

Annexure 1 - Offer Conditions

Minimum acceptance

At the end of the Offer Period, Dongshan has a Relevant Interest in at least 50.1% (by number) of the Cardinal Shares (on a fully diluted basis)

FIRB

Before the end of the Offer Period:

- Dongshan has received a written notice under FATA from the Treasurer (or a delegate) stating that, or to the effect that, there are no objections to the acquisition by Dongshan of all the Cardinal Shares, either without conditions or subject to only Standard Tax Conditions; or
- following notice of the proposed acquisition by Dongshan of all the Cardinal Shares having been given to the Treasurer under FATA, the Treasurer ceases to be empowered to make any order under Part 3 of FATA.

No restraints

Between the Announcement Date and the end of the Offer Period (each inclusive), there is no judgement, injunction, order or decree in consequence of or in connection with the Offer (other than an application to, or a decision or order of, or action or investigation by, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or may otherwise materially impact upon, the making of the Offer and the completion of the Offer and any transactions or arrangements contemplated by the Bidder's Statement (including, without limitation, full, lawful, timely and effectual implementation of the intentions set out in the Bidder's Statement) or which requires the divestiture by Dongshan of any Cardinal Shares or the divestiture by any Cardinal Group Member of any material assets of the Cardinal Group.

Regulatory approvals

Between the Announcement Date and the end of the Offer Period (each inclusive), any approvals, consents, waivers, exemptions or declarations that are required by law or by any Public Authority, to permit:

- the Offer to be lawfully made to and accepted by Cardinal shareholders; and
- the Offer to be complete,

are granted, given, made or obtained on an unconditional basis and remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspect, restrict, modify or not renew them.

Funding

That Dongshan has secured committed financing (either directly or through any of its shareholders) for the purposes of funding the Offer for an amount of up to USD300,000,000 and the conditions precedent to draw down of funds under those financing arrangements have been satisfied (other than conditions relating to the conditions of the Offer being satisfied or relating to procedural matters or documentary requirements which, by their terms or nature can only be satisfied or performed once the conditions of the Offer are satisfied).

Due diligence

Between the Announcement Date and the end of the Offer Period (each inclusive), Cardinal promptly (and in any event within two business days of a request) provides Dongshan with access to the following information, as may be requested by Dongshan:

- information and contractual arrangements with respect to the Namdini Project (including the existing concession agreement, copies of exploration and mining licenses and other related permits, any correspondence with the regulatory authorities with respect to the Namdini Project);
- technical, financial and legal information, including information that has been provided by Cardinal to other bidders or potential bidders for Cardinal (whether by takeover, scheme of arrangement or other proposals likely to lead to a change of control of a Cardinal Group Member, or the acquisition of substantially all the assets and operations of Cardinal), that is not generally available relating to Cardinal or any of Cardinal Group Member or their respective assets, liabilities or operations; and
- clarification information that may be requested by Dongshan or its advisors in connection with the above,

and that information confirms that the Due Diligence Criteria are satisfied.

No litigation on foot or pending

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against any Cardinal Group Member which may reasonably result in a judgement of 10,000,000 US Dollars (or equivalent in another currency) or more is commenced, is threatened to be commenced, is announced, or is made known to Dongshan (whether or not becoming public) or Cardinal, other than that which is in the public domain as at the Announcement Date.

No material acquisitions or disposals

Between the Announcement Date and the end of the Offer Period (each inclusive), no Cardinal Group Member acquires or disposes of, or enters into or announces any agreement for the acquisition of, any material assets or business, or enters into any corporate transaction, which would or would be likely to involve a material change in the manner in which Cardinal conducts its business or the nature (including balance sheet classification),

extent or value of the assets or liabilities or the Cardinal Group as at the Announcement Date.

Without limitation, the following events or actions will be deemed to trigger this condition:

- any Cardinal Group Member disposes of, or enters into or announces any agreement for the disposal of, any of its rights to the Namdini Project;
- any Cardinal Group Member makes any change to its constitutional documents or increases its charter capital;
- any liquidation, reorganization and/or bankruptcy procedures are commenced against any Cardinal Group Member;
- any financial liability in the amount exceeding 10,000,000 US Dollars (or equivalent in another currency) is incurred by any Cardinal Group Member;
- any Cardinal Group Member commences business activities not already carried out as at the Announcement Date, whether by acquisition or otherwise.

Third party rights

Between the Announcement Date and the end of the Offer Period (each inclusive), no third party exercises, purports to exercise or announces an intention to exercise, any change of control rights, pre-emptive rights, deemed offer or disposal or similar right in any Material Contracts to which any Cardinal Group Member is party, as a result of either the announcement of the Offer or any change of control which may occur as a result of acceptances of the Offer.

No Prescribed Occurrence

Between the Announcement Date and the end of the Offer Period (each inclusive), no Prescribed Occurrence happens.

Annexure 2 – Due Diligence Criteria

- Cardinal Group does not have any material undisclosed financial liabilities in the amount exceeding 10,000,000 US Dollars;
- Gold reserves of the Cardinal Group amount to 5.1M ounces (138.6Mt grading 1.13 g/t);
- CAPEX and OPEX expenses for the development of the Namdini Project will not likely exceed the Capital Estimate Summary set out in clause 21.2 of the Feasibility Study dated 28 November 2019 performed by Golder Associates Pty Ltd, Perth, Lycopodium Minerals Pty Ltd and others (the “Feasibility Study”);
- Recovery rate not less than confirmed by the Feasibility Study;
- Geological and explorations licenses that belong to the Cardinal Group are:
 - valid and fully effective;
 - not subject to any lien, charge or any other encumbrance;
 - no actions have been undertaken by regulatory authorities to suspend or terminate any of such licenses;
- All ancillary regulatory and environmental permits and licenses that are material for carrying out of the Cardinal Group’s business are:
 - valid and fully effective;
 - not subject to any lien, charge or any other encumbrance;
 - no actions have been undertaken by regulatory authorities to suspend or terminate any of such permits and licenses;
- There are no outstanding decisions to increase the charter capital of any Cardinal Group Member;
- There are no material outstanding litigation and/or administrative, environmental, regulatory or other claims against the Cardinal Group exceeding 10,000,000 US Dollars in aggregate;
- The capital structure of Cardinal (including terms and conditions of all securities or rights to acquire securities) is the same as has been disclosed to the ASX;
- Each Cardinal Group Member is duly incorporated and validly exists in accordance with the relevant applicable laws;
- Cardinal owns and controls its operational subsidiaries which own relevant exploration and mining licenses (including exploration and mining licenses for the Namdini Project);
- No insolvency (bankruptcy) proceedings have been initiated against any Cardinal Group Member or any of its subsidiaries and there are no legal grounds to initiate the same against any Cardinal Group Member.

Annexure 3 - Definitions

Announcement Date means the date of this announcement.

ASIC means the Australian Securities and Investments Commission.

Cardinal means Cardinal Resources Limited ACN 147 325 620.

Cardinal Group means Cardinal and each of its Related Bodies Corporate.

Cardinal Group Member means any member of the Cardinal Group.

Cardinal Shares means fully paid ordinary shares issued in the capital of Cardinal.

Corporations Act means the *Corporations Act 2001* (Cth).

Due Diligence Criteria means the matters set out in Annexure 2.

FATA means *the Foreign Acquisitions and Takeovers Act 1975* (Cth).

Material Contract means the concession agreement in respect of the Namdini Project and any other contracts that are material for carrying out of the business of the Cardinal Group.

Offer Period means the period the Offers are open for acceptance.

Prescribed Occurrence means the occurrence of any of the following where that occurrence was not consented to by Dongshan in writing:

- any Cardinal Group Member converting all or any of its securities into a larger or smaller number of securities;
- any Cardinal Group Member resolving to reduce its capital in any way or reclassifying, combining, splitting, redeeming or cancelling directly or indirectly any of its securities;
- any Cardinal Group Member entering into a buy-back agreement or resolving to approve the terms of such agreement;
- any Cardinal Group Member making any issue of securities or granting an option over its securities or agreeing to make such an issue or grant such an option;
- any Cardinal Group Member issuing, or agreeing to issue, convertible notes;
- any Cardinal Group Member disposes, or agrees to dispose, of the whole or substantial part of its business or property;
- any Cardinal Group Member charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- any Cardinal Group Member resolving to be wound up;
- the appointment of a liquidator or provisional liquidator of any Cardinal Group Member;
- the making of an order by a court for the winding up of any Cardinal Group Member;

- an administrator of any Cardinal Group Member being appointed;
- any Cardinal Group Member executing a deed of company arrangement; or
- the appointment of a receiver or a receiver and manager in relation to the whole, or a substantial part, of the property of any Cardinal Group Member.

Public Authority means any government or any governmental, semi-governmental, statutory, administrative, fiscal or judicial body, department, commission, tribunal, entity, agency or authority, whether in Australia or elsewhere, including (without limitation) any minister of the Crown in the right of the Commonwealth of Australia or any State of Australia, any other federal, state, provincial or local government, the Takeovers Panel, ASIC, ACCC and FIRB, and including any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange.

Related Body Corporate has the meaning given in the Corporations Act.

Relevant Interest has the meaning given in the Corporations Act.

Standard Tax Conditions means the conditions set out in the list of standard tax conditions published in Guidance Note 47 on the website of the Foreign Investment Review Board and such other Tax-related conditions as a customarily imposed by the Foreign Investment Review Board (including, for the avoidance of doubt, conditions requiring information or confirmations to be provided in respect of matters such as ownership structure, borrowings, capital structure, related party financing, cross border related party financing arrangements, distributions, tax consolidation, arrangements covered by “Taxpayer Alerts and thin capitalisation rules).

Takeovers Panel means the Takeovers Panel of Australia

