CARDINAL
RESOURCES LIMITED

Condensed Interim Consolidated Financial Statements
for the three months ended
September 30, 2020

DIRECTORS REPORT

The Directors are pleased to submit their report on Cardinal Resources Limited for the three months ended 30 September 2020.

DIRECTORS

The names of the directors who held office during or since the end of the three months ended 30 September 2020 are:

DIRECTOR	TITLE	DATE OF APPOINTMENT	DATE OF RETIREMENT
Kevin Tomlinson	Non-Executive Chairman	7 November 2016	N/A
Archie Koimtsidis	Managing Director	24 December 2012	N/A
Malik Easah	Executive Director	24 December 2012	N/A
Michele Muscillo	Non-Executive Director	12 October 2017	N/A
Dr Kenneth G. Thomas	Non-Executive Director	31 October 2018	N/A
Trevor Schultz	Non-Executive Director	2 January 2019	N/A

SEPTEMBER 2020 REVIEW OF OPERATIONS

A review of operations of the consolidated entity during the period ended 30 September 2020 is provided in the Management Discussion & Analysis immediately following the consolidated financial statements.

SUBSEQUENT EVENTS

On October 8, 2020 the Company advised that 6,570,167 unlisted milestone options were exercised.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 September 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided

Other than the above there has not been any matter or circumstance that has arisen since balance date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 30.

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

The directors of the Group declare that:

1. the financial statements and notes, as set out on pages 4 to 29 are in accordance with the *Corporations Act 2001* and:
   (a) comply with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
   (b) give a true and fair view of the financial position as at 30 September 2020 and of the performance for the three months ended on that date of the Group.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a meeting of the Board of Directors.

(signed) "Archie Koimtsidis", Director	*(signed) "Kevin Tomlinson"*, Director
Archie Koimtsidis	Kevin Tomlinson

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at September 30, 2020 and June 30, 2020
(Unaudited and expressed in Australian Dollars)

As at	Note	September 30, 2020	June 30, 2020
ASSETS			
Current assets			
Cash and cash equivalents	13(a)	**$ 9,458,825**	$ 3,708,705
Trade and other receivables	3(a)	**89,179**	86,364
Other assets	3(b)	**994,442**	1,005,560
		10,542,446	4,800,629
Non-current assets			
Plant and equipment	4	**1,093,033**	1,343,652
Other assets		**-**	144,454
		1,093,033	1,488,106
TOTAL ASSETS		**$ 11,635,479**	$ 6,288,735
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Trade and other payables	5	**$ 2,005,396**	$ 4,316,398
Other liabilities		**194,746**	216,529
Provisions		**1,014,485**	1,003,037
		3,214,627	5,535,964
Non-current liabilities			
Borrowings	6	**34,054,719**	34,657,548
		34,054,719	34,657,548
TOTAL LIABILITIES		**$ 37,269,346**	$ 40,193,512
Shareholders' equity (deficiency)			
Issued capital	7	**114,595,908**	102,675,718
Reserves		**10,013,122**	7,653,304
Accumulated losses		**(150,242,897)**	(144,233,799)
		$ (25,633,867)	$ (33,904,777)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		**$ 11,635,479**	$ 6,288,735

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS
For the three months ended September 30, 2020
(Unaudited and expressed in Australian Dollars)

		Three months ended	
For the period ended	**Note**	**September 30, 2020**	**September 30, 2019**
Revenue	9	**$ 61,395**	$ 42,241
Operating expenses			
Corporate administration expenses	10	**(6,901,110)**	(3,268,838)
Amortization expenses		**(271,512)**	(58,527)
Exploration and evaluation expenses		**(1,666,168)**	(2,947,761)
Foreign exchange gain/(loss)		**1,238,280**	(1,030,502)
Net Loss Income for the period		**$ (7,539,115)**	$ (7,263,387)
Other comprehensive (loss)/gain			
Items that may be reclassified to profit or loss:			
Unrealized foreign exchange on translation		**(57,248)**	108,269
Comprehensive loss for the period		**$ (7,596,363)**	$ (7,155,118)
Loss per share, basic and diluted (cents)		**$ (1.44)**	$ (1.77)
Weighted average number of common shares outstanding	12	**525,074,380**	410,397,776

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months ended September 30, 2020
(Unaudited and expressed in Australian Dollars)

		Three months ended	
For the period ended	**Note**	**September 30, 2020**	**September 30, 2019**
Operating activities			
Expenditure on mineral interests		**$ (1,657,303)**	$ (5,914,164)
Other payments to suppliers and employees		**(2,851,631)**	(1,855,889)
Interest received		**6,326**	84,393
Government rebates		**55,000**	-
Net cash outflow from operating activities	13(b)	**(4,447,608)**	(7,685,660)
Investing activities			
Purchase of plant and equipment		**(30,084)**	(154,814)
Net cash outflow from investing activities		**(30,084)**	(154,814)
Financing activities			
Issue of shares and options net of capital raising costs		**11,920,190**	4,015,826
Interest paid	13(c)	**(399,073)**	(490,511)
Payment for borrowings net of costs		**(1,180,871)**	-
Net cash inflow from financing activities		**10,340,246**	3,525,315
Increase/(decrease) in cash and cash equivalents		**5,862,554**	(4,315,159)
Cash and cash equivalents at the beginning of period		**3,708,705**	18,735,456
Effect of changes in exchange rates on cash		**(112,434)**	320,143
Cash and cash equivalents, end of period	13(a)	**9,458,825**	14,740,440

See accompanying notes to the condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (DEFICIENCY)
For the three months ended September 30, 2020
(Unaudited and expressed in Australian Dollars)

	Share Capital	Options Reserve	Foreign Exchange Reserve	Accumulated Loss	Total Equity (Deficiency)
Balance as at July 1, 2020	**$ 102,675,718**	**$ 9,098,031**	**$ (1,444,727)**	**$ (144,233,799)**	**$ (33,904,777)**
Profit/(loss) for the period	-	-	-	(7,539,115)	(7,539,115)
Other comprehensive income	-	-	(57,248)	-	(57,248)
Total comprehensive income/(loss)	**-**	**-**	**(57,248)**	**(7,539,115)**	**(7,596,363)**
Transactions with owners in their capacity as owners					
Options exercised/(expired) during the period	-	(1,530,017)	-	1,530,017	-
Share capital raising	11,960,000	-	-	-	11,960,000
Employee option-based payments	-	3,947,083	-	-	3,947,083
Shares issue expense	(39,810)	-	-	-	(39,810)
Balance as at September 30, 2020	**$ 114,595,908**	**$ 11,515,097**	**$ (1,501,975)**	**$ (150,242,897)**	**$ (25,633,867)**

	Share Capital	Options Reserve	Foreign Exchange Reserve	Accumulated Loss	Total Equity (Deficiency)
Balance as at July 1, 2019	**$ 84,460,427**	**$ 7,185,073**	**$ (1,503,492)**	**$ (108,283,718)**	**$ (18,141,710)**
Profit/(loss) for the period	-	-	-	(7,263,387)	(7,263,387)
Other comprehensive income	-	-	108,269	-	108,269
Total comprehensive income/(loss)	**-**	**-**	**108,269**	**(7,263,387)**	**(7,155,118)**
Transactions with owners in their capacity as owners					
Options exercised/(expired) during the period	4,023,614	-	-	-	4,023,614
Share/Option based payments	296,106	-	-	-	296,106
Employee option-based payments	-	346,296	-	-	346,296
Shares issue expense	(7,788)	-	-	-	(7,788)
Balance as at September 30, 2019	**$ 88,772,359**	**$ 7,531,369**	**$ (1,395,223)**	**$ (115,547,105)**	**$ (20,638,600)**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

1. CORPORATE INFORMATION

Cardinal Resources Limited ("Cardinal Resources" or "the Company") is a company limited by shares, incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange ("ASX") and Toronto Stock Exchange ("TSX"). The Company's registered office is Suite 1, 28 Ord Street, West Perth, Western Australia 6005, Australia.

The principal activity of the Company and its controlled entities ("the Group") is West African gold-focused exploration and development Company.

These unaudited condensed interim consolidated financial statements were approved by the board of directors on November 13, 2020.

2. BASIS OF PRESENTATION

The Company's condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and hence should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended June 30, 2020. These condensed interim consolidated financial statements follow the same significant accounting policies as those included in the Company's audited annual consolidated financial statements for the year ended June 30, 2020.

There are a number of new or amended Accounting Standards and Interpretations issued by the IASB that are not yet mandatory. The Company does not plan to adopt these standards early. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

(ii) Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

On the 18 June 2020, the Group received an all-cash takeover offer from Shandong Gold, which was recommended by the Board of Directors. The offer was revised subsequent to the period end on the 21 October 2020 and was recommended by the Board of Directors on the 22 October 2020.

As a result of the potential change in control event and the transaction, the Group's loan facility with the Ghana Infrastructure Investment Fund ('GIIF') may be subject to refinancing arrangements.

This condition indicates a material uncertainty that may cast significant doubt to the group's ability to continue as a going concern and therefore, whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reason:

- On 7 July 2020 the Company raised $11.96 million as a result of the issue of 26,000,000 fully paid ordinary shares to Shandong Gold; and
- The Company has sufficient funds to meet its creditors as and when they fall due.

The Directors are of the opinion that refinancing arrangements will be successfully secured in the event that a change of control occurs and accordingly, no asset is likely to be realised or liability to be discharged at amounts that differ from those stated in the financial statements as at 30 September 2020.

(Expressed in Australian Dollars)

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements, and that the financial report does not include any adjustments related to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the group not continue as a going concern.

3. CURRENT ASSETS

(a) Trade and other receivables

	September 30, 2020	**June 30, 2020**
Government taxes receivable	**$ 88,911**	$ 86,103
Interest receivable	**268**	198
Other	**-**	63
	$ 89,179	$ 86,364

GST is a non-interest bearing and have repayment terms applicable under the relevant government authorities. No trade and other receivables are impaired or past due.

(b) Other assets

	September 30, 2020	**June 30, 2020**
Prepayments (i)	799,571	799,208
Cash deposits	5,516	5,568
Other	189,355	200,784
	994,442	1,005,560

(i) Prepayments include an advance of $332,518 to Savannah Mining Ghana Limited ("Savannah"), a related entity to Director Mr Malik Easah. The purpose of the advance was development of a mining licence in areas in respect of which Savannah had entered into agreements with holders of small-scale licences. During the year ended 30 June 2018, Cardinal Resources Limited advanced $4,000,674 to Savannah. As at the date of this report, $332,518 has been recorded as a prepayment in the consolidated financial statements of Cardinal Resources Limited. The difference has been applied toward the development of the mining licence and expensed during the period.

4. PLANT AND EQUIPMENT

	Plant and Equipment	**Vehicles**	**Total**
Cost			
Balance as at July 1, 2020	**$1,785,737**	**$862,688**	**$2,648,425**
Additions	**13,188**	**-**	**13,188**
Disposals	**-**	**-**	**-**
Foreign exchange movement	**(5,418)**	**(26,257)**	**(31,675)**
Balance as at September 30, 2020	**$1,793,507**	**$836,431**	**$2,629,938**
Balance as at July 1, 2019	$1,317,086	$756,188	$2,073,274
Additions	781,898	397,026	1,178,924
Disposals	(46,970)	(25,703)	(72,673)
Foreign exchange movement	(266,277)	(264,823)	(531,100)
Balance as at June 30, 2020	$1,785,737	$862,688	$2,648,425

(Expressed in Australian Dollars)

Accumulated depreciation			
Balance as at July 1, 2020	**$984,591**	**$320,181**	**$1,304,772**
Depreciation for the period	**127,999**	**143,513**	**271,512**
Disposals	**-**	**-**	**-**
Foreign exchange movement	**(34,770)**	**(4,609)**	**(39,379)**
Balance as at September 30, 2020	**$1,077,820**	**$459,085**	**$1,536,905**
Accumulated depreciation			
Balance as at July 1, 2019	$831,246	$247,378	$1,078,624
Depreciation for the period	253,605	86,691	340,296
Disposals	(20,804)	-	(20,804)
Foreign exchange movement	(79,456)	(13,888)	(93,344)
Balance as at June 30, 2020	$984,591	$320,181	$1,304,772
Carrying amounts			
As at 30 September 2020	**$715,687**	**$377,346**	**$1,093,033**
As at 30 June 2020	$801,145	$542,507	$1,343,652

5. TRADE AND OTHER PAYABLES

	September 30, 2020	**June 30, 2020**
Trade and other payables (i)	1,915,067	3,049,047
Other accrued expenses	90,329	1,267,351
	2,005,396	**4,316,398**

(i) Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature.

6. BORROWINGS

	September 30, 2020	**June 30, 2020**
Secured credit facility	**$ 37,479,813**	$ 37,080,740
Foreign exchange on credit facility	**(1,800,113)**	(553,440)
Transaction costs	**(1,624,981)**	(1,869,752)
	$ 34,054,719	$ 34,657,548

(i) Ghana Infrastructure Investment Fund (GIIF) Secured Credit Facility

The credit facility is secured by Ghana Infrastructure Investment Fund completed on 1 June 2020. The key terms of the credit facility are as follows:

- Committed loan facility of US$25 million;
- 24-month repayment term, being 1 June 2022;
- Interest rate of the greater of LIBOR or 1% + 7.75%; and
- 50% of the interest is accrued and payable on loan maturity.

The credit facility is secured against assets of Cardinal and its wholly owned subsidiary, Cardinal Namdini Mining Limited.

(Expressed in Australian Dollars)

(ii) Ghana Infrastructure Investment Fund (GIIF) Loan Covenants

Cardinal Resources has complied with the financial covenants of its credit facility during the period.

(i) Under the terms of the credit facility, Cardinal's Working Capital Ratio is required to be equal to or greater than 1.10 to 1.00.

Cardinal has complied with these covenants during the period.

7. ISSUED CAPITAL

(a) Ordinary shares

The Company is authorised to issue an unlimited number of ordinary shares. All issued shares are fully paid and have no par value. Changes in ordinary shares for the three months ended 30 September 2020 and twelve months ended 30 June 2020 are as follows:

	Number of Shares	Amount $
As at July 1, 2020	500,024,522	$102,675,718
Transactions during the period		
Shares issued (i)	26,000,000	11,960,000
Share based payments	-	-
Options exercised (ii)	5,275,920	-
Less: transaction costs (vi)	-	(39,810)
As at September 30, 2020	**531,300,442**	**114,595,908**

	Number of Shares	Amount $
As at July 1, 2019	382,864,991	$84,460,427
Transactions during the year		
Shares issued	-	-
Share based payments (v)	975,677	391,106
Options exercised (iii), (iv)	116,183,854	17,847,578
Less: transaction costs (vi)	-	(23,393)
As at June 30, 2020	**500,024,522**	**102,675,718**

(i) The Company issued 26,000,000 fully paid ordinary shares to Shandong Gold Mining (HongKong) Co., Ltd at $0.46 cash per share.

(ii) Exercise of unlisted milestone options.

(iii) Exercise of Listed Options

(iv) Exercise of unlisted options, exercise price $0.22 per share.

(v) Share based payments (refer to note 14) for the year ended 30 June 2020

A total of 276,303 shares were issued to employees of the Company for consideration for services provided to the Company.

(a) On 17 July 2019, 73,530 shares at $0.34 per share issued for services provided;
(b) On 29 October 2019, 119,202 shares at $0.378 per share issued for services provided; and
(c) On 10 December 2019, 83,571 shares at $0.299 per share issued for services provided.

(Expressed in Australian Dollars)

On 17 July 2019, the Company issued 635,161 shares at $0.336 per share for services rendered to the Company.

On 29 October 2019, the Company issued 64,213 shares at $0.389 per share to a consultant in relation to services rendered to the Company.

(vi) Transactions costs represent the costs of issuing the shares.

8. RESERVES

(a) Movement in options reserve

	September 30, 2020 $	June 30, 2020 $
As at the beginning of the period	9,098,031	7,185,073
Options issued/expense during the period	3,947,083	2,933,565
Expiry/exercise of options	(1,530,017)	(1,020,607)
As at reporting date	**11,515,097**	**9,098,031**

(i) The below options were on issue as at 30 September 2020.

Grant Date		2020 Number of Options Balance at 30 September 2020	2020 Expense During the Period	2020 Number of Options Balance at 30 June 2020	2020 Expense During the Year
18 March 2016	Unlisted Options Ex. $0.22	-	-	-	-
12 April 2017	Milestone Options Ex. $0.50	18,500,000	980,110	18,500,000	1,139,284
21 December 2017	Milestone Options Ex. $0.965	2,018,100	174,762	2,018,100	207,984
21 December 2017	Unlisted Options Ex.$0.75	1,000,000	-	1,000,000	-
30 April 2019	Milestone Options Ex. $0.679	2,180,049	77,528	2,180,049	107,932
30 April 2019	Milestone Options Ex. $0.59	2,180,049	90,409	2,180,049	125,862
12 March 2019	Unlisted Options Ex. $1.00	1,867,817	-	1,867,817	-
10 December 2019	Unlisted Milestone Options Ex. $0.00	6,369,557	1,535,348	6,369,557	853,235
10 December 2019	Unlisted Milestone Options Ex. $0.00	200,610	1,088,926	5,476,530	499,268
Total	**-**	**34,316,182**	**3,947,083**	**39,592,102**	**2,933,565**

(b) Movement in options exercisable at $0.15 on or before 30 September 2019

	Number of Options	$
As at 1 July 2020	-	-
Transactions during the period		
Exercise of options	-	-
Expiry of options	-	-
As at 30 September 2020	**-**	**-**
As at 1 July 2019	**110,371,935**	**468,607**
Transactions during the year		
Exercise of options	(110,183,854)	(468,607)
Expiry of options	(188,081)	-
As at 30 June 2020	**-**	**-**

(Expressed in Australian Dollars)

(c) Movement in unlisted options exercisable at $0.22 on or before 18 March 2020

	Number of Options	$
As at 1 July 2020	-	-
Transactions during the period		
Exercise of options	-	-
Expiry of options	-	-
As at 30 September 2020	**-**	**-**

	Number of Options	$
As at 1 July 2019	6,000,000	552,000
Transactions during the year		
Exercise of options	(6,000,000)	(552,000)
Expiry of options	-	-
As at 30 June 2020	**-**	**-**

(d) Movement in unlisted milestones options exercisable at $0.50 on or before 12 April 2022

	Number of Options	$
As at 1 July 2020	18,500,000	6,349,590
Transactions during the period		
Options issued	-	-
Options expense during the period	-	980,110
Cancelled or forfeited during the period	-	-
As at 30 September 2020	**18,500,000**	**$7,329,700**
As at 1 July 2019	18,500,000	5,210,306
Transactions during the year		
Options issued	-	-
Options expense during the year	-	1,139,284
Cancelled or forfeited during the year	-	-
As at 30 June 2020	**18,500,000**	**$6,349,590**

(e) Movement in unlisted milestones options exercisable at $0.965 on or before 21 December 2022

	Number of Options	$
As at 1 July 2020	2,018,100	577,432
Transactions during the period		
Options expense	-	174,762
Cancelled or forfeited during the period	-	-
As at 30 September 2020	**2,018,100**	**752,194**

(Expressed in Australian Dollars)

	Number of Options	$
As at 1 July 2019	2,018,100	369,448
Transactions during the year		
Options expense	-	207,984
Cancelled or forfeited during the year	-	-
As at 30 June 2020	**2,018,100**	**577,432**

(f) Movement in unlisted options exercisable at $0.75 on or before 21 December 2022

	Number of Options	$
As at 1 July 2020	1,000,000	511,748
Transactions during the period		
Options issued	-	-
Cancelled or forfeited during the period	-	-
As at 30 September 2020	**1,000,000**	**511,748**

	Number of Options	$
As at 1 July 2019	1,000,000	511,748
Transactions during the year		
Options issued	-	-
Cancelled or forfeited during the year	-	-
As at 30 June 2020	**1,000,000**	**511,748**

(g) Movement in unlisted milestones options exercisable at $0.679 on or before 21 December 2022

	Number of Options	$
As at 1 July 2019	2,180,049	129,889
Transactions during the period		
Options issued	-	77,528
Cancelled or forfeited during the period	-	-
As at 30 September 2020	**2,180,049**	**207,417**

	Number of Options	$
As at 1 July 2019	2,180,049	21,957
Transactions during the year		
Options issued	-	107,932
Cancelled or forfeited during the year	-	-
As at 30 June 2020	**2,180,049**	**129,889**

(Expressed in Australian Dollars)

(h) Movement in unlisted milestones options exercisable at $0.59 on or before 21 December 2022

	Number of Options	$
As at 1 July 2020	2,180,049	151,467
Transactions during the period		
Options issued	-	90,409
Cancelled or forfeited during the period	-	-
As at 30 September 2020	**2,180,049**	**241,876**

	Number of Options	$
As at 1 July 2019	2,180,049	25,605
Transactions during the year		
Options issued	-	125,862
Cancelled or forfeited during the year	-	-
As at 30 June 2020	**2,180,049**	**151,467**

(i) Movement in unlisted options exercisable at $1.00 on or before 12 March 2021

	Number of Options	$
As at 1 July 2020	1,867,817	25,401
Transactions during the period		
Options issued	-	-
Cancelled or forfeited during the period	-	-
As at 30 September 2020	**1,867,817**	**25,401**

	Number of Options	$
As at 1 July 2019	1,867,817	25,401
Transactions during the year		
Options issued	-	-
Cancelled or forfeited during the year	-	-
As at 30 June 2020	**1,867,817**	**25,401**

(j) Movement in unlisted milestones options exercisable at $0.00 on or before 10 December 2024

	Number of Options	$
As at 1 July 2020	6,369,557	853,235
Transactions during the period		
Options issued	-	1,535,348
Cancelled or forfeited during the period	-	-
As at 30 September 2020	**6,369,557**	**2,388,583**

(Expressed in Australian Dollars)

	Number of Options	$
As at 1 July 2019	-	-
Transactions during the year		
Options issued	6,369,557	853,235
Cancelled or forfeited during the year	-	-
As at 30 June 2020	**6,369,557**	**853,235**

(k) Movement in unlisted milestones options exercisable at $0.00 on or before 10 December 2024

	Number of Options	$
As at 1 July 2020	5,476,530	499,268
Transactions during the period		
Options issued	-	1,088,925
Options exercised	(5,275,920)	(1,530,017)
Cancelled or forfeited during the year	-	-
As at 30 June 2020	**200,610**	**58,176**

	Number of Options	$
As at 1 July 2019	-	-
Transactions during the year		
Options issued	6,276,530	499,268
Cancelled or forfeited during the year	(800,000)	-
As at 30 June 2020	**5,476,530**	**499,268**

The following table shows the movement of listed and unlisted options for the periods ended 30 September 2020 and 30 June 2020:

	Number of Options	Weighted Average Exercise Price $
Balance as at 1 July 2020	39,592,102	$0.42
Options granted	-	-
Options forfeited/exercised (note 8 (k))	(5,275,920)	-
Balance as at 30 September 2020	**34,316,182**	$0.48
Balance as at 1 July 2019	144,177,950	$0.25
Options granted (note 8 (k),(j))	11,846,087	$0.00
Options forfeited/exercised (note 8 (b),(c))	(116,371,935)	($0.15)
Balance as at 30 June 2020	**39,592,102**	$0.42

(Expressed in Australian Dollars)

The table below shows the outstanding options as at 30 September 2020 and 30 June 2020:

		Outstanding		Vested	
	Exercise Price $	**Number of Options**	**Remaining Contractual life (days)**	**Number of Options**	**Weighted Average Remaining Contractual life (days)**
30 September 2020	0.500	18,500,000	651	18,500,000	301
30 September 2020	0.965	2,018,100	904	2,018,100	48
30 September 2020	0.750	1,000,000	904	1,000,000	24
30 September 2020	0.679	2,180,049	904	2,180,049	52
30 September 2020	0.590	2,180,049	904	2,180,049	52
30 September 2020	1.000	1,867,817	255	1,867,817	9
30 September 2020	0.000	6,369,557	1,623	6,369,557	284
30 September 2020	0.000	200,610	1,623	200,610	9
30 June 2020	0.500	18,500,000	651	5,550,000	604
30 June 2020	0.965	2,018,100	904	-	-
30 June 2020	0.750	1,000,000	904	1,000,000	49
30 June 2020	0.679	2,180,049	904	-	-
30 June 2020	0.590	2,180,049	904	-	-
30 June 2020	1.000	1,867,817	255	1,867,817	12
30 June 2020	0.000	6,369,557	1,623	-	-
30 June 2020	0.000	5,476,530	1,623	-	-

(l) Movement in Performance Shares

Class C Performance Shares

	Number of Performance Shares	
As at 1 July 2020	-	-
Transactions during the period		
Performance shares expired	-	-
As at 30 September 2020	-	**-**

	Number of Performance Shares	
As at 1 July 2019	60	-
Transactions during the year		
Performance shares expired	(60)	-
As at 30 June 2020	-	**-**

(Expressed in Australian Dollars)

The following Class C Performance Shares were issued during the financial year ended 30 June 2015

On 17 February 2015, 60 performance shares were issued pursuant to the Asset Sale Agreement with Savannah to purchase the highly prospective Ndongo North concession adjacent to the exiting Ndongo area within the Bolgatanga project area in North-East Ghana.

There are 60 Performance Shares (convertible into a maximum of 6,000,000 shares) on issue at 30 June 2019, there are no Performance Shares on issue as at 30 September 2020.

General terms attaching to the Performance Shares are set out below.

During the year ended 30 June 2020 the performance shares were cancelled.

The issue of 60 Performance Shares in the capital of the Company, each of which would have converted to 100,000 shares ranking equally with the existing shares in the proportions set out below upon satisfaction of achieving a minimum JORC Inferred Resource of gold ounces within the Ndongo North Concession **("Performance Hurdles"**).

Performance Shares	Performance Hurdles (JORC Inferred Au Resource)	Conversion to Ordinary Shares
10	500,000 ounces	1,000,000
5	750,000 ounces	500,000
5	1,000,000 ounces	500,000
5	1,250,000 ounces	500,000
5	1,500,000 ounces	500,000
5	1,750,000 ounces	500,000
5	2,000,000 ounces	500,000
5	2,250,000 ounces	500,000
5	2,500,000 ounces	500,000
5	2,750,000 ounces	500,000
5	3,000,000 ounces	500,000
60		**6,000,000**

In the event that the Company sells, transfers or otherwise disposes of all or part of the Ndongo North Concession to a third party prior to the issuing of any shares upon conversion of any Performance Shares, Savannah would have been entitled to an amount equal to 49% of the sale proceeds less any related selling costs, exploration and mining costs (plus a fixed 30% overhead amount), purchase costs in connection with the acquisition of the Ndongo North Concession, and any other costs incurred with respect to the sale.

9. REVENUE

	September 30, 2020	September 30, 2019
Other income		
Interest from financial institutions	6,395	42,241
Government rebates	55,000	-
	$ 61,395	**$ 42,241**

(Expressed in Australian Dollars)

10. EXPENSES

Corporate general and administration expenses include the following expenses:

	September 30, 2020	September 30, 2019
Employee benefit expense		
Salaries, fees and leave	$ 366,519	302,088
Equity based payments (note 14)	3,947,083	346,296
Defined contribution superannuation expense	29,883	26,095
Other corporate general and administration expenses		
Accounting, legal and consulting fees	747,726	313,626
Audit fees	17,178	16,864
Borrowing expenses	244,772	250,787
Regulatory fees	14,163	18,313
Information technology expenses	25,380	24,667
Insurance expenses	30,008	25,697
Interest expense	798,146	981,022
Office expenses	27,669	33,670
Promotional and conference expenses	20,415	59,292
Travel expenses	14,507	385,225
Other administration expenses	617,661	485,196
Total	**$ 6,901,110**	**$ 3,268,838**

11. KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

Executive KMP
Archie Koimtsidis – Managing Director
Malik Easah – Executive Director
Dave Anthony – Chief Operating Officer
Jon Grygorcewicz – Chief Financial Officer

Non-Executive Directors
Kevin Tomlinson – Non-Executive Chairman
Michele Muscillo - Non-Executive Director
Dr Kenneth G. Thomas – Non-Executive Director
Trevor Schultz – Non-Executive Director

(b) Compensation of executive key management personnel and non-executive directors

	Three months ended September 30,	
	2020	2019
Salaries, fees and leave	$ 408,017	$ 322,265
Special committee fees	120,000	-
Post employment benefits – superannuation	2,081	1,900
Equity based payments – Note 14	2,900,553	291,935
Long service leave	96,792	-
Termination Payments	-	-
	3,527,443	**$ 616,100**

(Expressed in Australian Dollars)

(c) Other transactions with key management personnel

Tomlinson Consultancy, of which Kevin Tomlinson is a director, provided geological consulting services to the Company. Amounts that have been paid or payable total $0 (September 30, 2019: 77,406).

HopgoodGanim of which Michele Muscillo, a director, is a partner of, provided legal services to the Company. Amounts that have been paid or payable total $400,337 (September 30, 2019: $31,912).

During the period ended 30 September 2020, Cardinal Resources Limited has advanced funds to Savannah, a related entity to Director Mr Malik Easah. The purpose of an advance was for the development of a mining licence in areas in respect of which Savannah had entered into agreements with holders of small scale licences. As at the date of this report, $332,518 (September 30, 2019: $350,297) has been recorded as a prepayment in the consolidated financial statements of Cardinal Resources Limited. The difference has been applied toward the development of the mining licence and expensed during the period. The Company has recorded a provision for US$500,000, for funds owed to Savannah in relation to legal expenses.

The Company has a Special Committee composed of two non-executive Board members. The current members are Michele Muscillo (Chairman) and Kevin Tomlinson. The main purpose of the Special Committee is to review, monitor and make recommendations to the Board in respect to the takeover offers received by the Company. During the period $60,000 had been accrued for each director for Special Committee fees.

Other than the above there were no other transactions conducted between the Group and Key Management Personnel or their related parties, apart from those disclosed above relating to equity and compensation, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

12. LOSS PER SHARE

	Thee months ended September 30,	
	2020	**2019**
Net Loss	$ (7,539,115)	$ (7,263,386)
Weighted average number of shares outstanding	525,074,380	410,397,776
Basic and undiluted loss per share (cents)	**$ (1.44)c**	**$ (1.77)c**

13. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

	September 30, 2020	**June 30, 2020**
Current – cash at bank	$ 9,440,139	$ 3,690,019
Term deposits	18,686	18,686
	$ 9,458,825	**$ 3,708,705**

(Expressed in Australian Dollars)

(b) Reconciliation of loss after tax to net cash flows from operations

	Three months ended September 30, 2020	2019
Loss after income tax	$ (7,539,115)	$ (7,263,387)
Non-cash flows in profit		
Depreciation expense	271,512	58,527
Equity based payments	3,947,083	346,296
Borrowing costs	244,772	250,787
Capitalised interest on borrowings	399,073	-
Foreign exchange movement	325,573	(647,554)
Changes in assets and liabilities		
Increase in trade and other receivables	(2,815)	109,133
Increase in prepayments	11,117	(2,224,411)
Increase/(decrease) in trade and other payables	(2,116,256)	1,493,191
Increase/(decrease) in provisions	11,448	191,758
	$ (4,447,608)	**$ (7,685,660)**

(c) Reconciliation of cash and non-cash movements in liabilities arising from financing activities

	June 30, 2020	Cashflows	Non-Cash Changes: Transaction Costs	Non-Cash Changes: Foreign Exchange Movement	Non-Cash Changes: Interest	September 30, 2020
	$	$	$	$	$	$
Borrowings	34,657,548	(399,073)	(244,772)	839,162	(798,146)	34,054,719
Total liabilities from financing liabilities	**34,657,548**	**(399,073)**	**(244,772)**	**839,162**	**(798,146)**	**34,054,719**

14. SHARE BASED PAYMENTS

(i) The Company agreed and approved at the Company's General Meeting held on 3 April 2017 to allot and issue a total of 26,000,000 Milestone Options to key management personnel and employees of the Company. As at 30 September 2020, the Company had 18,500,000 milestone options on issue of which 13,500,000 milestone options relate to key management personnel.

The terms and conditions of the options are detailed in the Notice of General Meeting dated 1 March 2017.

The Milestone Options shall vest and are exercisable at any time on and from:

(i) **Milestone 1** - the earlier of:
  (A) the completion of a scoping study; or
  (B) the completion of a preliminary economic assessment, of the Ghanaian Assets;

(ii) **Milestone 2** - on the beginning of earthworks for gold production at the Ghanaian Assets; and

(iii) **Milestone 3** - on the first pouring of gold at the Ghanaian Assets, until 12 April 2022.

For the milestone 2 and 3, management has expensed in full during the current period as a result of the Nord Gold and Shandong Gold takeover offers.

Using the Black-Scholes option model and based on the assumption below, the Options were ascribed the following value:

(Expressed in Australian Dollars)

Class of Options	Number of Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option	Total Value ($)	Expense for the period ($)
Milestone 1	5,550,000	27.02.17	$0.525	$0.50	18.04.22	2.17%	99.50%	$0.39	2,198,910	-
Milestone 2	5,550,000	27.02.17	$0.525	$0.50	18.04.22	2.17%	99.50%	$0.39	2,198,910	114,788
Milestone 3	7,400,000	27.02.17	$0.525	$0.50	18.04.22	2.17%	99.50%	$0.39	2,931,880	865,322
Total	**18,500,000**		**$0.525**	**$0.50**		**2.17%**	**99.50%**	**$0.39**	**7,329,700**	**980,110**

A probability of 100% has been applied to the milestones occurring.

During the period no milestone options issued to key management were forfeited or exercised.

(iii) During the year ended 30 June 2018 the Company 4,036,200 options to key management personnel of the Company, which have an exercise price of $0.965. 2,018,100 milestone options were cancelled during the year ended 30 June 2019. As at 30 September 2020, the Company had 2,018,100 milestone options on issue.

The terms and conditions of the options are detailed in the Notice of General Meeting dated 18 October 2017.

The Milestone Options shall vest and are exercisable at any time on and from:

(i) **Milestone 2** - on the beginning of earthworks for gold production at the Ghanaian Assets; and
(ii) **Milestone 3** - on the first pouring of gold at the Ghanaian Assets, until 21 December 2022.

For the milestone 2 and 3, management has expensed in full during the current period as a result of the Nord Gold and Shandong Gold takeover offers.

Using the Black & Scholes option model and based on the assumption below, the Options were ascribed the following value:

Class of Options	Number Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option	Total Value ($)	Expense for the period ($)
Milestone 2	864,900	22.11.17	$0.555	$0.965	21.12.22	1.50%	99.50%	$0.37	210,101	23,100
Milestone 3	1,153,200	22.11.17	$0.555	$0.965	21.12.22	1.50%	99.50%	$0.37	159,347	151,662
Total	**2,018,100**		**$0.555**	**$0.965**		**1.50%**	**99.50%**	**$0.37**	**369,448**	**174,762**

A probability of 100% has been applied to the milestones occurring.

(iv) During the year ended 30 June 2019, 2,180,049 milestone options were issued to a Director of the Company, which have an exercise price of $0.679.

The terms and conditions of the options are detailed in the Notice of General Meeting dated 5 March 2019.

The Milestone Options shall vest and are exercisable at any time on and from:

(i) **Milestone 2** - on the beginning of earthworks for gold production at the Ghanaian Assets; and
(ii) **Milestone 3** - on the first pouring of gold at the Ghanaian Assets, until 21 December 2022.

For the milestone 2 and 3, management has expensed in full during the current period as a result of the Nord Gold and Shandong Gold takeover offers.

(Expressed in Australian Dollars)

Using the Black & Scholes option model and based on the assumption below, the Options were ascribed the following value:

Class of Options	Number Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option	Total Value ($)	Expense for the period ($)
Milestone 2	934,307	11.04.19	$0.405	$0.679	21.12.22	1.65%	50%	$0.095	88,893	15,571
Milestone 3	1,245,742	11.04.19	$0.405	$0.679	21.12.22	1.65%	50%	$0.095	118,524	61,957
Total	**2,180,049**		**$0.405**	**$0.679**		**1.65%**	**50%**	**$0.095**	**207,417**	**77,528**

A probability of 100% has been applied to the milestones occurring.

(v) During the year ended 30 June 2019, 2,180,049 milestone options were issued to a Director of the Company, which have an exercise price of $0.590.

The terms and conditions of the options are detailed in the Notice of General Meeting dated 5 March 2019.

The Milestone Options shall vest and are exercisable at any time on and from:

(i) **Milestone 2** - on the beginning of earthworks for gold production at the Ghanaian Assets; and
(ii) **Milestone 3** - on the first pouring of gold at the Ghanaian Assets, until 21 December 2022.

For the milestone 2 and 3, management has expensed in full during the current period as a result of the Nord Gold and Shandong Gold takeover offers.

Using the Black & Scholes option model and based on the assumption below, the Options were ascribed the following value:

Class of Options	Number Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option	Total Value ($)	Expense for the period ($)
Milestone 2	934,307	11.04.19	$0.405	$0.590	21.12.22	1.65%	50%	$0.111	103,660	18,160
Milestone 3	1,245,742	11.04.19	$0.405	$0.590	21.12.22	1.65%	50%	$0.111	138,214	72,249
Total	**2,180,049**		**$0.405**	**$0.590**		**1.65%**	**50%**	**$0.111**	**241,874**	**90,409**

A probability of 100% has been applied to the milestones occurring.

(vi) During the year ended 30 June 2020, 6,369,557 milestone options were issued to Directors of the Company, which have an exercise price of $0.000.

The terms and conditions of the options are detailed in the Notice of General Meeting dated 20 September 2019.

The Milestone Options shall vest and are exercisable at any time on and from the first pouring of gold at the Ghanaian Assets.

The option has been fully expensed during the current period as a result of the Nord Gold and Shandong Gold takeover offers.

Using the Black & Scholes option model and based on the assumption below, the Options were ascribed the following value:

(Expressed in Australian Dollars)

Class of Options	Number Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option	Total Value ($)	Expense for the year ($)
Milestone	6,369,557	04.11.2019	$0.375	$0.000	10.12.2024	0.90%	50%	$0.375	2,388,583	1,535,348
Total	**6,369,557**		**$0.375**	**$0.000**		**0.90%**	**50%**	**$0.375**	**2,388,583**	**1,535,348**

A probability of 100% has been applied to the milestones occurring.

(vii) During the year ended 30 June 2020 6,276,530 milestone options were issued to employees of the Company, which have an exercise price of $0.000. During the year ended 30 June 2020 800,000 milestone options were cancelled. On 18 September 2020 5,275,920 milestone options were exercised. As at 30 September 2020 there were 200,610 milestone options on issue.

The terms and conditions of the options are detailed below:

The Unlisted Option will be issued to the employees in five (5) tranches comprising of:

- 1,255,306 Unlisted Options vesting upon the First Gold Pour to be completed or planned within 60 days of the Project Control Budget;
- 1,255,306 Unlisted Options vesting upon the advancement of the project development in a maximum of 10% above the board approved and final Project control Budget and Schedule;
- 1,255,306 Unlisted Options vesting upon development of the Mine Operations Team, to ensure sustained operation;
- 1,255,306 Unlisted Options vesting upon completion of 36 months, with less than zero lost time injury ("LTI") and zero fatalities; and
- 1,255,306 Unlisted Options vesting upon commencement of process plant commissioning, in accordance with the approved schedule.

The option has been fully expensed during the current period.

Using the Black & Scholes option model and based on the assumption below, the Options were ascribed the following value:

Class of Options	Number Options	Valuation Date	Market Price of Shares	Exercise Price	Expiry Date	Risk Free Interest Rate	Volatility (discount)	Indicative Value per Option	Total Value ($)	Expense for the period ($)
Milestone	200,610	10.12.2019	$0.29	$0.000	10.12.2024	0.90%	50%	$0.29	58,176	39,888
Total	**200,610**		**$0.29**	**$0.000**		**0.90%**	**50%**	**$0.29**	**58,176**	**39,888**

A probability of 100% has been applied to the milestones occurring.

(viii) During the year ended 30 June 2020 699,374 fully paid ordinary shares were issued for services rendered; the shares were ascribed the following value:

Date of Issue	Number of Shares	Price of Shares (a)	Total Value ($)	June Expense for the year ($)
17.07.2019	635,161	$0.336	213,414	213,414
29.10.2019	64,213	$0.389	25,000	25,000

(a) The value of the shares was determined at the date it was agreed to issue the shares for services

(Expressed in Australian Dollars)

(ix) During the year ended 30 June 2020 276,303 fully paid ordinary shares to employees of the Company for services rendered to the Company; the shares were ascribed the following value:

Date of Issue	Number of Shares	Price of Shares (a)	Total Value ($)	Expense for the year($)
17.07.2019	73,530	$0.340	25,000	25,000
29.10.2019	119,202	$0.378	45,000	45,000
10.12.2019	83,571	$0.299	25,000	25,000

(a) The value of the shares was determined at the date it was agreed to issue the shares for services.

15. CONTINGENT ASSETS

A subsidiary, Cardinal Resources Ghana Limited, has lodged a claim to refund Value Added Tax (VAT) paid in Ghana during the course of business. The refund is expected to be received once the Company has moved into production. However, the contingent asset has not been recognised as a receivable as at 30 September 2020, as receipt of the funds is contingent on the Company being in production.

There are no other contingent assets as at 30 September 2020.

16. COMMITMENTS AND CONTINGENCIES

(a) Commitment

Mineral exploration commitment

In order to maintain the current and acquire prospective rights of tenure to exploration tenements, the Group has the following exploration expenditure requirements.

	30 September 2020	30 June 2020
Not later than one year	2,004,282	1,832,529
Later than one year but not later than two years	1,163,650	1,326,868
	3,167,932	**3,159,397**

(b) Contingent liabilities and commitments

The Group fully owns five subsidiaries, the main activities of which are exploration. The effect of these subsidiaries is to make the Cardinal Resources owned subsidiaries contractually responsible for any transactions undertaken by the subsidiary. The parent entity has provided certain guarantees to third parties whereby certain liabilities of the subsidiary are guaranteed.

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 1Moz of gold. Subject to the grant of a Mining Lease under the 2006 Mining Act, Cardinal Resources Subranum Limited will be required to pay Newmont Ghana Gold Limited a 2% net smelter royalty.

Cardinal Namdini Mining Limited (Cardinal Namdini), entered into a Net Smelter Royalty Deed ("**Royalty Deed**") in January 2018, whereby Cardinal Namdini will pay to Savannah Mining Limited ("**Savannah**") a net smelter return royalty ("**Royalty**") equal to:

(Expressed in Australian Dollars)

(a) 4% of the Net Smelter Return on the first 50,000 ounces of Specified Minerals (as defined in the Royalty Deed) produced within each small-scale license which was purchased by Savannah within the Large Scale Mining License (as defined in the Royalty Deed); and

(b) A 2% Net Smelter Return, effective from production of the 50,001 ounces of Specified Minerals produced within each small-scale licence which was purchased by Savannah within the Large Scale Mining License.

Cardinal entered into a definitive agreement with Kinross Gold Group subsidiary Red Back Mining Ghana Limited (Red Back) in 2017 to acquire 100% ownership of two large scale prospecting licences located in North East Ghana. Cardinal has entered into a Royalty Agreement with Red Back, whereby Cardinal shall pay to Red back a 1% net smelter return royalty on any minerals produced from the properties.

17. FINANCIAL INSTRUMENTS

(a) Interest rate risk

The Group's exposure to interest rate risk, which is the risk that the financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

September 30, 2020	**Note**	**Floating interest rate**	**Fixed interest rate**	**Non-interest bearing**	**Total**	**Weighted average interest rate**
Financial assets						
Cash and cash equivalents	13	8,864,818	18,686	575,321	9,458,825	0.07%
Trade and other receivables	3(a)	-	-	89,179	89,179	-
Cash deposits	3(b)	-	-	5,516	5,516	-
		8,864,818	**18,686**	**670,016**	**9,553,520**	
Financial liabilities						
Trade and other payables	5	-	-	2,005,396	2,005,396	-
Borrowings	6	34,054,719	-	-	34,054,719	12.60%
Lease liability		194,746	-	-	194,746	6.85%
		34,249,465	**-**	**2,005,396**	**36,254,861**	

June 30, 2020	**Note**	**Floating interest rate**	**Fixed interest rate**	**Non-interest bearing**	**Total**	**Weighted average interest rate**
Financial assets						
Cash and cash equivalents	13	358,304	18,686	3,331,715	3,708,705	1.36%
Trade and other receivables	5(a)	-	-	86,364	86,364	-
Cash deposits	3(b)	-	-	5,569	5,569	-
		358,304	**18,686**	**3,423,648**	**3,800,638**	
Financial liabilities						
Trade and other payables	5	-	-	4,316,398	4,316,397	-
Borrowings	6	34,657,548	-	-	34,657,548	12.60%
Lease liability		216,529	-	-	216,529	6.85%
		34,874,077	**-**	**4,316,398**	**39,190,475**	

Based on the balances as at 30 September 2020, a 1% movement in interest rates would increase/decrease the loss for the period before taxation by $35,928 (30 June 2020: $29,360).

(Expressed in Australian Dollars)

(b) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the statement of financial position date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

To manage credit risk from cash and cash equivalents, it is the Group's policy to only deposit with banks maintaining a minimum independent rating of 'AA'.

(c) Net fair values

The carrying amount of financial assets and financial liabilities recorded in the consolidated financial statements represents their respective net fair value and is determined in accordance with the accounting policies disclosed in note 3 to the financial statements.

(d) Financial risk management

The Group's financial instruments consist mainly of deposits with recognised banks, investment in term deposits up to 90 days, accounts receivable, accounts payable and borrowings. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in term deposits. The directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the Group is exposed to through its financial instruments are the depository banking institution itself, holding the funds, and interest rates. The Group's credit risk is minimal as being an exploration Company, it has no significant financial assets other than cash and term deposits.

(e) Foreign currency risk

Exposure to foreign exchange risk may result in the fair value or future cashflows of a financial instrument to fluctuate due to movements in foreign exchange rates of currencies, in which the Group holds financial instruments, which are other than the AUD functional currency of the Group.

The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations, denominated in currencies other than the functional currency of the operations. The foreign currency risk of the parent entity is considered immaterial and is therefore not shown.

September 30, 2020	**Net Financial Assets/(Liabilities) In AUD**				
	AUD	**USD**	**GHS**	**CAD**	**Total AUD**
Australian dollar	7,555,042	(33,990,324)	(360,754)	-	(26,796,036)
GHS New Cedi	-	-	-	-	-
Statement of financial position exposure	**7,555,042**	**(33,990,324)**	**(360,754)**	**-**	**(26,796,036)**

(Expressed in Australian Dollars)

June 30, 2020	Net Financial Assets/(Liabilities) In AUD				
	AUD	USD	GHS	CAD	Total AUD
Australian dollar	(1,832,450)	(33,353,700)	(79,112)	-	(35,265,262)
GHS New Cedi	-	-	-	-	-
Statement of financial position exposure	**(1,832,450)**	**(33,353,700)**	**(79,112)**	**-**	**(35,265,262)**

Based on the statement of exposure at 30 September 2020, a 1% movement in foreign exchange rates would increase/decrease the loss for the period before taxation by $481,769 (30 June 2020: $482,220).

(f) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will maintain cash or credit terms with its suppliers to meet the operating requirements of the business and invest excess funds in highly liquid short term cash deposits, Maintaining surplus working capital in highly liquid short term deposits allows the Group to meet its primary objectives by being able to fund new development and acquisition opportunities at short notice.

The responsibility for liquidity risk rests with the Board of Directors. The Group's liquidity needs can likely be met through cash on hand, short and long term borrowings subject to the current forecast operating parameters being met.

(g) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised costs using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

The contractual maturities of the Group's financial liabilities are as follows:

	September 30, 2020	June 30, 2020
Within one month:		
Trade and other payables	$ 2,005,396	$ 4,316,398
Later than one month and no later than one year:		
Trade and other payables	-	-
	$ 2,005,396	**$ 4,316,398**

Contractual maturities of financial liabilities As at September 30, 2020	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/liabilities
Non-derivatives							
Trade payables	2,005,396	-	-	-	-	2,005,396	2,005,396
Borrowings	798,146	798,146	35,651,012		-	37,247,304	34,054,719
Total non-derivatives	**2,803,542**	**798,146**	**35,651,012**	**-**	**-**	**39,252,700**	**36,060,115**

18. RELATED PARTY TRANSACTIONS

Tomlinson Consultancy, of which Kevin Tomlinson is a director, provided geological consulting services to the Company. Amounts that have been paid or payable total $0 (September 30, 2019: 77,406).

HopgoodGanim of which Michele Muscillo, a director, is a partner of, provided legal services to the Company. Amounts that have been paid or payable total $400,337 (September 30, 2019: $31,912).

During the period ended 30 September 2020, Cardinal Resources Limited has advanced funds to Savannah, a related entity to Director Mr Malik Easah. The purpose of an advance was for the development of a mining licence in areas in respect of which Savannah had entered into agreements with holders of small scale licences. As at the date of this report, $332,518 (September 30, 2019: $350,297) has been recorded as a prepayment in the consolidated financial statements of Cardinal Resources Limited. The difference has been applied toward the development of the mining licence and expensed during the period. The Company has recorded a provision for US$500,000, for funds owed to Savannah in relation to legal expenses.

The Company has a Special Committee composed of two non-executive Board members. The current members are Michele Muscillo (Chairman) and Kevin Tomlinson. The main purpose of the Special Committee is to review, monitor and make recommendations to the Board in respect to the takeover offers received by the Company. During the period $60,000 had been accrued for each director for Special Committee fees.

Other than the above there were no other transactions conducted between the Group and Key Management Personnel or their related parties, apart from those disclosed above relating to equity and compensation, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

19. SEGMENT REPORTING

For management purposes, the Group is organised into one main operating segment, which involves the exploration of minerals in Ghana. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these consolidated financial statements.

20. EVENTS SUBSEQUENT TO STATEMENT OF FINANCIAL POSITION DATE

On October 8, 2020 the Company advised that 6,570,167 unlisted milestone options were exercised.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 September 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above there has not been any matter or circumstance that has arisen since balance date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity.

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF CARDINAL RESOURCES LIMITED

As lead auditor for the review of Cardinal Resources Limited for the three months ended 30 September 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Cardinal Resources Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 13 November 2020

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Cardinal Resources Limited

Report on the Interim-Year Financial Report

Conclusion

We have reviewed the interim financial report of Cardinal Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 September 2020, the consolidated interim statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three months ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying interim financial report of the Group does not comply with the Corporations Act 2001 including:

(i) Giving a true and fair view of the Group's financial position as at 30 September 2020 and of its financial performance for the three months ended on that date; and

(ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 30 September 2020 and its performance for the three months ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO

Jarrad Prue

Director

Perth, 13 November 2020

("**Cardinal**" or the "**Company**")

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended September 30, 2020

GENERAL

This Management's Discussion and Analysis ("**MD&A**") supplements, but does not form part of the unaudited condensed interim consolidated financial statements of the Company for the three months ended September 30, 2020. The following information, prepared as of November 13, 2020, should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three months ended September 30, 2020 and the audited consolidated annual financial statements for the year ended June 30, 2020. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("IASB"). All amounts are expressed in Australian dollars unless otherwise indicated.

Additional information relevant to the Company's activities, including the Company's Annual Information Form dated August 31, 2020, can be found on SEDAR at www.sedar.com.

Cardinal's shares are listed on the Australian Securities Exchange ("**ASX**") and Toronto Stock Exchange ("**TSX**") under the symbol "**CDV**".

FORWARD LOOKING INFORMATION

This MD&A may contain "forward-looking information" under applicable Canadian securities laws that reflects the Company's current expectations and projections about its future results. When used in this MD&A, words such as "will", "may", "should", "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking information, which, by its very nature, is not a guarantee of the Company's future operational or financial performance.

Forward-looking information includes statements that are not historical facts and includes but is not limited to:

Estimates and their underlying assumptions;

A. Statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model, future operations, the impact of regulatory initiatives on the Company's operations and market opportunities;
B. General industry and macroeconomic growth rates;
C. Expectations related to possible joint or strategic ventures; and
D. Statements regarding future performance.

Forward-looking information used in this MD&A is subject to various known and unknown risks, uncertainties and other factors, most of which are difficult to predict and generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to, unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project, and other factors.

With respect to forward-looking information contained in this MD&A, the Company has made assumptions.

Readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from those anticipated in such forward-looking information. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by securities law.

DESCRIPTION OF BUSINESS

The principal activity of the Company (and its subsidiaries) is gold exploration and mine development in Ghana. The Company holds tenements prospective for gold mineralisation in Ghana in two granite-greenstone belts: the Bolgatanga Project and the Namdini Gold Project ("**Namdini Gold Project**" or "**Namdini**"), which are, respectively, located within the Greenstone Belts in northeast Ghana and the Subranum Project, which is located within the Sefwi Greenstone Belt.

The main focus of activity is the Namdini Gold Project which has a gold Mineral Reserve of **5.1 Moz** (138.6Mt @ 1.13g/t Au; 0.5g/t Au cut-off) inclusive of 0.4 Moz Proved (7.4 Mt @ 1.31g/t Au; 0.5 g/t Au cut-off) and 4.7 Moz Probable (131.2 Mt @ 1.12 g/t Au; 0.5g/t Au cut-off).

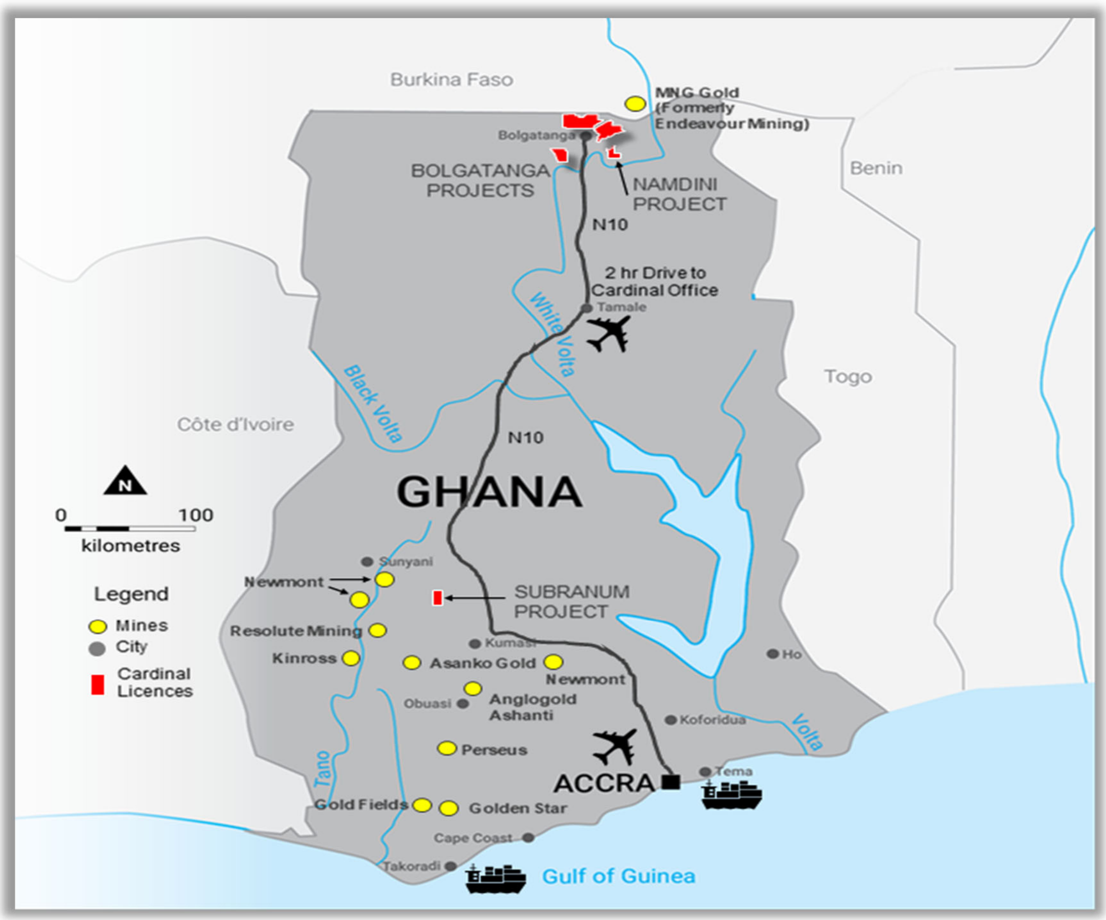

Figure 1: Cardinal Resources Tenements in Ghana

HIGHLIGHTS DURING THE QUARTER

- On July 7, 2020 the Company announced that it had raised AU$11,960,000 as a result of the issue of 26,000,000 fully paid ordinary shares to Shandong Gold Mining (Hong Kong) Co Ltd ("**Shandong Gold"**) in accordance with the terms of the Bid Implementation Agreement.
- On July 15, 2020 Cardinal received an unconditional on-market takeover offer at AU$0.66 per share from Nord Gold SE ("**Nordgold"**). Having regards to the unsolicited nature of the takeover bid and the provisions of the Bid Implementation Agreement with Shandong Gold, the Board of Cardinal recommended a '<u>take no action</u>' at the time in relation to the Nordgold takeover bid.
- On July 20, 2020 the Company advised that its Namdini Project Mining Licence had officially received Sovereign Parliamentary Ratification in Ghana.
- On July 22, 2020 the Company advised that it had received a revised and improved proposal for an off-market takeover from Shandong Gold, pursuant to which Shandong Gold will offer to acquire all of the shares in Cardinal it does not presently own at a cash price of AU$0.70 per share.
- On July 27, 2020 the Company, after careful consideration of the Revised Shandong Gold Offer and Nordgold's unconditional on-market offer for Cardinal, Cardinal's Board of Directors (in consultation with the Special Committee, its financial and legal advisors), unanimously recommended that Cardinal shareholders
    - **ACCEPT** the Revised Shandong Gold Offer (in the absence of a superior proposal); and
    - **REJECT** the Nordgold Bid.
- On July 30, 2020 the Company advised that it had entered into a deed with each Shandong Gold Mining (HongKong) Co., Limited and Shandong Gold Mining Co., Ltd, to amend the Bid Implementation Agreement.
- On August 11, 2020 the Company released its Target Statement recommending shareholders accept Shandong's offer.
- On August 20, 2020 Shandong Gold announced it had the Foreign Investment Review Board ("**FIRB**") approval for its takeover bid of Cardinal.
- On September 3, 2020 Nordgold announced an on-market increase in its bid to take over Cardinal. The Company rejected Nordgold's bid through an updated announcement.
- On September 7, 2020 Shandong Gold and the Company announced an increase and "acceptance recommendation" respectively to the Shandong Gold off-market offer for the takeover of Cardinal.
- On September 15, 2020 the Company Directors officially announced their acceptance of the Shandong Gold off-market bid, by each instructing their brokers / controlling participant to initiate acceptance of the Shandong Gold bid in respect to all Cardinal shares in their control, which amounted to 6.07% of total shares.
- On September 21, 2020 Shandong Gold announced its takeover offer to be wholly "unconditional".

SUBSEQUENT TO THE QUARTER END

- On October 1, 2020 Nordgold announced that the offer period had been extended to close of trade on ASX on October 22, 2020.
- On October 8, 2020 the Company advised that 6,570,167 unlisted milestone options issued on December 10, 2019 had been exercised under the terms and conditions of Cardinal's Employee Stock Option Plan.

- On October 12, 2020 Shandong Gold announced its Offer Period will remain open for acceptance from the Offer Date until 7:00pm (Sydney time) on October 23, 2020.
- On October 15, 2020 Nordgold announced that the offer period had been extended to close of trade on ASX on November 3, 2020.
- On October 19, 2020 Shandong released its second supplementary Bidder's Statement and advised that the Offer price of AU$1.00 per Cardinal Share was Best and Final in the absence of a higher competing offer.
- On October 21, 2020 Nordgold increased its offer price for the unconditional on-market all cash offer for all the ordinary shares in Cardinal from AU$0.90 to AU$1.00 cash per share.
- On October 23, 2020 the Company advised that it had received 28 letters from person who own or control 19.38% of the Company's shares to the effect that they intend to accept the unconditional off-market takeover offer by Shandong by Friday, October 30, 2020.
- On October 23, 2020 Shandong Gold announced its Offer Period will remain open for acceptance from the Offer Date until 7:00pm (Sydney time) on October 30, 2020.
- On October 26, 2020 Cardinal announced that Shareholders representing 22.81% of Cardinal's shares intend to accept Shandong Gold's offer in the absence of an increase from Nordgold or a superior offer.
- On October 26, 2020 Nordgold announced that it will not increase it's AU$1.00 cash offer price for each Cardinal share under its on-market unconditional offer, unless there is a higher competing offer.
- On October 26, 2020 Shandong advised its intention to extend the Offer Period to December 31, 2020 and, if a higher competing offer were to be announced, to increase its Offer Price to AU$1.05 per Cardinal Share.
- On October 28, 2020 Nordgold announced its intention to supplement its on-market unconditional cash offer with off-market offer on equivalent terms. If a higher completing offer is made, Nordgold may increase its offer price under its off-market offer, including to AU$1.05 per share on another price that may defeat the higher competing offer and any competing offer from Shandong.
- On October 29, 2020 Nordgold announced that the offer period had been extended to close of trade on ASX on November 20, 2020.
- On November 12, 2020 Nordgold announced that the offer period had been extended to close of trade on ASX on November 30, 2020.

OUTLOOK

The principal activity of the Company is gold exploration and mine development in Ghana. The Company holds tenements prospective for gold mineralisation in Ghana in two granite-greenstone belts: the Bolgatanga Project and the Namdini Gold Project ("**Namdini**"), which are, respectively, located within the Greenstone Belts in northeast Ghana and the Subranum Project, which is located within the Sefwi Greenstone Belt in southwest Ghana.

The main focus of activity is the Namdini Gold Project which has a gold Ore Reserve of 5.1Moz (138.6Mt @ 1.13g/t Au; 0.5g/t Au cut-off) inclusive of 0.4Moz Proved (7.4Mt @ 1.31g/t Au; 0.5 g/t Au cut-off) and 4.7Moz Probable (131.2Mt @ 1.12 g/t Au; 0.5g/t Au cut-off).

In response to the COVID-19 pandemic and following advice from the World Health Organization ("WHO") as well as the Australian, Ghanaian, and Canadian Governments, Cardinal has enacted changes to its exploration programme and on-site development programme, primarily focused on the safety and well-being of our workforce.

Most international travel to Ghana remains suspended. On the ground in Ghana, the workforce has been reduced to key personnel only. According to the latest WHO External Situation Report (October 18, 2020), there had been 47,372 confirmed cases of COVID-19 in Ghana, including cases via local transmission. 310 deaths from COVID-19 have been recorded in Ghana at the time of this report. At the time of writing, the Northern Region of Ghana, where Cardinal's main tenements are located, have recorded 547 COVID-19 cases with three recorded deaths. Some restrictions and lockdowns have been eased in Ghana with the international airport partially opened. Strict COVID-19 Operational Procedures have been introduced on site and in Cardinal Offices in Perth and Accra.

The Company is doing everything to ensure it is well placed to resume normal business as soon as practically possible. The Project technical team and its partners are still actively working on adding value to the Namdini Gold Project.

THE NAMDINI GOLD PROJECT

Property Title / Mining Lease

A Large-Scale Mining Licence covering the Namdini Project Area was granted to Cardinal Namdini Mining Limited ("**Cardinal Namdini**"), a wholly owned subsidiary of Cardinal, by the Minister of Lands and Natural Resources ("**the Minister**") under the Ghanaian Minerals and Mining Act 2006 (Act 703) ("**the Act**") in December 2017.

In February 2020, the Minister - in accordance with the Act- approved the application to expand the original Mining Lease to the maximum allowable area. The expanded Large-Scale Mining Licence now totals 63km^2 and is valid for a renewable term of 15 years from 2020 (Figure 2).

In July 2020 the Company advised that its Namdini Project Mining Licence had officially received Sovereign Parliamentary Ratification in Ghana.

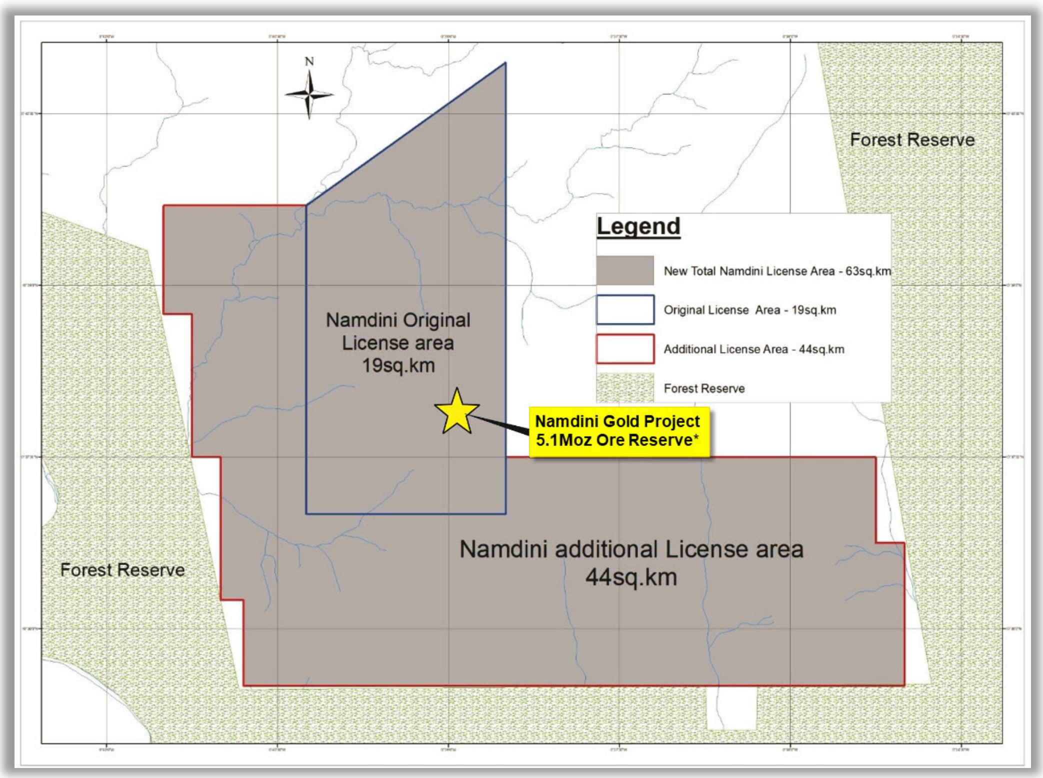

Figure 2: Location of 63 km^2 Namdini Project Mining Lease

*****7.4Mt @ 1.31g/t Au for 0.4Moz Au Proved and 131.2Mt @ 1.12g/t Au for 4.7Moz Au Probable; 0.5g/t Au cut-off

Project Development Timeline

Table 1: Proposed Project development schedule (Subject to Financing and COVID-19 impact).

Milestone	Target timeline
Advance Front End Engineering and Design ("FEED") to completion	Q1 2021
Advance Resettlement Action Plan to substantial completion	Q2 2021
Target production commencement	H2 2023

Project Development Partners

Table 2: FEED Team:

COMPANY	ROLE
Lycopodium	Feasibility Study Managers. Process plant and associated infrastructure. Capital and Process Operating cost estimation.
AMC Consulting	Mine design, planning, optimization, scheduling and mining contractor tendering
Orway Mineral Consultants	Comminution data analysis, crushing and grinding option studies.
ALS Laboratory (Perth)	Metallurgical test work to support the process design criteria.
Knight Piésold Consulting	Tailings Storage Facility and selected infrastructure design.
Independent Metallurgical Operations	Metallurgical test work management and analysis
MPR Geological Consultants	Mineral Resource modelling of the Namdini Deposit.
Orefind	Geology and deposit structural genesis.
Sebbag Group International	Mine Design Management and Review.
NEMAS Consult & Geosystems Consulting	Environmental Impact Assessment Study.
Whittle Consulting	Enterprise Optimization of the Namdini Project.
Alastri Software	Tactical Scheduling, Haulage Modelling and Reserving Software.
Maelgwyn Mineral Services Africa	Aachen™ process metallurgical optimization.
BDO Advisory	Financial Model Integrity & Reviewer (PEA, PFS and FS).
MKM Social	Socio-Economic Study and Resettlement Action Plan.

Project Permits and Approval Status

- July 2018 – Environmental Impact Statement ("**EIS**") development and documentation process initiated.
- December 2019 - Cardinal submitted its Draft EIS for development of the Namdini Project with Ghanaian EPA.
- January 2020 - Ghanaian Environmental Protection Agency ("**EPA**") completed its review of the Draft Environmental Impact Statement (EIS) for the development of the Namdini Project. The EIS revised as needed and re-submitted in March 2020.
- February 2020 - Relocation Action Plan ("**RAP**") approved. The RAP was developed over an extended period, inclusive of extensive consultation with the Project Affected People ("**PAP**") and several levels of the

Government. It was signed off by all PAP and subsequently approved by the Ghanaian Minerals Commission.
- February 2020 - Water License granted. Permits the use of water for construction and mine operations purposes.
- April 2020 - Ghanaian EPA approves Cardinal's EIS, granting its Permit for development of the Namdini Gold Project
- July 2020 – The Namdini Mining Licence received official Sovereign Parliamentary Ratification in Ghana.

Health, Safety & Environment

Developing a safe, successful, and sustainable gold mine continues to be a principal focus for Cardinal Resources. Progress on permitting and Occupational Health & Safety initiatives are as follows:

- A Coronavirus monitoring and management program is in place across the company. Daily meetings on Coronavirus update and prevention are ongoing on site.
- Cardinal submitted their application for Bulk Oil Facility permit from the Ghana EPA.
- The Principal Inspector of Mines (Minerals Commission) visited the Namdini site as part of a familiarization tour of the Upper East Region.
- Cardinal applied for certification from the EPA for the proposed Bulk Oil Storage Facility for the Namdini Gold Project
- Stakeholder engagement with Chiefs, farmers and landowners were completed for the proposed access road.
- The Register of Environmental Commitments was drafted.
- Aquatic biological and sediment baseline monitoring commenced as part of the EPA permit requirement
- Finalized HSE Standards, including Risk and Opportunity Management, Change Management, Legal Requirement, Document Control, Monitoring and Measurement.
- Flow monitoring of the Kubiliga and Zoan Buliga streams are ongoing.
- Aerial survey of the TSF impact area at Namdini was completed.
- The development of Cardinal's Safety Health Environmental and Training Management system is on-going as well as the development of environmental procedures and Register of Commitments.
- Submission of infrastructure plans for validation by Ghana National Fire Service Office in Bolgatanga was completed.
- Drafting of Environmental System Operating Procedures (SOP) is ongoing.
- Water monitoring returns were submitted to the Water Resource Commission as part or permit conditions.

Resettlement Action Plan ("RAP")

Compensation for the 270 impacted households for loss of assets and livelihood has commenced at Namdini.

Further details are as follows:

- Community Relations Officer and Machinery Inspector from Minerals Commission visited site to discuss community relations and the resettlement project.
- Cardinal arranged Financial/Banking Education in collaboration with a regional institution for affected persons at Namdini's Accra Site.
- Cardinal formally informed communities and stakeholders concerned about the Socio-economic and Livelihood Impact Study and scheduled engagement.
- The Accra Site resettlement host site for regional survey was delineated and pegged
- Biung resettlement host site demarcation and acquisition are under review
- A RAP compensation report was completed by Golder Associates.
- Data collection for the Socio-economic and Livelihood Impact Study is on-going.

- A Biung Resettlement Committee meeting was held to update on sign-off exercise and address community concerns.
- A facilitated meeting was held with the Tarkwa, Kejetia, Obuasi, Namoalug and Tindongo communities to complete data collection for the Socio-economic and the Livelihood Impact Study.

Front End Engineering Design "FEED"

All works for the FEED program continue to be suspended due to the global spread of COVID-19 and the takeover bid process.

A summary of the FEED activities up to the point of suspension were as follows:

- Cardinal continued negotiating the separable Engineering Procurement and Construction Management contracts with Lycopodium.
- An 11kV power supply selected for the river abstraction pumps as opposed to a diesel generator set.
- Splitting of the oxygen demand into two separable oxygen plants for redundancy.
- Specifications of the lease boundary fencing to be upgraded.
- A carbon-in-leach ("**CIL**") tower crane chosen as opposed to a gantry crane.
- Addition of a semi-automatic Sodium Metabisulphite handling system.
- Addition of a Lime Blower for delivery to the Process Plant outside of the Plant fence.
- Haul truck crossovers for tailings and decant pipelines.
- Flat pack versus block work for the permanent accommodation camp, fly camp and construction camp.
- Reducing the size and hence cost of the primary crusher.
- The site lay-out issued for final review.
- The Project Execution Plan in the process of being reviewed by Cardinal.
- An updated TSF dam breakage analysis completed and issued to Cardinal.
- The WSF relocated and a new WSD designed to improve project economics.

The project execution schedule on the date of the suspension notice was ready for review by Cardinal.

Specific schedule target milestones remain defined as follows:

- Plant warehouse to be commissioned and handed over 12 months before first gold pour.
- Incinerator to be commissioned and handed over 12 months before first gold pour.
- Mining Service Area Facility to be commissioned and handed over 9 months before first gold pour.
- Metallurgical laboratory to be commissioned and handed over 6 months before first gold pour.

A constructability project review was completed during the FEED, to be ready for a planned Hazard Identification (**"HAZID"**) analysis. The HAZID was cancelled due to the suspension.

The following procurement packages remain in various stages of evaluation as follows:

- Fly Camp Facilities, Operation and Camp Management.
- Site Survey Services.
- Infrastructure Bulk Earthworks.
- Plant Bulk Earthworks.
- Concrete Works.
- Field Erected Tanks and Steel Framed Buildings.
- Construction Camp Services.

Mining contract tender expressions of interest were sent to thirteen (13) potential mining contractors; however, this process was also suspended due to the same reasons described in this section.

Pioneer Access Road

- Agreement is in place with the Department of Feeder Road and the Talensi District Assembly to progress the pioneer road development.
- Construction activities (bush clearing) has commenced.
- Pegging activities in the Red Volta Forest Reserve has commenced.
- Survey works for the first 10 km of the Pioneer Road has been completed.

Figure 3 – Progress of Namdini Clearing for the Pioneer Access Road

Namdini Project Drilling

During the Quarter a diamond hole, NMDD182, was collared near the western edge of the proposed Life of Mine ("**LOM**") pit, some 200m west of previous drilling (Figure 4). Significant assay results to date from this drill hole are listed below in Appendix 1.

The drillhole was terminated at 917.9m downhole depth once the drilling intersected unaltered metasediments in the footwall (Figure 5).

Recent structural analyses of Namdini drill core have identified a broad west dipping shear with orientated core consistently indicating dextral reverse displacement on this shear which may offset the depth extension of the Namdini deposit to the West and South West.

The main mineralised lithological units (altered volcaniclastics and granitoids) found in the Namdini deposit were intersected in this drill hole. The volcanic units intersected consisted mainly of intermediate andesitic and mafic volcanics. Occasional narrow contorted shear zones with quartz veining and some alteration were mineralised.

The west dipping shear and different lithologies to those found in the Namdini deposit indicate that this drill hole should be placed into a semi-regional context to more fully understand the broader Namdini mineralising event and to aid further exploration.

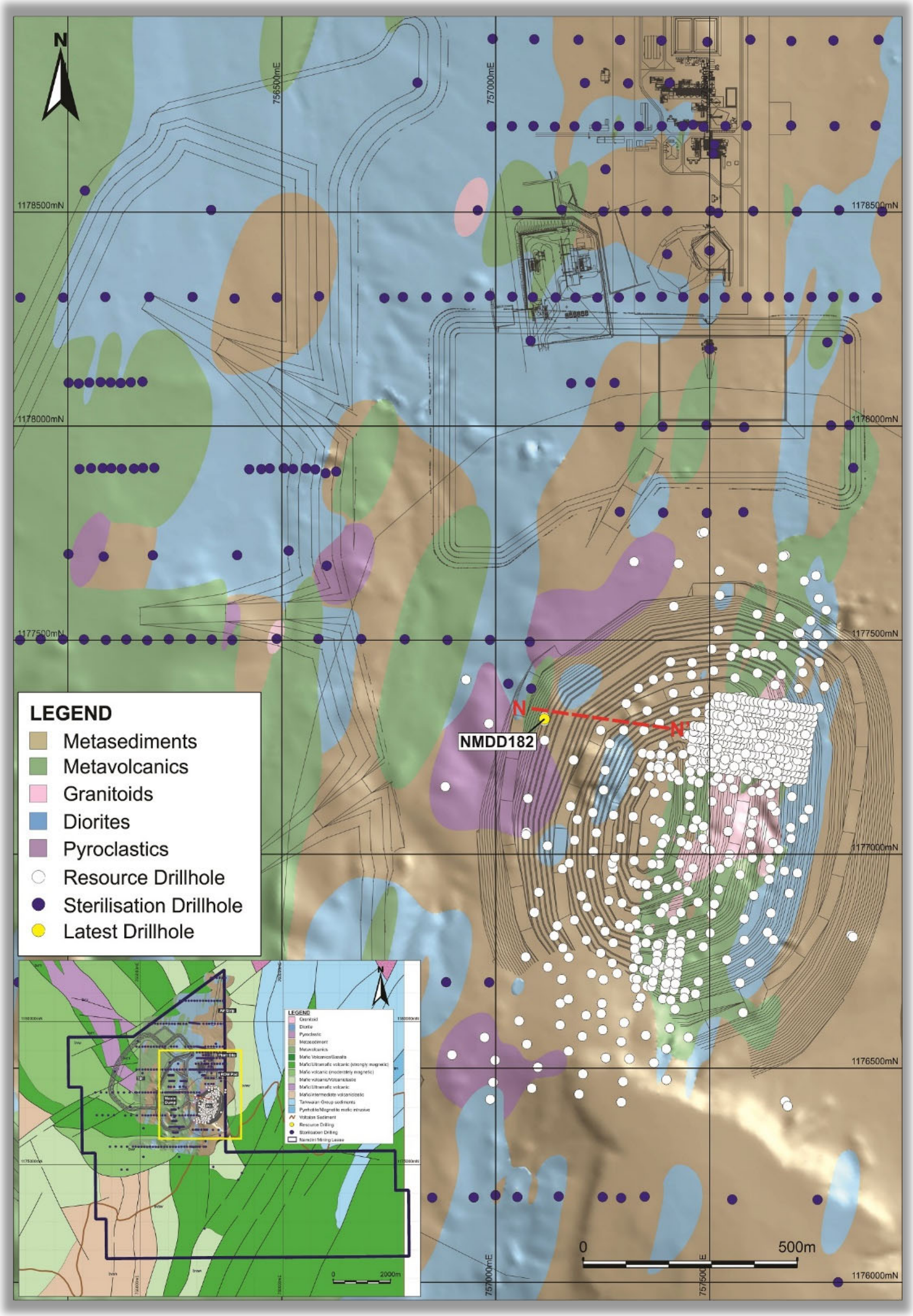

Figure 4: Namdini Project Showing Completed NMDD182 Drill Location

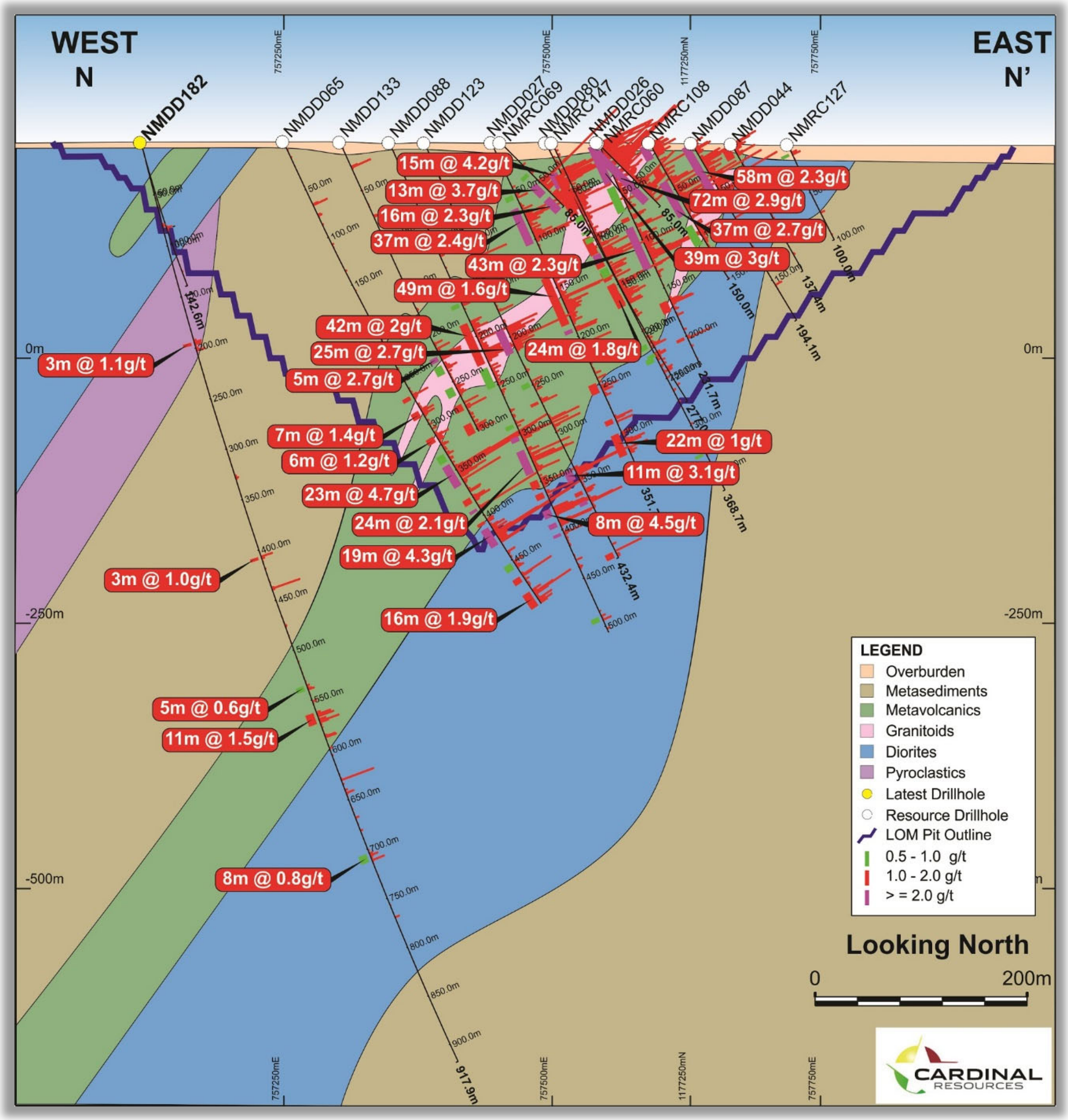

Figure 5: Namdini Project Showing Cross Section of Completed Drill Holes

Namdini Infrastructure Sterilisation Drilling

During the Quarter, sterilisation drilling was suspended due to the COVID-19 restrictions. Sterilisation drilling to date has returned no significant mineralisation.

Namdini Infrastructure Geotechnical Drilling

No Geotechnical drilling and test-pitting were undertaken for the project infrastructure during the Quarter, due to the COVID-19 restrictions.

REGIONAL EXPLORATION UPDATE

The Company owns exploration rights to two exploration projects: The Bolgatanga Project which includes Bongo Licence Area, Kungongo Licence and Ndongo Licence Area (Figures 1 and 6) located in the northeast of Ghana and the Subranum Project located in the southwest of Ghana.

Exploration activities have included varying levels of airborne magnetic and radiometric surveying, regional and prospect-scale ground magnetic, gravity, chargeability, resistivity and radiometric geophysical surveys, regional and detailed geological mapping, rock chip and auger soil sampling and reverse circulation and diamond drilling programmes.

The Company's regional exploration programme during the Quarter was limited to field mapping, ground-truthing, trenching and some scout RC drilling initiated after a review of structures and targets generated from geophysical data, historical RC results and a follow up on identified geophysical targets with trenching and sampling programme at Yameriga (RL9/19) within the Ndongo Licence Area (Figure 6).

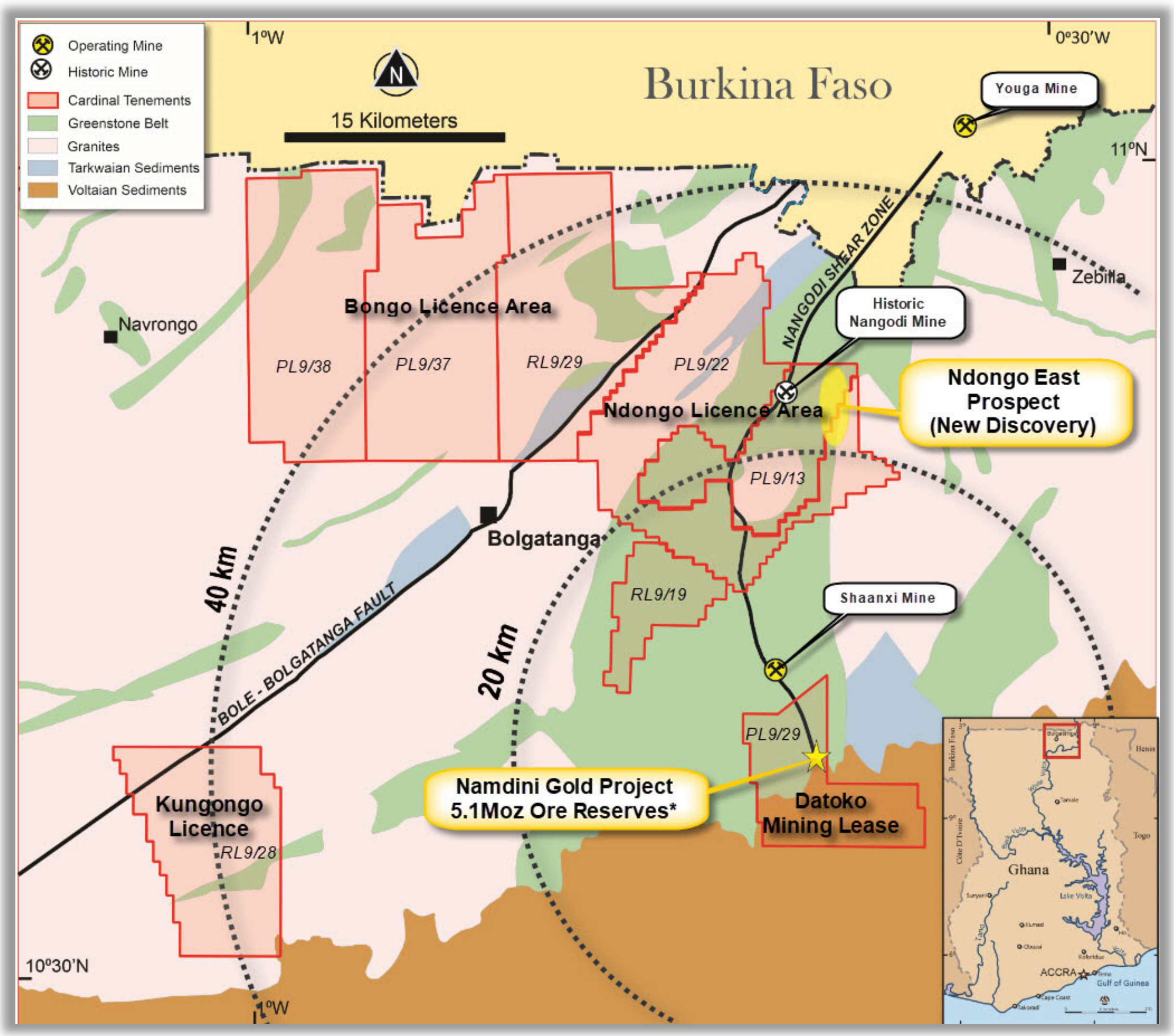

Figure 6: Namdini Mining Licence and Bolgatanga Project Tenements

*****7.4Mt @ 1.31g/t Au for 0.4Moz Au Proved and 131.2Mt @ 1.12g/t Au for 4.7Moz Au Probable; 0.5g/t Au cut-off

BOLGATANGA PROJECT

Ndongo Licence Area

The Ndongo Licence Area, hosts part of the extensive regional Bole-Bolgatanga Fault in the northwest and the prospective Nangodi Shear Zone in the centre of the licence area. The licence area wraps around the southern end of the Palungu granitoid intrusive, in the south-eastern region of the licence and forms the main area of perspectivity on the tenement (Figure 6).

The Ndongo Licence Area, comprises of the combined, Nangodi Prospecting Licence (PL9/13, covering a land size of 84.7km²), Ndongo Prospecting Licence (PL9/22, covering a land area of 157km²), and Yameriga Prospecting Licence (RL9/19, covering a land size of 36.78km²), granted to Cardinal to prospect for gold in the Bolgatanga and Talensi Nabdam District in the Upper East Region in the Republic of Ghana. The combined land area of the Ndongo Licence Area is 278.48km².

The Company exploration activities during the Quarter was limited to Yameriga Prospecting Licence, RL9/19 (Figures 6 and 7) due to COVID-19 restrictions. The Company continued the previous Quarter exploration activities conducting field mapping, ground truthing, trenching, pitting and some scout RC drilling following a review of geophysical targets, historical RC results and artisanal workings. Samples collected from the trenches and pits returned some encouraging results including:

- 1m @ 26.7g/t Au from surface in trench YMTR015;
- 1m @ 1.4g/t Au from4m in pit YMPT002; and
- 2m @ 0.98g/t Au from 3m in pit YMPT004.

The trench and pit samples were mainly weathered material (oxidised to sap-rock) with iron stained quartz veins (milky and smoky) in places. Occasionally panned and washed samples had visible specks of gold. Primary rocks encountered were variably altered and weathered quartz feldspar porphyry to the west of a shear zone and hematite and/or limonite altered and weathered volcaniclastics to the east (Table 2 and Figure 7).

A total of 5 scout RC drillholes totaling 425m were also completed during the Quarter (Table 3, Figure 7 and Schedule 1). All assay results received from the RC drilling with significant intercepts including:

- 1m @ 2.2g/t Au from 42m in YMRC003;
- 1m @ 1.6g/t Au from 27m in YMRC020; and
- 1m @ 1.5g/t Au from 44m in YMRC020.

The results indicate the potential for discovery of economic gold mineralisation at Yameriga and warrant further detailed exploration work.

Table 3: Yameriga First Pass RC Drilling, Trenching and Pits

Programme	No. Holes	RC (m)	DD (m)	Total (m)	No. Samples	No. Duplicates	No. Blanks	No. Stds	Total Samples
Drilling	4	425	-	425	510	25	14	12	561
Pitting	4	25	-	25	22	1	-	1	24
Trenching	4	54	-	54	48	3	1	1	53

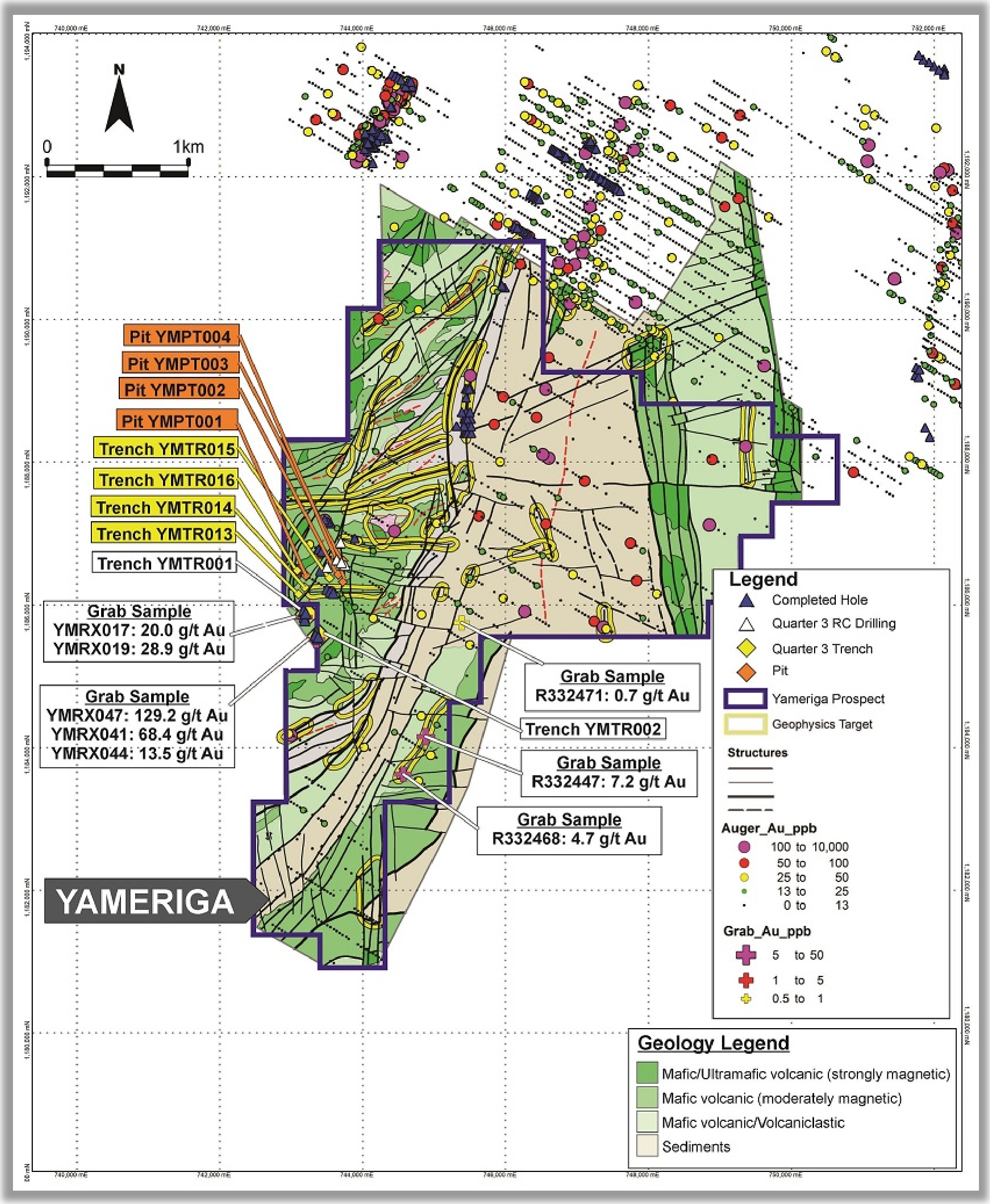

Figure 7: Yameriga Prospect with Drillholes, Trenches and Previous Grab Sample Locations.

Kungongo Licence Area

The Kungongo Prospecting Licence (RL9/28) is located approximately 40km west of Namdini Gold Project and covers a total land size of 122.4km². The licence hosts the extensive regional Bole-Bolgatanga fault over a length of 6km in the northwest corner of the tenement. The tenement is underlain by Birimian greenstones which have been extensively intruded by younger granitoids (Figure 6).

As part of the Company's precautionary measures put in place to minimise the risk of exposure of employees amid the COVID-19 pandemic, all exploration activity at Kungongo was placed on hold during the Quarter.

Bongo Licence Area

The Bongo Licence Area covers a total land area of 465km². It hosts part of the regional Bole-Bolgatanga Fault (Figure 6).

The Bongo Licence Area comprises of the combined, Bongo Prospecting Licence (RL9/29 covering a land size of 155km²) located in the Bongo area, Kandiga-Atibisi Prospecting Licence (PL9/38 covering a land size of 155km²) located in the Kandiga-Atibabisi area, and Zoko-Tarongo Prospecting Licence (PL9/37 covering a land size of 155km²) located in the Zoko-Tarongo area all in the Upper East region of Ghana.

As part of the precautionary measures put in place by the Company to minimize the risk of exposure of employees amid the COVID-19 pandemic, the Company suspended all exploration activity at the Bongo Licence Area during the Quarter.

SUBRANUM PROJECT

The Subranum Project covers an area of 71.4km² located in southwest Ghana. The license straddles the eastern margin of the Sefwi Gold Belt which is bounded by the regional Bibiani Shear Zone (**BSZ**) stretching about 200km across southwestern Ghana (Figures 1 and 8).

There is 9km of the BSZ developed within the Subranum license trending NE to SW. The BSZ forms a very prospective, sheared contact between Birimian phyllites and greywackes to the southeast and mafic to intermediate volcanics and volcaniclastics to the northwest. Granitoid stocks of the Dixcove suite intrude this shear zone.

The portion of the Bibiani Shear Zone occurring within the Subranum tenement is 9km long, trending SW to NE. Previous extensive exploration has outlined a 5km long gold target, extending from the SW tenement boundary towards the NE, with the remaining 4km of the 9km strike length remaining relatively unexplored.

All exploration activities were on hold during this Quarter as part of the Company's precautionary measures to minimize the risk of exposure of employees to COVID-19.

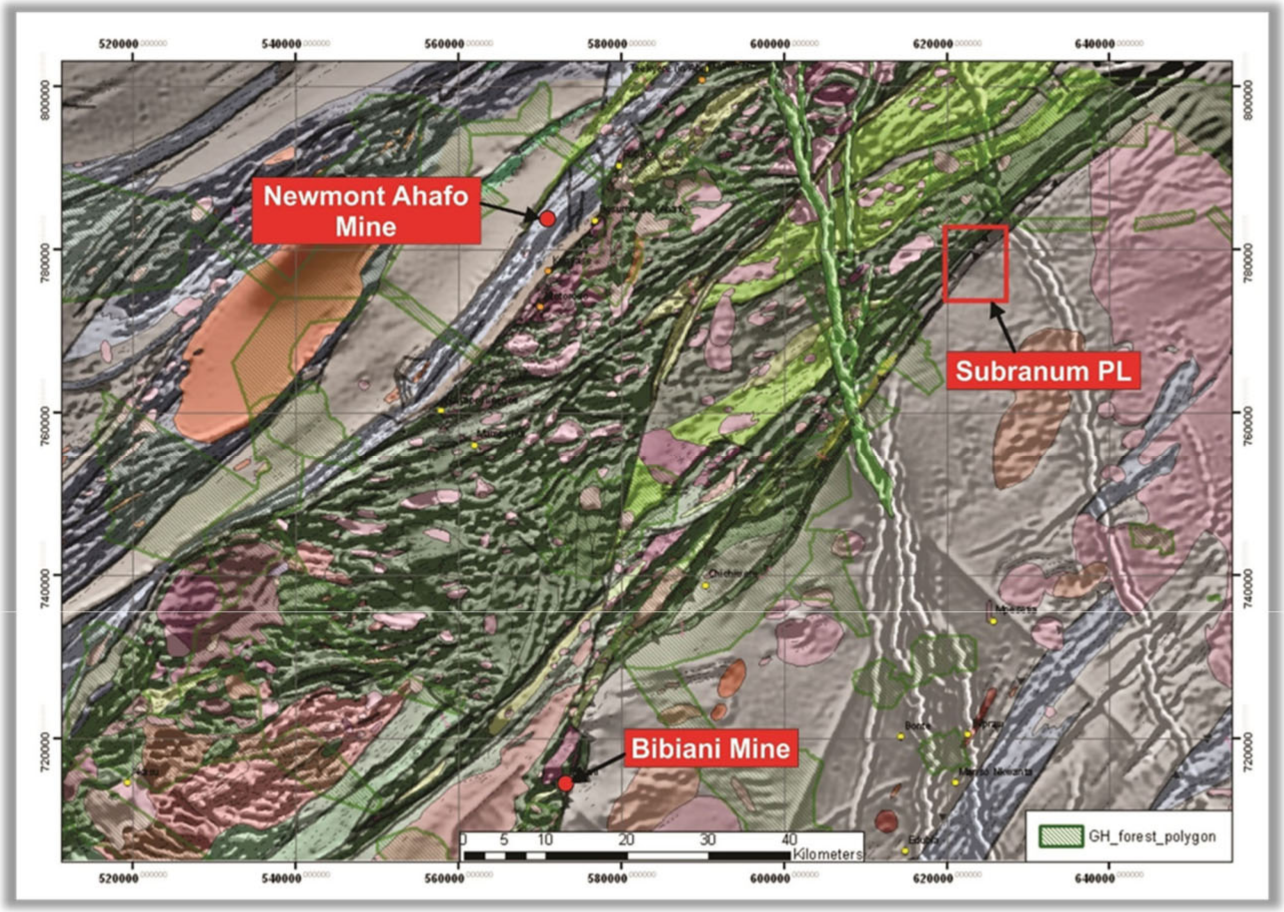

Figure 8: Subranum Project Tenement Straddling Bibiani Shear Zone

TENEMENT SCHEDULE

The following 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 September 30, 2020.

All Cardinal's tenements are in good standing with the Ghanaian Minerals Commission.

Project	Licence Area	Tenement Name	Tenement Number	Licence Type	Interest Acquired During Quarter	Interest Divested During Quarter	Interest Held at End of Quarter
Bolgatanga	Bongo	Bongo	RL9/29	Prospecting	-	-	100%
		Kandiga-Atibabisi	PL9/38	Prospecting	-	-	100%
		Zoko-Tarongo	PL9/37	Prospecting	-	-	100%
	Ndongo	Nangodi	PL9/13	Prospecting	-	-	100%
		Ndongo	PL9/22	Prospecting	-	-	100%
		Yameriga	RL9/19	Prospecting	-	-	100%
	Kungongo	Kungongo	RL9/28	Prospecting	-	-	100%
Namdini	Namdini	Datoko	PL9/29	Mining Lease	-	-	100%
Subranum	Subranum	Subin-Kaso	PL9/309	Prospecting	-	-	100%

CORPORATE UPDATE

On July 7, 2020 the Company issued 26,000,000 fully paid ordinary shares to Shandong Gold to raise AU$11.96 million in accordance with the BIA. Shareholder approval was not required for this Placement as the Company issued the shares under its Listing Rule 7.1 placement capacity.

The funds raised by the Placement will be used to ensure Cardinal may continue advancing the Namdini Project towards development and working capital.

Takeover Offers for Cardinal Resources Limited

Shandong Gold

On June 18, 2020 the Company advised that it had entered into a Bid Implementation Agreement with Shandong Gold Mining (HongKong) Co, Ltd (a subsidiary of Shandong Gold Mining Co, Ltd) (**"Shandong Gold**"), pursuant to which Shandong Gold had agreed to acquire 100% of the issued and outstanding ordinary shares in Cardinal at a price of AU$0.60 cash per share, by way of an off-market takeover offer.

On July 22, 2020 the Company advised that it had received a revised and improved proposal for an off-market takeover offer from Shandong Gold, pursuant to which Shandong Gold will offer to acquire all the shares in Cardinal it does not presently own at a cash price of AU$0.70 per share.

On August 19, 2020 Shandong Gold advised that condition set out in clause 6.1(b) of Appendix 1 of the Bidders Statement (FRIB Approval) had been fulfilled (so that the Offer has become free of that condition) as the Shandong Gold received the no objection notification in relation to the acquisition of all the Cardinal shares by the Bidder from the Treasurer's delegate today.

On September 7, 2020 The Company advised that Shandong Gold remained committed to acquiring 100% of the Shares in Cardinal and increased the Offer Price of the Shandong Gold Offer to AU$1.00 per share.

On September 15, 2020 the Company announced that the Cardinal Directors, who collectively held approximately 6.07% of the Cardinal ordinary shares had instructed their broker/controlling participant to initiate acceptance of the off-market takeover offer by Shandong Gold in respect of all the Cardinal shares they own or control.

On September 21, 2020 Shandong Gold declared the Offer unconditional in accordance with section 650F of the Corporations Act 2001 (Cth).

On October 21, 2020 Shandong Gold advised the extension of the Offer Period such that the Offer would remain open for acceptance from the Offer Date until 7:00pm (Sydney time) on 23 October 2020.

On October 23, 2020 the Company advised that it had received 28 letters from person who own or control 19.38% of the Company's shares to the effect that they intend to accept the unconditional off-market takeover offer by Shandong by Friday, October 30, 2020.

On October 23, 2020 Shandong Gold announced its Offer Period will remain open for acceptance from the Offer Date until 7:00pm (Sydney time) on October 30, 2020.

On October 26, 2020 Cardinal announced that Shareholders representing 22.81% of Cardinal's shares intend to accept Shandong Gold's offer in the absence of an increase from Nordgold or a superior offer.

On October 26, 2020 Shandong advised its intention to extend the Offer Period to December 31, 2020 and, if a higher competing offer were to be announced, to increase its Offer Price to AU$1.05 per Cardinal Share.

Nordgold

On March 16, 2020 Nordgold announced that it had submitted a non-binding indicative and conditional proposal to acquire all the issued share capital of Cardinal not already owned by Nordgold at AU$0.45775 per Cardinal Shares.

On July 15, 2020 Nord Gold SE (Nordgold) announced an offer to acquire on-market for AU$0.66 per Cardinal share all the fully paid ordinary shares in Cardinal which are listed for quotation on the official list of the Australian Securities Exchange that exist or will exist at any time during the offer period and that are not already owned by Nordgold and its associates.

On September 2, 2020 Nordgold increased its offer price under its unconditional on-market takeover offer for Cardinal from AU$0.66 to $0.90 cash per share.

On September 10, 2020 Nordgold advised that it would extend its offer period to close of trade on September 24, 2020.

On September 17, 2020 Nordgold advised that it would extend its offer period to close of trade on October 8, 2020.

On October 15, 2020 Nordgold advised that it would extend its offer period to close of trade on November 3, 2020.

On October 21, 2020 Nordgold increased its offer price under its unconditional on-market takeover off from AU$0.90 to AU$1.00 cash per share.

On October 26, 2020 Nordgold announced that it will not increase it's AU$1.00 cash offer price for each Cardinal share under its on-market unconditional offer, unless there is a higher competing offer.

On October 28, 2020 Nordgold announced its intention to supplement its on-market unconditional cash offer with off-market offer on equivalent terms. If a higher completing offer is made, Nordgold may increase its offer price under its off-market offer, including to AU$1.05 per share on another price that may defeat the higher competing offer and any competing offer from Shandong.

On October 29, 2020 Nordgold announced that the offer period had been extended to close of trade on ASX on November 20, 2020.

On November 12, 2020 Nordgold announced that the offer period had been extended to close of trade on ASX on November 30, 2020.

The Cardinal Board continues to unanimously recommend that Cardinal Shareholders **ACCEPT the Shandong Gold Offer** (in the absence of a Superior Proposal) and **TAKE NO ACTION in respect of the Nordgold Offer**.

Competent / Qualified Person Statement

The scientific and technical information in this MD&A report that relates to Exploration Results, Mineral Resources and Ore Reserves at the Namdini Gold Project has been reviewed and approved by **Mr. Richard Bray**, a Registered Professional Geologist with the Australian Institute of Geoscientists and **Mr. Ekow Taylor**, a Chartered Professional Geologist with the Australasian Institute of Mining and Metallurgy. Mr. Bray and Mr. Taylor have more than five years' experience relevant to the styles of mineralisation and type of deposits under consideration and to the activity which is being undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and as a Qualified Person for the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators (CIM 2004). Mr. Bray and Mr. Taylor are full-time employees of Cardinal and hold equity securities in the Company.

The scientific and technical information in this MD&A report that relates to Exploration Results at the Bolgatanga Project and Subranum Project is based on information prepared by **Mr. Paul Abbott**, a full-time employee of Cardinal Resources Limited, who is a Member of the Geological Society of South Africa. Mr. Abbott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.

Cardinal confirms that it is not aware of any new information or data that materially affects the information included in its announcement of the Feasibility Study on October 28, 2019 and the corresponding Ore Reserve estimated announced on April 3, 2019. All material assumptions and technical parameters underpinning this estimate continue to apply and have not materially changed.

ASX Listing Rule 5.23.2

This report contains information extracted from the following reports which are available for viewing on the Company’s website www.cardinalresources.com.au :

- 30 Oct 2020 Quarterly Activities and Cashflow Report
- 26 Mar 2020 Cardinal Expands Namdini Mining Licence Area
- 11 Mar 2020 Cardinal Receives Approval for Resettlement Action Plan
- 27 Feb 2020 Cardinal Receives Key Water Extraction Permits
- 31 Jan 2020 31 Dec 2019 Quarterly Activities and Cashflow Report
- 29 Jan 2020 Namdini Project Finance Update
- 28 Nov 2019 Cardinal Files Feasibility Study NI 43-101 Technical Report
- 31 Oct 2019 Sep 2019 Quarterly Activities and Cashflow Report
- 28 Oct 2019 Feasibility Study Confirms Namdini as Tier One Gold Project
- 15 Oct 2019 Mineral Resource and Ore Reserve Statement
- 30 Sept 2019 Feasibility Study Update
- 16 July 2019 Cardinal’s Starter Pit Infill Drilling Results
- 10 July 2019 Cardinal Reports Further Shallow High-Grade Gold
- 04 June 2019 Positive Metallurgical Update on the Namdini Project
- 18 April 2019 Addendum to Namdini Ore Reserve Press Release
- 03 April 2019 Cardinal’s Namdini Ore Reserve Now 5.1 Moz
- 27 Mar 2019 Cardinal Intercepts High-Grade Shallow Gold at Ndongo East
- 23 Jan 2019 Cardinal Hits More High-Grade Shallow Gold at Ndongo East
- 28 Nov 2018 New Drill Season hits high-grade shallow gold at Ndongo East
- 29 Aug 2018 Cardinal Extends Ndongo East Discovery Strike Length
- 16 July 2018 Cardinal Makes New Gold Discovery at Ndongo East
- 28 May 2018 Encouraging First Pass Gold Results at Ndongo

The Company confirms it is not aware of any new information or data that materially affects the information included in this report relating to exploration activities 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. Cardinal is not aware of any new information or data that materially affects the information included in its announcement of the Ore Reserve of October 15, 2019. All material assumptions and technical parameters underpinning this estimate continue to apply and have not materially changed.

SELECTED QUARTERLY INFORMATION

The following table provides information for the eight quarters:

	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Exploration and evaluation expenditures	$ 1,666,168	$ 3,272,316	$ 5,112,625	$ 5,868,970
Corporate general and administration	2,954,027	6,202,143	3,054,440	3,074,136
Share/Option based payments	3,947,083	1,623,554	799,053	663,650
Amortization	271,512	177,319	126,608	71,382
Net comprehensive loss	7,539,115	8,043,055	13,234,061	8,430,186
Loss per share – basic and undiluted (cents)	1.44	1.60	2.7	1.71

	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Exploration and evaluation expenditures	$ 2,947,761	$ 6,426,350	$ 3,148,110	$ 2,677,484
Corporate general and administration	3,030,424	2,065,569	2,793,398	3,207,356
Share/Option based payments	238,414	984,879	437,274	(206,785)
Amortization	58,527	101,981	68,386	58,632
Net comprehensive loss	7,263,387	9,497,304	6,332,902	5,621,705
Loss per share – basic and undiluted (cents)	1.77	2.48	1.62	1.51

Exploration and evaluation expenditures were all incurred in respect of the Company's Ghanaian mining assets. The Company maintains a policy to expense all exploration and evaluation expenditures as incurred. These costs include tenement license costs.

For the September 30, 2020 quarter exploration and evaluation expenditure has reduced compared to previous quarters as work on the ground was reduced during the takeover process. Cardinal's permitted Namdini Gold Project is ready for development.

During the period ended September 30, 2020, minimal expenditure was incurred on the Bolgatanga Project and Subranum Project.

The Company's corporate general and administration expenses have increased from the prior year due to an increase in the costs of the Company, which includes the Facility. Corporate and Administration expenses have also increased due to the Company receiving take-over bids from Nordgold and Shandong Gold, which has resulted in an increase in administration expenses.

During September 2020 there have been no significant changes to staff and expenses are regular.

Share/option-based payments represents the expensing of fair value of the award on grant date. Under the fair value-based method, compensation cost attributable to options granted is measured at fair value on the grant date and amortized over the vesting period. The amount recognized as an expense is adjusted to reflect any changes in the Company's estimate of the shares that will eventually vest and the effect of any non-market vesting conditions.

During the period as a result of the unconditional bid from Nordgold all the options in the Company vested and were fully expensed during the period, as a result share-based payment increased during the period.

As the Company is in the exploration stage, it does not generate operating revenue.

RESULTS OF OPERATIONS

	Three months ended September,	
	2020	**2019**
Exploration and evaluation expenditures	**$ 1,666,168**	$ 2,947,761
Corporate general and administration	**2,954,027**	3,030,424
Share/Option based payments	**3,947,083**	238,414
Amortisation	**271,512**	58,527
Interest and other income	**61,395**	42,241
Foreign exchange loss/(gain)	**(1,238,280)**	1,030,502
Net Loss for the period	**$ 7,539,115**	$ 7,263,387

- For the three months ended September 30, 2020, exploration and evaluation expenditures has decreased comparable period due to the Company expending minimum funds as the takeover progresses. Cardinal's permitted Namdini Gold Project is ready for development.
- There has been minimal expenditure on the Company's Bongo, Kungongo, Ndongo and Subranum Projects.
- The Company's corporate general and administration expenses have increased from the prior year due to an increase in costs due to the Company receiving a take-over bid from Nordgold and Shandong Gold, which has resulted in an increase in administration expenses.
- For the three months ended September 30, 2020, share based payments have increased as a result of the unconditional bid from Nordgold all the options in the Company vested and were fully expensed during the period.

For the three and nine months ended September, 2020 and 2019, exploration and evaluation expenditures comprise:

	Three months ended September 30,	
	2020	**2019**
Direct exploration costs	**$ 655,642**	$ 1,792,170
Indirect exploration costs	**631,772**	990,637
Site general and administration costs	**378,754**	164,954
Exploration and evaluation expenditures	**$ 1,666,168**	$ 2,947,761

Exploration and evaluation expenditures decreased from comparable period due to the Company expending minimum funds as the takeover progresses. Cardinal's permitted Namdini Gold Project is ready for development.

General site and administration costs and indirect exploration costs have decreased for the three months ended September 30, 2020, compared to the same period in 2019, due to a decrease in the Company's activities.

Corporate Administration Expenses

Corporate administration expenditures for the three months ended September 30, 2020 increased, compared to the same period in 2020, mainly attributable to the Company receiving a take-over bid from Nordgold and Shandong Gold, which has resulted in an increase in administration expenses.

Share based Payments

For the three months ended September 30, 2020, share based payments have increased as a result of the unconditional bid from Nordgold all the options in the Company vested and were fully expensed during the period.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2020, the Company had cash and cash equivalents of $9,458,825 (June 30, 2020 - $3,708,705) and current liabilities of $3,214,627 (June 30, 2020 - $5,535,964).

As at September 30, 2020, the Company had a working capital balance of $6,244,198 (June 30, 2020 – ($1,827,259)).

On August 22, 2018 the Company entered into a US$25 million senior secured credit facility (the "**Facility**") with Sprott Private Resource Lending (Collector), L.P. ("**Sprott**"). On August 22, 2018 the Company secured a credit facility with Sprott Private Resources Lending (Collector), L.P. The committed facility was for US$25 million (AU$34 million).

On June 5, 2020 the Company announced that the senior secured credit facility (as amended in February 2020 and March 2020) ("**Facility**") had been assigned from Sprott Private Resource Lending L.P. ("**Sprott**") to the Ghana Infrastructure Investment Fund ("**GIIF**"), a Ghana Government owned infrastructure investment vehicle.

As a result of the acquisition, Cardinal's senior debt facility provider is now GIIF.

The balance of the Facility was approximately US$23.8 million (following a US$0.4 million repayment of the debt to Sprott prior to the transaction) and Cardinal has also been provided with further funding (from previously restricted cash) totaling an additional US$3.1 million which now forms part of Cardinal's working capital. As part of the transaction, Cardinal agreed to amend and restate the Facility under Ghanaian law.

The increase in cash and working capital from June 30, 2020 to September 30, 2020 was $5,750,120 and $8,071,457, respectively and was primarily due capital raising to Shandong during the quarter and the raising of $11.96 million via the issue of shares.

Actual funding requirements may vary from those planned due to a number of factors, including the progress of the Company's business activities and current economic and financial market conditions. The Company will continue to pursue opportunities to raise additional capital through equity markets to fund its future exploration, development and operating activities; however, there can be no assurance that such financing will be available on a timely basis and under terms which are acceptable to the Company.

COMMITMENTS AND CONTINGENCIES

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 1Moz of gold. Subject to the grant of a Mining Lease under the 2006 Mining Act, Cardinal Resources Subranum Limited will be required to pay Newmont Ghana Gold Limited a 2% net smelter royalty.

Cardinal Namdini Mining Limited (Cardinal Namdini), entered into a Net Smelter Royalty Deed ("**Royalty Deed**") in January 2018, whereby Cardinal Namdini will pay to Savannah Mining Limited ("**Savannah**") a net smelter return royalty ("**Royalty**") equal to:

(a) 4% of the Net Smelter Return on the first 50,000 ounces of Specified Minerals (as defined in the Royalty Deed) produced within each small-scale license which was purchased by Savannah within the Large Scale Mining License (as defined in the Royalty Deed); and

(b) A 2% Net Smelter Return, effective from production of the 50,001 ounces of Specified Minerals produced within each small-scale licence which was purchased by Savannah within the Large Scale Mining License.

Cardinal entered into a definitive agreement with Kinross Gold Group subsidiary Red Back Mining Ghana Limited (Red Back) in 2017 to acquire 100% ownership of two large scale prospecting licences located in North East Ghana. Cardinal has entered into a Royalty Agreement with Red Back, whereby Cardinal shall pay to Red Back a 1% net smelter return royalty on any minerals produced from the properties.

The Company has commitments in respect to the Ghana Infrastructure Investment Fund (GIIF) Secured Credit Facility. The key terms of the Facility are as follows:

The credit facility is secured by Ghana Infrastructure Investment Fund completed on 1 June 2020. The key terms of the credit facility are as follows:

- Committed loan facility of US$25 million;
- 24-month repayment term, being 1 June 2022;
- Interest rate of the greater of LIBOR or 1% + 7.75%; and
- 50% of the interest is accrued and payable on loan maturity.

Cardinal Resources has complied with the financial covenants of its credit facility during the period.

(i) Under the terms of the credit facility, Cardinal's Working Capital Ratio is required to be equal to or greater than 1.10 to 1.00.

Cardinal has complied with these covenants during the period.

The credit facility is secured against assets of Cardinal and its wholly owned subsidiary, Cardinal Namdini Mining Limited.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the consolidated financial statements.

The Company is exposed to the following financial risks: credit risk, liquidity risk, market risk, currency risk and interest rate risk.

The Board of Directors (the "Board") has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with large financial institutions.

	September 30 2020	June 30 2020
Current – cash at bank	9,440,139	3,690,019
Term deposits	18,686	18,686
	9,458,825	**3,708,705**

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

At September 30, 2020, the Company had cash and cash equivalents of $9,458,825 (June 30, 2020 - $3,708,705) available and current liabilities of $3,214,627 (June 30, 2020 - $4,316,398). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates and foreign exchange rates. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to fluctuations in foreign currencies through its operations in Ghana. The Company monitors this exposure, but has no hedge positions.

As September 30, 2020, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Australian dollar:

September 30, 2020	**Net Financial Assets/(Liabilities) In AUD**				
	AUD	**USD**	**GHS**	**CAD**	**Total AUD**
Australian dollar	(7,555,042)	(33,990,324)	(360,754)	-	(26,796,036)
GHS New Cedi	-	-	-	-	-
Statement of financial position exposure	**(7,555,042)**	**(33,990,324)**	**(360,754)**	**-**	**(26,796,036)**

June 30, 2020	Net Financial Assets/(Liabilities) In AUD				
	AUD	USD	GHS	CAD	Total AUD
Australian dollar	(1,832,450)	(33,353,700)	(79,112)	-	(35,265,262)
GHS New Cedi	-	-	-	-	-
Statement of financial position exposure	**(1,832,450)**	**(33,353,700)**	**(79,112)**	**-**	**(35,265,262)**

Based on the statement of exposure at 30 September 2020, a 1% movement in foreign exchange rates would increase/decrease the loss for the period before taxation by $481,769 (30 June 2020: $482,220).

Interest Rate Risk

Interest rate risk consists of two components:

To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company considers interest rate risk not to be significant.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for accounts payable and accrued liabilities and due to related parties' approximate fair values due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for accounts payable and accrued liabilities and due to related parties' approximate fair values due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in levels 1 to 3 based on the degree to which the fair value is observable:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at September 30, 2020 and June 30, 2020, the Company's financial instruments are comprised of cash and cash equivalents, other receivables, value added tax receivable, accounts payable and accrued liabilities. With the exception of cash and cash equivalents, all financial instruments held by the Company are measured at amortized cost.

CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to advance its mineral properties. The Company defines its capital as all components of equity and short-term debt. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties. The property in which the Company currently has an interest is in the exploration stage; as such, the Company is dependent on external financing to fund its activities.

The Company will spend its existing working capital and seek to raise additional amounts as needed by way of equity financing or debt to carry out its planned corporate development and general administrative costs. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's investment policy is to hold cash in interest-bearing bank accounts or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company expects its current capital resources to be sufficient to cover its operating costs and to carry out its exploration activities through the next twelve months. As such, the Company will seek to raise additional capital and believes it will be able to do so, but recognizes the uncertainty attached thereto. There have been no changes to the Company's approach to capital management during the three and twelve months ended September 30, 2020.

RELATED PARTY TRANSACTIONS

The Company had transactions during the three and twelve months ended September 30, 2020 with related parties consisting of directors, officers and companies with common directors and/or officers:

Namdini Gold Project

During the period ended 30 September 2020, Cardinal Resources Limited has advanced funds to Savannah, a related entity to Director Mr Malik Easah. The purpose of an advance was for the development of a mining licence in areas in respect of which Savannah had entered into agreements with holders of small scale licences. As at the date of this report, $332,518 (September 30, 2019: $350,297) has been recorded as a prepayment in the consolidated financial statements of Cardinal Resources Limited. The difference has been applied toward the development of the mining licence and expensed during the period. The Company has recorded a provision for US$500,000, for funds owed to Savannah in relation to legal expenses.

Consulting Agreement

Tomlinson Consultancy, of which Kevin Tomlinson is a director, provided geological consulting services to the Company. Amounts that have been paid or payable total $0 (September 30, 2019: 77,406).

HopgoodGanim of which Michele Muscillo, a director, is a partner of, provided legal services to the Company. Amounts that have been paid or payable total $400,337 (September 30, 2019: $31,912).

The Company has a Special Committee composed of two non-executive Board members. The current members are Michele Muscillo (Chairman) and Kevin Tomlinson. The main purpose of the Special Committee is to review, monitor and make recommendations to the Board in respect to the takeover offers received by the Company. During the period $60,000 had been accrued for each director for Special Committee fees.

Other than the above there were no other transactions conducted between the Group and Key Management Personnel or their related parties, apart from those disclosed above relating to equity and compensation, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

KEY MANAGEMENT COMPENSATION

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

	Three months ended September 30	
	2020	**2019**
Salaries, fees and leave	$ 624,809	$ 322,265
Superannuation expense	2,081	1,900
Equity based payments	2,900,553	291,935
	$ 3,527,443	**$ 616,100**

SHARE POSITION AND OUTSTANDING WARRANTS AND OPTIONS

The Company's outstanding share position as at November 13, 2020 is as follows:

	Number of shares
Ordinary shares	537,870,609
Unlisted options	27,746,015
Fully diluted share capital – November 13, 2020	**565,616,624**

Common Shares

The Corporation is authorised to issue an unlimited number of Ordinary Shares, subject to certain restrictions prescribed in the ASX Listing Rules, the Corporations Act and the Corporation's constitution. Under the ASX Listing Rules, subject to certain exceptions and without the approval of shareholders of the Corporation, the Corporation may not issue or agree to issue during any 12-month period equity securities (including options and other securities convertible into equity) if the number of securities issued or agreed to be issued would exceed 15% of the total equity securities on issue at the commencement of the 12-month period.

Listed Options

The Corporation has no listed options on issue.

Stock Options

The Company has in place a stock option plan (the "**Plan**"), which allows the Company to issue options to certain directors, officers, employees and consultants of the Company. The aggregate number of securities reserved for issuance will be not more than 5% of the number of ordinary shares issued and outstanding from time to time. The Plan provides that the number of stock options held by any one individual may not exceed 5% of the number of issued and outstanding ordinary shares. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the market price of the Company's shares on the day prior to the grant date. Stock options granted under the Plan may be subject to vesting terms if imposed by the Board or required by the TSX. During the period the Company there were no options issued under the plan.

The following is a summary of share purchase options activity for the three months ended September 30, 2020:

			During the period						
Grant Date	**Expiry Date**	**Exercise Price**	**Opening Balance**	**Granted**	**Exercised**	**Expired / Cancelled**	**Closing Balance**	**Vested and Exercisable**	**Unvested**
04.03.17	04.12.22	$0.500	18,500,000	nil	nil	nil	18,500,000	18,500,00	-
12.21.17	12.21.22	$0.750	1,000,000	nil	nil	nil	1,000,000	1,000,000	-
12.21.17	12.21.22	$0.965	2,018,100	nil	nil	nil	2,018,100	2,018,100	-
11.04.19	12.21.22	$0.680	2,180,049	nil	nil	nil	2,180,049	2,180,049	-
11.04.19	12.21.22	$0.590	2,180,049	nil	nil	nil	2,180,049	2,018,049	-
12.03.19	12.03.21	$1.000	1,867,817	nil	nil	nil	1,867,817	1,867,817	-
10.12.19	10.12.24	$0.000	6,369,557	nil	nil	nil	6,369,557	6,639,557	-
10.12.19	10.12.24	$0.000	5,476,530	nil	5,275,920	nil	200,610	200,610	-
Weighted average exercise price $0.48									

Performance Shares

On 17 February 2015, 60 performance shares were issued pursuant to the Asset Sale Agreement with Savannah to purchase the highly prospective Ndongo North concession adjacent to the exiting Ndongo area within the Bolgatanga project area in North-East Ghana.

There are 60 Performance Shares (convertible into a maximum of 6,000,000 shares) on issue at 30 June 2019, there are no Performance Shares on issue as at 30 September 2020.

During the year ended 30 June 2020 the performance shares were cancelled.

Performance Shares	Performance Hurdles (JORC Inferred Au Resource)	Conversion to Ordinary Shares
10	500,000 ounces	1,000,000
5	750,000 ounces	500,000
5	1,000,000 ounces	500,000
5	1,250,000 ounces	500,000
5	1,500,000 ounces	500,000
5	1,750,000 ounces	500,000
5	2,000,000 ounces	500,000

5	2,250,000 ounces	500,000
5	2,500,000 ounces	500,000
5	2,750,000 ounces	500,000
5	3,000,000 ounces	500,000
60		**6,000,000**

OTHER DATA

Additional information related to the Company, including the Company's Annual Information Form dated August 31, 2020 is available for viewing at www.sedar.com.

ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS

A number of new or amended standards became applicable for the current reporting period resulting in a change to the entity's accounting policies and disclosure adjustments being made as a result of adopting AASB 16 Leases.

The impact of the adoption of the leasing standard and the new accounting policies are disclosed below. The other standards did not have any impact on the entity's accounting policies and did not require retrospective adjustments.

(i) AASB 16 Leases

This note explains the impact of the adoption of AASB 16 Leases on the entity's financial statements and discloses the new accounting policies that have been applied from 1 July 2019.

The Group has adopted AASB 16 using the modified retrospective approach from 1 July 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised prospectively from 1 July 2019.

Adjustments recognised on adoption of AASB 16

On adoption of AASB 16, the entity recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using an arm's length asset finance facility borrowing rate as of 1 July 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 6.85%.

The impact of the adoption of this standard is an immaterial right-of-use asset and lease liability amount that had not been recognised at 30 June 2020.

The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments or onerous provisions relating to that lease recognised in the balance sheet as at 1 July 2019.

RISKS AND UNCERTAINTIES

Risks Related to the Industry

Mineral Exploration, Development and Operating Risks

Mineral exploration is highly speculative in nature, generally involves a high degree of risk and frequently is non-productive. The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited or will result in a profitable commercial mining operation.

Resource acquisition, exploration, development and operation involve significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. Significant expenses are required to locate and establish economically viable mineral deposits, to acquire equipment, and to fund construction, exploration and related operations, and few mining properties that are explored are ultimately developed into producing mines.

Success in establishing an economically viable project is the result of a number of factors, including the quantity and quality of minerals discovered, proximity to infrastructure, metal and mineral prices which are highly cyclical, costs and efficiencies of the recovery methods that can be employed, the quality of management, available technical expertise, taxes, royalties, environmental matters, government regulation (including land tenure, land use and import/export regulations) and other factors. Even in the event that mineralization is discovered on a given property, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change as a result of such factors. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on its invested capital, and no assurance can be given that any exploration programme of the Company will result in the establishment or expansion of resources or reserves.

The Company’s operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold and other minerals, including hazards relating to the discharge of pollutants or hazardous chemicals, changes in anticipated grade and tonnage of ore, unusual or unexpected adverse geological or geotechnical formations, unusual or unexpected adverse operating conditions, slope failures, rock bursts, cave-ins, seismic activity, the failure of pit walls, pillars or dams, fire, explosions, and natural phenomena and ‘acts of God’ such as inclement weather conditions, floods, earthquakes or other conditions, any of which could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, damage to property, environmental damage, unexpected delays, monetary payments and possible legal liability, which could have a material adverse impact upon the Company. In addition, any future mining operations will be subject to the risks inherent in mining, including adverse fluctuations in fuel prices, commodity prices, exchange rates and metal prices, increases in the costs of constructing and operating mining and processing facilities, availability of energy and water supplies, access and transportation costs, delays and repair costs resulting from equipment failure, changes in the regulatory environment, and industrial accidents and labour actions or unrest. The occurrence of any of these risks could materially and adversely affect the development of a project or the operations of a facility, which could have a material adverse impact upon the Company.

Estimation of Mineralisation, Resources and Reserves

There is a degree of uncertainty attributable to the calculation of mineralisation, resources and reserves and corresponding grades being mined or dedicated to future production. Until reserves or mineralisation are actually mined and processed, the quantity of mineralisation and reserve grades must be considered estimates only. These estimates depend upon geological interpretation and statistical inference drawn from drilling and sampling analysis, which may prove unreliable. There can be no assurance such estimates will be accurate. In addition, the quantity of reserves and mineralisation may vary depending on commodity prices. Any material changes in quantity of reserves, mineralisation, grade or stripping ratio may affect the economic viability of a mine. In addition, there can be no assurance that recoveries from laboratory tests will be duplicated in tests under on-site conditions or during production. The inclusion of mineral resource estimates should not be regarded as a representation that these amounts can be economically exploited and no assurances can be given that such resource estimates will be converted into reserves. Different experts may provide different interpretations of resource estimates.

Environmental, Health and Safety Regulations of the Resource Industry

Environmental matters in Ghana, including those related to mining, fall primarily under the oversight of the EPA, as well as the Minerals Commission and the Mines Inspectorate Division of the Minerals Commission. The Environmental Protection Agency Act, 1994 (Act 490), and the Environmental Assessment Regulations, 1999 (L.I. 1652) govern, among other things, environmental and socio-economic impact assessments and statements, environmental management plans, emissions into the environment, environmental auditing and review, and mine closure and reclamation, to which the Cardinal's operations are subject.

Additional provisions governing mine environmental management are provided in the Minerals and Mining Act, 2006 (Act 703), and Minerals and Mining Regulations (Health, Safety and Technical) 2012 (L.I. 2182). Cardinal believes it is in substantial compliance with these laws and regulations, however Cardinal notes a continuing trend toward substantially increased environmental requirements and evolving corporate social responsibility expectations in Ghana, including the requirement for more permits, analysis, data gathering, community hearings, and negotiations than have been required in the past for both routine operational needs and for new development projects.

Due to bureaucratic delays, there can be no assurance that all permits which Cardinal may require for construction of mining facilities and conduct of mining operations, particularly environmental permits, will be obtainable on reasonable terms or timeframes or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that Cardinal may undertake.

All phases of the Company's operations are subject to environmental regulations in various jurisdictions. If the Company's properties are proven to host economic reserves of metals, mining operations will be subject to national and local laws relating to the protection of the environment, including laws regulating removal of natural resources from the ground and the discharge of materials into the environment.

Mining operations will be subject to national and local laws and regulations which seek to maintain health and safety standards by regulating the design and use of mining methods and equipment. Various permits from government bodies are required for mining operations to be conducted; no assurance can be given that such permits will be received.

No assurance can be given that environmental standards imposed by national or local authorities will not be changed or that any such changes would not have material adverse effects on the Company's activities. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Company. Additionally, the Company may be subject to liability for pollution or other environmental damage, which it may not be able to insure against.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulation and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Mining is subject to potential risks and liabilities associated with the potential pollution of the environment and the necessary disposal of mining waste products resulting from mineral exploration and production. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to Cardinal (or to other companies in the minerals industry) at a reasonable price. To the extent that Cardinal becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to Cardinal and could have a material adverse effect on Cardinal. Laws and regulations intended to ensure the protection of the environment are constantly changing and are generally becoming more restrictive.

Environmental Bonds Risk

The EPA from time to time reviews the reclamation bonds that are placed on Cardinal's projects in Ghana. As part of its periodic assessment of mine reclamation and closure costs, the EPA reviews the adequacy of reclamation bonds and guarantees. In certain cases, the EPA has requested higher levels of bonding based on its findings. If the EPA were to require additional bonding at Cardinal's properties, it may be difficult, if not impossible, to provide sufficient bonding. If Cardinal is unable to meet any such increased bonding requirements or negotiate an acceptable solution with the Government of Ghana, its operations and exploration and development activities in Ghana may be materially adversely affected. Cardinal is not in a position to state whether a review in respect of any of Cardinal's projects in Ghana is imminent or whether the outcome of such a review would be detrimental to the funding needs of Cardinal.

Land Rehabilitation Risk

Although variable, depending on location and the governing authority, land rehabilitation requirements are generally imposed on mineral exploration companies, as well as companies with mining operations, in order to minimise long erm effects on land disturbance. Rehabilitation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on Cardinal in connection with its mineral exploration and development, Cardinal must allocate financial resources that might otherwise be spent on further exploration and/or development programs.

Competitive Conditions

There is aggressive competition within the mineral exploration and mining industry for the discovery and acquisition of properties considered to have commercial potential, and for management and technical personnel. The Company's ability to acquire projects in the future is highly dependent on its ability to operate and develop its current assets and its ability to obtain or generate the necessary financial resources. The Company will compete with other parties in each of these respects, many of which have greater financial resources than the Company. Accordingly, there can be no assurance that any of the Company's future acquisition efforts will be successful, or that it will be able to attract and retain required personnel. Any such failure could have a material adverse impact upon the Company.

Increased demand for, and cost of, exploration, development and construction services and equipment.

Strength of the metal market can result in an increase in exploration, development and construction activities around the world, resulting in increased demand for, and cost of, exploration, development and construction services and equipment. The costs of such services and equipment could increase in the future, which could result in delays or materially increased costs if services or equipment cannot be obtained in a timely manner or at acceptable prices.

Feasibility Study Risk

Feasibility studies are typically used to determine the economic viability of a deposit. Many factors are involved in the determination of the economic viability of a deposit, including the achievement of satisfactory Ore Reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and the estimates of future mineral prices. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and possibly processed, the configuration of the ore body, ground and mining conditions and anticipated environmental and regulatory compliance costs.

Notwithstanding Cardinal's Feasibility Study, each of these factors involves uncertainties and, as a result, Cardinal cannot give any assurance that its exploration projects will become operating mines. In addition, even if a mine is developed, actual operating results may differ from those anticipated.

Risks Related to the Business

Operational Risks

The Company has not previously generated revenues from operations and its mineral projects are at an exploration stage. Therefore, it is subject to many risks common to comparable companies, including under-capitalisation, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues. The Company has historically incurred significant losses as it has no sources of revenue (other than interest income), and has significant cash requirements to meet its exploration commitments, administrative overhead and maintain its mineral interests. The Company expects to continue to incur net losses unless or until one or more of its properties enters into commercial production and generates sufficient revenue to fund continuing operations. There can be no assurance that current exploration or development programs will result in the discovery of commercial deposits or, ultimately, in profitable mining operations. See also "Liquidity and Financing Risk" and "Funding Risk" below.

Liquidity and Financing Risk

The Company has no source of operating cash flow and may need to raise additional funding in the future through the sale of equity or debt securities or by optioning or selling its properties. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. No assurance can be given that additional funding will be available for further exploration and development of the Company's properties when required, upon terms acceptable to the Company or at all. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties, or even a loss of property interest, which would have a material adverse impact upon the Company.

Borrowing Risk

Lenders to the Company, including GIIF as primary lender under the Facility, impose covenants and obligations on the part of the Company to maintain the good standing of the agreements and security arrangements of the borrowed funds. In particular, the Facility contains certain covenants and representations and warranties, the breach of which could result in a default and the acceleration of maturity of the Facility, the lender realizing on its security, or diminished availability of refinancing alternatives or increase the associated costs thereof. Though the Company anticipates being able to remain in compliance with all positive covenants under its credit arrangements, there is no assurance that unforeseen events or circumstances may lead to the breach of the Company's obligations to its lenders, under the Facility or otherwise, which, if not waived by the lender, would have a material adverse impact on the Company.

Future Capital and Financing Risk

Cardinal has finite financial resources and no cash flow from producing assets and therefore will require additional financing in order to carry out its gold exploration and development activities. Substantial capital expenditure is required for ongoing exploration, appraisal, development and production.

The future prospects of Cardinal, including the successful development of Cardinal's assets and/or the acquisition of new assets will be influenced by the ability of Cardinal to access funding via operating cash flows or debt or equity markets on commercially acceptable terms. Operating cash flows and access to debt and equity markets is affected by a number of factors beyond the control of Cardinal including commodity prices and general economic conditions.

There is also no assurance that Cardinal will be successful in raising capital in the future as and when it is required, in order to fully finance and develop Cardinal's projects. Volatile market conditions may prevent or make it difficult for Cardinal to obtain debt financing or equity financing on commercially acceptable terms. If access to adequate funding is not maintained by Cardinal, Cardinal may not be able to take advantage of opportunities or otherwise respond to market conditions. Failure to obtain funding on a timely basis and on reasonably acceptable terms may also cause Cardinal to postpone or abandon development plans, or to relinquish or forfeit rights in relation to the Cardinal's assets, which may delay or suspend Cardinal's business strategy and could have a material adverse effect on Cardinal's activities.

Exploration Costs

The exploration costs of the Company are based on certain cost estimates and assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company’s viability.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, risks, including, but not limited to, unexpected or unusual geological or operating conditions, natural disasters, inclement weather conditions, pollution, rock bursts, cave-ins, fires, flooding, earthquakes, civil unrest, terrorism and political violence may occur. It is not always possible to fully insure against all risks associated with Cardinal’s operations and Cardinal may decide not to take out insurance against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of Cardinal.

Conflicts of Interest

Certain directors of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors may conflict with the interests of the Company. Any directors with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

Foreign currency risk

Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Company holds financial instruments which are other than the AUD functional currency of the Company.

With instruments being held by overseas operations, fluctuations in the US dollar and Ghanaian Cedis may impact the Company’s financial results.

Interest Rate Risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the Company to interest rate risk are borrowings (including the Facility), cash and cash equivalents.

Gold Price Risk
Changes in the market price of gold, which in the past have fluctuated widely, will affect the future profitability of Cardinal’s operations and its financial condition. Cardinal’s revenues, profitability and viability depend on the future market price of gold produced from Cardinal’s mines. The price of gold is set in the world market and is affected by numerous industry factors beyond Cardinal’s control including the demand for precious metals, expectations with respect to the rate of inflation, interest rates, currency exchange rates, the demand for jewellery and industrial products containing metals, gold production levels, inventories, cost of substitutes, changes in global or regional investment or consumption patterns, and sales by central banks and other holders, speculators and procedures of gold and other metals in response to any of the above factors, and global and regional political and economic factors.

A decline in the market price of gold below Cardinal’s proposed production costs for any sustained period may have a material adverse impact on the ability of Cardinal to finance the exploration and development of its existing and future mineral projects. Such a decline would also impact on the profit, cashflow and results of operations of Cardinal’s anticipated future operations.

Future Profitability Risk
To date, Cardinal has experienced a negative operating cash flow and has not commenced commercial production on any of its properties. There can be no assurance that significant additional losses will not occur in the near future or that Cardinal will be profitable in the future. Cardinal expects to continue to incur losses unless and until such time as its properties enter into commercial production and generate sufficient revenues to fund its continuing operations. There can be no assurance that Cardinal will generate any revenues, operate profitably or provide a return on investment in the future.

Labour and Employment Risk
As Cardinal’s business grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well additional staff for operations. In addition, given the remote location of most of Cardinal’s properties, infrastructure shortcoming in the surrounding areas, and the shortage of a readily available labour force in the mining industry, Cardinal may experience difficulties obtaining and retaining requisite skilled employees in Ghana in the event one or more of its project is developed. While Cardinal believes that it will be successful in attracting and retaining qualified personnel and employees, there can be no assurance of such success.

Contractor Risk
The business activities of Cardinal rely on the engagement of experienced and qualified contractors and suppliers on commercially reasonable terms.

Cardinal's business, operations and financial performance may be materially and adversely affected if any of its proposed contractors are not available as and when required or do not perform their contractual obligations as expected by Cardinal. Where Cardinal relies on third parties to deliver goods or perform services, there can be no guarantee that the relevant third parties will deliver those goods or perform those services in the manner that delivers upon Cardinal's plans and expected outcomes which, in turn, may adversely affect the financial position, performance and prospects of Cardinal.

Insurance Risk
Cardinal maintains insurance either directly or through a joint venture for certain activities within ranges of coverage that they each believe to be consistent with industry practice. However, in certain circumstances insurance proceeds may not be adequate to cover all potential liabilities and losses. Additionally, recovery under insurances is subject to the terms and conditions of the relevant insurance policies which may include material exclusions and uninsured excess amounts (or deductibles).

Where Cardinal does not have insurances in place in respect of a relevant loss or hazard, or a relevant insurance policy does not respond as anticipated, Cardinal may be exposed to material uninsured losses which, in turn, may impact upon the financial performance of Cardinal. In addition, insurance of all risks associated with mineral exploration, development and production is not always available and, where, available this cost can be prohibitive. There is a risk that insurance premiums may increase to a level where Cardinal considers it is unreasonable or, not to a level of coverage which is in accordance with industry practice. No assurance can be given that Cardinal will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate to cover claims.

Environmental Bonds
The EPA from time to time reviews the reclamation bonds that are placed on the Company's projects in Ghana. As part of its periodic assessment of mine reclamation and closure costs, the EPA reviews the adequacy of reclamation bonds and guarantees.

In certain cases, the EPA has requested higher levels of bonding based on its findings. If the EPA were to require additional bonding at the Company's properties, it may be difficult, if not impossible, to provide sufficient bonding. If the Company is unable to meet any such increased bonding requirements or negotiate an acceptable solution with the Government of Ghana, its operations and exploration and development activities in Ghana may be materially adversely affected.

The Company is not in a position to state whether a review in respect of any of the Company's projects in Ghana is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

Risks of Operating in Ghana
The Company's projects in Ghana are subject to the risks of operating in foreign countries, including political and economic considerations such as civil and tribal unrest, war (including in neighbouring countries), terrorist actions, criminal activity, nationalization, invalidation of governmental orders, failure to enforce existing laws, labour disputes, corruption, sovereign risk, political instability, the failure of foreign parties, courts or governments to honour or enforce contractual relations or uphold property rights, changing government regulations with respect to mining (including royalties, environmental requirements, labour, taxation, land tenure, foreign investments, income repatriation and capital recovery), fluctuations in currency exchange and inflation rates, import and export restrictions, challenges to the title to properties or mineral rights in which the Company has interests, problems or delays renewing licenses and permits, opposition to mining from local, environmental or other non-governmental organizations, increased financing costs, instability due to economic under-development, inadequate infrastructure, and the expropriation of property interests, as well as by laws and policies of Ghana affecting foreign trade, investment and taxation. As African governments continue to struggle with deficits and depressed economies, the strength of commodity prices has resulted in the gold mining sector being targeted as a source of revenue. Governments are continually assessing the terms for a mining company to exploit resources in their countries.

Furthermore, the Company requires consultants and employees to work in Ghana to carry out its planned exploration and development programs. It may be difficult from time to time to find or hire qualified people in the mineral exploration industry who are situated in Ghana, or to obtain all of the necessary services or expertise in Ghana, or to conduct operations on its projects at reasonable rates. If qualified people and services or expertise cannot be obtained in Ghana, the Company may need to seek and obtain those services from service providers located outside of Ghana which could result in delays and higher costs to the Company.

Ghana's Income Tax Act, 2015, Act 896 (together with its subsequent amendments, the Ghanaian Tax Act) provides for a withholding tax on payments to goods and service providers. The Ghanaian Tax Act provides for withholding tax in the range of 5-20% depending on the nature of the item or service acquired. Additionally, the Ghanaian Tax Act provides for a withholding tax of 3% on the supply or use of goods to a resident. The Company is required to make assessments as liabilities are incurred to ensure the appropriate amount is withheld and remitted to the Ghanaian Revenue Authority. Failure to withhold the applicable amounts could result in penalties and interest for late payment. Failure to comply with the Ghanaian Tax Act, as the same may be amended from time to time, could result in adverse tax consequences which may have a material adverse effect on the Company's financial condition. Further, no assurance can be given that new taxation rules or accounting policies will not be enacted by the government of Ghana or that existing rules will not be applied in a manner which could result in Cardinal being subject to additional taxation or which could otherwise have a material adverse effect on Cardinal's profitability, results of operation, financial condition and the trading price of Cardinal's securities.

Mineral resource companies face increasing public scrutiny of their activities, and are under pressure to demonstrate that their operations have potential to generate satisfactory returns not only to their shareholders, but also to benefit local governments and the communities surrounding its properties where it operates. The potential consequences of these pressures include reputational damage, lawsuits, increasing social investment obligations and pressure to increase taxes and future royalties payable to local governments and surrounding communities. As a result of these considerations, Cardinal may incur increased costs and delays in permitting and other operational matters with respect to its property interests in Ghana.

In addition, local tribal authorities in West Africa exercise significant influence with respect to local land use, land labour and local security. From time to time, the Ghana government has intervened in the export of mineral concentrates in response to concerns about the validity of export rights and payment of duties. No assurance can be given that the co-operation of such authorities, if sought, will be obtained, and if obtained, maintained.

In the event of a dispute arising from Cardinal's activities, Cardinal may be subject to the exclusive jurisdiction of courts or arbitral proceedings outside of Australia or may not be successful in subjecting persons to the jurisdiction of courts in Australia, either of which could unexpectedly and adversely affect the outcome of a dispute.

No guarantee or assurance can be given regarding future stability in Ghana as such stability is beyond the control of Cardinal. Any of the above events could delay or prevent the Company from exploring or developing its properties even if economic quantities of minerals are found, and could have a material adverse impact upon the Company's foreign operations.

Changes in Law and Government Regulation and Policy Risk

The mineral exploration activities undertaken by the Company are subject to laws and regulations governing health and worker safety, employment standards, exports, taxation, waste disposal, management and use of toxic substances and explosives, protection of the environment, mine development and production, protection of endangered and protected species, reclamation, historic and cultural preservation and other matters. Exploration activities may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, royalties, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety.

The Company's exploration programs with respect to the Company's projects in Ghana will, in general, be subject to approval by the Minerals Commission and other governmental agencies. Development of any of the Company's properties will be dependent upon the Namdini Project meeting environmental guidelines set by EPA and, where required, being approved by governmental authorities such as the Minerals Commission.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions which could have a material adverse impact upon Cardinal. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws and regulations governing operations, title matters, land ownership, tenement interests or mining rights or more stringent implementation thereof could have a substantial adverse impact on the Namdini Project and cause increases in exploration expenses, capital expenditures or productions costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Ownership Risks

The Constitution of Ghana vests title in every mineral in its natural state to the Government of Ghana. The exercise of any mineral right in the form of reconnaissance, exploration or exploitation of any mineral in Ghana requires an appropriate licence or mineral right to be issued by the Government of Ghana acting through the Minister. There is no assurance that title to the properties in which Cardinal has interests will not be challenged. The acquisition of title to mineral exploration properties is a very detailed and time-consuming process. Title to and the area of mineral properties may be disputed. While Cardinal has diligently investigated title to the properties in which it has an interest, it may be subject to prior unregistered agreements or transfers or indigenous land claims and title many be affected by undetected defects. Consequently, the boundaries may be disputed.

There can be no assurance that there are no prior unregistered agreements, claims or defects that may result in the title to the properties in which Cardinal has an interest being challenged. Further, Cardinal's interests in the properties are subject to the risks that counterparties will fail to honour their contractual commitments that courts will not enforce such contractual obligations and that required governmental approvals will not be obtained. A successful challenge to the precise area and location of these claims, or the failure of counterparties to honour or of courts to enforce such contractual obligations could result in Cardinal being unable to operate on its properties as anticipated or being unable to enforce its rights with respect to its properties which could have a material adverse impact upon Cardinal.

Permitting and Licensing Risks

In addition to mineral rights, Cardinal will require some or all of the following permits, licences or other regulatory approvals to be able to carry out business operations in Ghana as it advances its projects: (i) environmental permits; (ii) approved environmental management plans and environmental certificates; (iii) reclamation bonds and approved reclamation plans; (iv) water usage permits; (v) business operating permits; (vi) licences to export, sell or dispose of minerals; (vii) permits/licences to retain a specified percentage of mineral export proceeds for purposes of debt servicing, dividend payment to foreign shareholders and acquisition of plant and machinery for the mining project; (viii) permits to operate foreign exchange retention accounts with a trustee bank; and (ix) immigration quotas to employ a specified number of non-Ghanaians to work on mining projects. Cardinal believes that it will be able to obtain and maintain in the future all such necessary licences and permits to carry on the activities which it intends to conduct, and intends to comply in all material respects with the terms of such licences and permits.

There can be no guarantee, however, that Cardinal will be able to obtain and maintain, at all times, all the necessary licences and permits required to undertake the proposed exploration and development or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of a particular property.

Cultural Heritage Risk

There are sites of cultural significance documented within the area of the Namdini Project. Cardinal has in place measures to help preserve local customs and cultural heritage, and works with the relevant local communities to avoid or minimise impact on sites of cultural significance from the Company's activities.

No History of Operations Risk

Cardinal has no history of producing metals from its current mineral properties. As a result, Cardinal is subject to all of the risks associated with establishing new mining operations and business enterprises including:

(1) the timing and cost, which can be considerable, of the construction of mining and any required processing facilities;
(2) the availability and costs of skilled labour and mining equipment;
(3) the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits; and
(4) the availability of funds to finance construction and development activities.

It is common in new mining operations to experience unexpected problems and delays during construction, development, and mine start-up. In addition, delays in the commencement of mineral production often occur. Accordingly, there are no assurances that Cardinal's activities will result in profitable mining operations or that Cardinal will successfully establish mining operations or profitably produce mineral product at any of its operations.

Relocation of Project Affected People Risk

Cardinal plans to develop Namdini and in so doing it will be necessary to relocate up to 200 families (Project Affected People). A detailed Relocation Action Plan (RAP) has been developed, to address the process of this initiative. The RAP has been developed in accordance with the Minerals and Mining (Compensation and Resettlement) Regulation 2012 (L.I 2175), and International Finance Corporation's (IFC) Performance Standards on Social and Environmental Sustainability for relocation, to ensure all Projected Affected People are treated fairly and consistently.

The RAP which includes 275 concrete structures, residential and public, including a healthcare facility, 2 basic schools, teacher's accommodation, 2 Churches, and a Mosque was accepted by the Project Affected People and the Talensi District Assembly in February 2020. The Minerals Commission of Ghana (MinCom) approved Cardinal's submission in respect of the RAP on the 25th of February 2020.

At the time that the RAP was approved, the Namdini Mining Lease covered approximately 19.5km2. As the Namdini Mining Lease now covers approximately 63km2 it is necessary for the RAP to be revised to incorporate the expanded area. While the expanded area of the Namdini Mining Lease does not include any additional Project Affected People, there may be additional costs and administrative delays in obtaining approval for a revised RAP.

Relinquishment of Tenement Area Risk

The mining laws of Ghana require that upon each renewal of a prospecting licence, the holder must surrender at least 50% of the area covered (subject to a minimum balance of 125 blocks).

Although Cardinal will use its best efforts to seek to ensure that, in each case, the area retained has greater exploration, development and production potential than the area relinquished there can be no assurance that the area relinquished will not ultimately have greater Mineral Resources and Ore Reserves and a more positive outlook than the area retained upon renewal.

Access to Land Risk

Land access is critical to the operations of Cardinal. Immediate and continuing access to land within Cardinal's licence and permit areas cannot in all cases be guaranteed as Cardinal may be required to obtain the consent of the owners and occupiers of the relevant land or surrounding land. Compensation may be required to be paid to the owners and occupiers by Cardinal in order for Cardinal to carry out exploration activities.

Additional to land access within Cardinal’s licence and permit area, land access may be required outside these areas for purposes of vehicle access via road/s and infrastructure access such as powerlines and water pipelines. Permitting authorisation of these required access corridors cannot in all cases be guaranteed as Cardinal may be required to obtain the consent of the owners and occupiers of the relevant land and / or surrounding land. Compensation may be required to be paid to the owners and occupiers by Cardinal in order for Cardinal to carry out development. Some of these areas may be in protected forest areas which require an additional level of authorisation from the relevant government departments (for example, The Forestry Commission of Ghana).

Artisanal Miners

Cardinal’s projects are held in areas of Ghana that have historically been mined by artisanal miners. As Cardinal further explores and advances its projects, it may be required to require the removal of any artisanal miners operating on its properties. There is a risk that such artisanal miners may oppose Cardinal’s operations, which may result in a disruption to any planned development and/or mining and processing operations. In addition, artisanal miners have historically used chemicals that are harmful to the environment to separate the precious metals from the ore. There can be no assurance that Cardinal will not be subject to environmental liabilities resulting from such operations in the future, which could have a material adverse impact on Cardinal. In addition, artisanal work practices are often unsafe and accidents and/or incidents may occur on Cardinal’s property, and there is an added reputational risk that third parties may wish to link the activities of the artisanal miners to that of Cardinal in the event of accidents or incidents, which could have a material adverse impact on Cardinal.

HIV/AIDS, Malaria and Other Disease Impact on Labour and Employment Risk

HIV/AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry in Ghana. HIV/AIDS is a major healthcare challenge faced by Cardinal’s operations in Ghana. There can be no assurance that Cardinal will not lose members of its workforce or workforce manhours or incur increased medical costs, which may have a material adverse effect on Cardinal’s operations.

General Risks

Market Conditions

Share market conditions may affect the value of the Company’s quoted securities regardless of the Company’s operating performance. Share market conditions are affected by many factors such as: general economic outlook; introduction of tax reform or other new legislation or government policies; interest rates and inflation rates; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; and terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. The Company does not warrant the future performance of the Company or any return on an investment in the Company.

Stress in the Global Economy

Reduction in credit, combined with reduced economic activity and the fluctuations in the Australian dollar may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events causing turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results and financial condition.

Current Global Financial Condition

Current global financial conditions have been subject to increased volatility. As such, the Company is subject to counterparty risk and liquidity. The Company is exposed to various counterparty risks including, but not limited to financial institutions that hold the Company's cash, and through companies that have payables to the Company. The Company is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the shares could be adversely affected.

Exchange Rate and Currency Risks

Fluctuations in exchange rates between the Australian dollar, US Dollar and Ghanaian currency (GHS) and other operational currencies may result in foreign exchange gains or losses which may affect the financial performance of Cardinal.

Inflation Risk

Cardinal's Namdini Project is located in Ghana which has historically experienced relatively high rates of inflation.

Repatriation of Earnings Risk

Cardinal conducts its operations through foreign subsidiaries and holds substantially all of its assets in such subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between Cardinal and its subsidiaries could restrict Cardinal's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on Cardinal's valuation and share price. Moreover, there is no assurance that Ghana or any other foreign country in which Cardinal may operate in the future will not impose restrictions on the repatriation of earnings to foreign entities.

Commodity Prices

The price of the Ordinary Shares, and the Company's profitability, financial results and exploration activities may in the future be significantly adversely affected by declines in the price of precious metals. Precious metal prices fluctuate on a daily basis and are affected by a number of factors beyond the control of the Company, including the US dollar and other foreign currency exchange rates, central bank and financial institution lending and sales, producer hedging activities, global and regional supply and demand, production costs, confidence in the global monetary system, expectations of the future rate of inflation, the availability and attractiveness of alternative investment vehicles, interest rates, terrorism and war, and other global or regional political or economic events or conditions.

The price of gold has fluctuated widely in recent years, and future trends cannot be predicted with any degree of certainty. In addition to adversely affecting the Company's financial condition and exploration and development activities, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project, as well as have an impact on the perceptions of investors with respect to gold equities, and therefore, the ability of the Company to raise capital. A sustained, significant decline in the price of gold could also cause development of any properties in which the Company may hold an interest from time to time to be impracticable. Future production from the Company's future properties, if any, will be dependent upon, among other things, the price of gold being adequate to make these properties economic. There can be no assurance that the market price of gold will remain at current levels, that such price will increase or that market prices will not fall.

Reliance on Key Personnel

Cardinal relies on a number of well qualified and experienced key senior personnel. Loss of such personnel, or a failure to recruit and retain suitably qualified and experienced personnel in the future may adversely affect the financial performance of Cardinal. Such failure may also result in damage to the reputation of Cardinal which may have additional adverse consequences for the financial performance and prospects of Cardinal.

Dilution Risk

Cardinal has outstanding unlisted options. Should these securities be exercised the holders have the right to acquire additional Ordinary Shares, in accordance with the terms of such securities. During the life of these securities, the holders have the opportunity to profit from a rise in the market price of the Cardinal shares, possibly resulting in the dilution of existing securities.

General Market Risks

The economic condition of both domestic and global markets may affect the performance of companies such as Cardinal. Adverse changes in macroeconomic conditions, including global, regional and local economic growth, the costs and general availability of credit, the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), general consumption and consumer spending, sentiment and levels of employment, amongst others, are outside of the control of Cardinal and may have a material adverse effect on the financial performance of Cardinal.

Litigation Risk

Cardinal may be involved in disputes and litigation relating to the conduct of its business. The risk of litigation is a general risk of Cardinal's business and it may incur costs in making payments to settle claims or in complying with any court order (which may not be covered adequately, if at all, by insurance). Any material dispute or litigation could adversely affect the financial position and the financial performance of Cardinal.

COVID-19

Since 31 December 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19" has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilise economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. There is a risk that Public Health crises and pandemics such as COVID-19 could limit or prohibit the conduct of exploration activities and could have a negative impact on the ability to obtain funding.

In addition, should any Company personnel or contractors be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company.

CRITICAL ACCOUNTING ESTIMATES

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Deferred taxation

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognized as an asset because recovery of the tax losses is not yet considered probable.

Provisions

On an ongoing basis, the Company is subject to various claims and other legal disputes for which the outcomes cannot be assessed with a high degree of certainty. A liability is recognized where, based on the Company's legal views and advice, it is considered probable that an outflow of resources will be required to settle a present obligation that can be measured reliably.

By their nature, these provisions will only be resolved when one or more future events occur or fail to occur. The assessment of such provisions inherently involves the exercise of significant judgment of the potential outcome of future events.

MINERAL RESOURCE ESTIMATES

The Mineral Resources and Ore Reserves for the Company's properties have been estimated in accordance with the JORC Code and reconciled with the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 10, 2014 (the "**CIM Definition Standards**").

JORC Code

The following definitions are reproduced from the JORC Code:

"**Mineral Resource**" means a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

"**Inferred Mineral Resource**" means that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource (as defined herein) and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

"**Indicated Mineral Resource**" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors (as defined herein) as described below in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource (as defined herein) and may only be converted to a Probable Ore Reserve (as defined herein).

"**Measured Mineral Resource**" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Ore Reserve (as defined herein) or to a Probable Ore Reserve.

"**Ore Reserve**" means the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Ore Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

"**Probable Ore Reserve**" means the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proven Ore Reserve.

"**Proved Ore Reserve**" means the economically mineable part of a Measured Mineral Resource. A Proved Mineral Reserve implies a high degree of confidence in the Modifying Factors.

For the purposes of the JORC Code and CIM Definition Standards, "**Modifying Factors**" are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

There can be no assurance that those portions of such Mineral Resources will ultimately be converted into Ore Reserves. Mineral Resources are not Ore Reserves and do not have demonstrated economic viability.

CAUTIONARY NOTE TO UNITED STATES SHAREHOLDERS CONCERNING ESTIMATES OF MINERAL RESERVES AND MINERAL RESOURCES

This MD&A uses the terms "**Probable Ore Reserve**", "**Measured Mineral Resource**", "**Indicated Mineral Resource**" and "**Inferred Mineral Resource**". United States Shareholders are advised that while such terms are recognized and required by Canadian and Australian standards or regulations, the SEC does not recognise them. In particular, and without limiting the generality of this cautionary note, the term "**Mineral Resource**" does not equate to the term "**Ore Reserve**". This MD&A may use the terms "**Probable Ore Reserves**" and "**Proved Ore Reserves**" as such terms are used under NI 43-101, CIM Standards and the JORC Code, which standards differ from the standards that apply under SEC Industry Guide 7. Under United States standards, mineralization may not be classified as an "**Ore Reserve**" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. As such, certain information contained in this MD&A concerning descriptions of mineralization and resources and reserves under NI 43-101, CIM Standards and the JORC Code are not comparable to disclosures made by United States reporting companies. "**Inferred Mineral Resources**" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of a Probable Ore Reserve, Measured Mineral Resource, Indicated Mineral Resource or an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian and Australian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States Shareholders are cautioned not to assume that all or any part of Measured, Indicated or Inferred Mineral Resources will ever be converted into Ore Reserves. United States

Shareholders are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Internal controls have been designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. As at September 30, 2020, the Company's Chief Executive Officer and Chief Financial Officer evaluated or caused to be evaluated under their supervision the effectiveness of the Company's internal control over financial reporting..

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, does not expect that its disclosure controls and procedures or internal controls and procedures will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

The Company is required under Canadian securities laws to disclose herein any change in the Company's internal control over financial reporting that occurred during the Company's most recent interim period that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. There have been no changes in the Company's internal control over financial reporting that occurred during the Company's most recent interim period that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES

Management is responsible for establishing and maintaining adequate internal controls over disclosure controls and procedures, as defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings of the Canadian Securities Administrators. Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at September 30, 2020 management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that, as of September 30, 2020, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the publicly filed reports is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

APPENDIX 1

NAMDINI MINING LICENCE DIAMOND DRILL RESULTS

HoleID	Depth (m)	Dip (°)	Azimuth (°)	GridID	mEast	mNorth	mRL
NMDD182	917.97	-75	80	UTM WGS84 Zone 30 North	757,114.7	1,177,318.8	208.3

Meta-Data Listing of Diamond Drillholes

SampleID	GridID	mFrom	mTo	mWidth	Au (g/t)
NMDD182	UTM WGS84 Zone 30 North	194	197	3	1.1
NMDD182	UTM WGS84 Zone 30 North	406	409	3	1.0
NMDD182	UTM WGS84 Zone 30 North	535	540	5	0.6
NMDD182	UTM WGS84 Zone 30 North	562	573	11	1.5
NMDD182	UTM WGS84 Zone 30 North	704	712	8	0.8

Summary of Significant intercepts in NMDD182.

Aggregated intersections incorporating short lengths of high-grade results within the mineralised zones are calculated to include no more than intervals of 3m below grades of <0.5 g/t Au when assay results are reported.

YAMERIGA PROSPECTING LICENCE RC, TRENCH AND PIT RESULTS

Trench/PitID	GridID	mEast	mNorth	mFrom	mTo	mWidth	Au (g/t)
YMTR015	UTM WGS84 Zone 30 North	743,424	1,186,356	0	1	1	26.7
YMTR016	UTM WGS84 Zone 30 North	743,068	1,186,422	11	12	1	0.8
YMPT002	UTM WGS84 Zone 30 North	743,549	1,186,441	4	5	1	1.1
YMPT004	UTM WGS84 Zone 30 North	743,640	1,186,441	3	5	2	1.0

Summary of Individual Trench and Pit Significant intercepts at Yameriga Prospect.

SampleID	GridID	mFrom	mTo	mWidth	Au (g/t)
YMRC003	UTM WGS84 Zone 30 North	27	30	3	0.6
YMRC011	UTM WGS84 Zone 30 North	0	1	1	0.7
YMRC013	UTM WGS84 Zone 30 North	11	12	1	0.6
YMRC017	UTM WGS84 Zone 30 North	42	43	1	2.2
YMRC020	UTM WGS84 Zone 30 North	6	7	1	0.5
YMRC020	UTM WGS84 Zone 30 North	27	28	1	1.6
YMRC020	UTM WGS84 Zone 30 North	44	45	1	1.5
YMRC020	UTM WGS84 Zone 30 North	55	56	1	0.9

Summary of Individual RC Drilling Significant intercepts at Yameriga Prospect