconnaissance	RL9/29		-	-	100%
<b>Subranum Project</b>						
Subranum	Prospecting	PL/309	1	-	-	-

## Notes:

1. **Subranum Project:** Cardinal Resources Subranum Limited has entered into a Sale and Purchase agreement with Newmont Ghana Gold Limited (a subsidiary of Newmont Mining Corporation) for the purchase of Subin Kasu Prospecting Licence (the "Subranum Project").

Subject to the approval of the sale by the relevant Minister for the Ghanaian Mining Act, Cardinal Resources Subranum Limited will acquire 100% of the Subin Kasu Prospecting Licence and pay to Newmont Ghana Gold Limited US\$50,000 on or before 10 days after the approval date, US\$50,000 on the first anniversary of the approval date and a final \$100,000 on the second anniversary date.

In addition Cardinal Resources Subranum Limited will be required to spend US\$250,000 on exploration within the first year from approval and a further US\$750,000 in the second year.

Cardinal Resources Subranum Limited will be required to pay Newmont Ghana Gold Limited US\$50,000 per annum from the date which Cardinal Resources Subranum Limited reports a "gold resource estimate" of 1 Moz of Gold. Subject to the grant of a Mining Lease under the Ghanaian Mining Act, Cardinal Resources Subranum Limited will be required to pay Newmont Ghana Gold Limited a 2% Net Smelter Royalty.

**For further information contact:**

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**JORC 2012**

This ASX announcement contains information extracted from the following reports which are available for viewing on the Company's website [www.cardinalresources.com.au](http://www.cardinalresources.com.au):

- 2 July 2015 99m Drill Hole Entirely Mineralised at Namdini Extension
- 9 June 2015 New Drill Program Commences Along Strike at Namdini
- 12 May 2015 Three Times More Strike Length to be Drilled at Namdini
- 15 April 2015 Additional Land Acquired Along Strike at Namdini

The Company confirms it is not aware of any new information or data that materially affects the information included in market announcements relating to exploration activities carried out at the Bolgatanga Project and all material assumptions and technical parameters underpinning the exploration activities in those market announcements continue to apply and have not been changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.



## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Cardinal Resources Limited

ABN

56 147 325 620

Quarter ended ("current quarter")

30 June 2015

#### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(268)	(1,651)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(78)	(498)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	(4)	134
<b>Net Operating Cash Flows</b>		<b>(349)</b>	<b>(2,010)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	(86)	(388)
	(b) equity investments	-	-
	(c) other fixed assets	(37)	(73)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>(123)</b>	<b>(461)</b>
1.13	Total operating and investing cash flows (carried forward)	(472)	(2,471)

+ See chapter 19 for defined terms.

**Appendix 5B****Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(472)	(2,471)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	948	2,573
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(75)	(196)
	<b>Net financing cash flows</b>	<b>873</b>	<b>2,377</b>
	<b>Net increase (decrease) in cash held</b>	<b>401</b>	<b>(94)</b>
1.20	Cash at beginning of quarter/year to date	415	910
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>816</b>	<b>816</b>

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	110
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
		\$'000
	Directors' Fees and Remuneration	68
	Accounting, bookkeeping, corporate secretarial and administration services	42

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	N/A	N/A
3.2 Credit standby arrangements	N/A	N/A

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	325
4.2 Development	-
4.3 Production	-
4.4 Administration	65
<b>Total</b>	<b>390</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	167	99
5.2 Deposits at call	649	316
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>816</b>	<b>415</b>

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+ See chapter 19 for defined terms.



## Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	N/A	N/A	N/A
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1				
<b>Preference + securities</b> (description)				
Class A Performance Shares	50	-	-	-
Class B Performance Shares	50	-	-	-
Class C Performance Shares	60			
7.2				
Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3				
<b>+Ordinary securities</b>	110,820,807	110,820,807	-	-

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

7.4	Changes during quarter				
	(a) Increases through issues	14,584,231	14,584,231	0.065	0.065
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	<b>*Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	<b>Options</b> <i>(description and conversion factor)</i>	70,998,288 11,000,000	70,998,288 -	<i>Exercise price</i> \$0.15 \$0.20	<i>Expiry date</i> 30 September 2019 31 December 2015
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> <i>(totals only)</i>	-	-		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	-	-		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Sarah Shipway  
Company Secretary

Date: 31 July 2015

Print name: Sarah Shipway

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+ See chapter 19 for defined terms.

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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