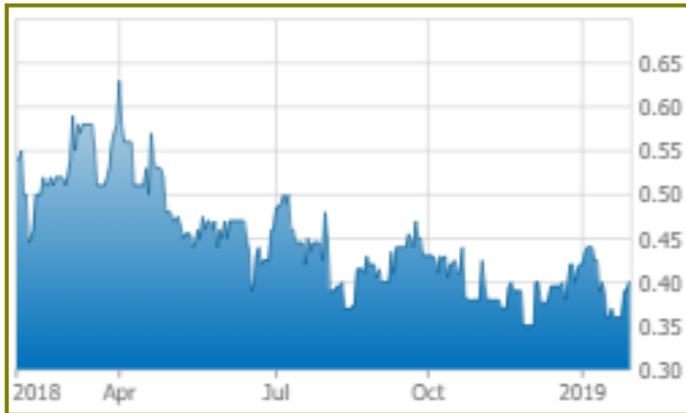


Goldletter INTERNATIONAL

the international independent information and advice bulletin for gold and related investments

INVESTMENT ALERT - January 31, 2019

www.cardinalresources.com.au



Cardinal Resources Ltd.(A\$ 0.43)

ASX : CDV
TSX : CDV

H + L prices (12 months) : A\$ 0.59 – 0.35

Net shares issued : 380.5 million
Fully diluted shares : 533.4 million

Market Capitalization : A\$ 161.7 million
(US\$ 115.7million)

2019 price target: A\$ 0.90

INVESTMENT ALERT

Cardinal Resources hits more high-grade shallow gold at its new Ndongo East discovery in Ghana

On January 23, 2019, **Cardinal Resources (“Cardinal”)** announced high-grade shallow gold intersection from its new **Ndongo East discovery** in Ghana. The highlights include: 14 metres grading 7.0 g/t gold from 69 metres in NDDD 046, including 2 metres grading 42.2 g/t gold from 80 metres.

Previous high-grade intersections from **Ndongo East** announced on November 29, 2018 included:

- 9 metres grading 23.3 g/t gold from 60 metres (NDRC 248)
- 7 metres grading 4.4 g/t gold from 14 metres (NDRC 216)
- 6 metres grading 12.6 g/t gold from 2 metres (NDRC 275)
- 3 metres grading 29.3 g/t gold from 45 metres (NDDD 036)

- Gold mineralisation demonstrated over a strike length of approximately 1.2 km at **Ndongo East**
- Drilling has encountered multiple intercepts of near surface mineralisation
- Drilling is ongoing and will continue to evaluate the strike and depth extension of the **Ndongo East** mineralised system
- Additional parallel mineralised structures striking NE- SW remain to be evaluated by drilling and provide high priority drill targets

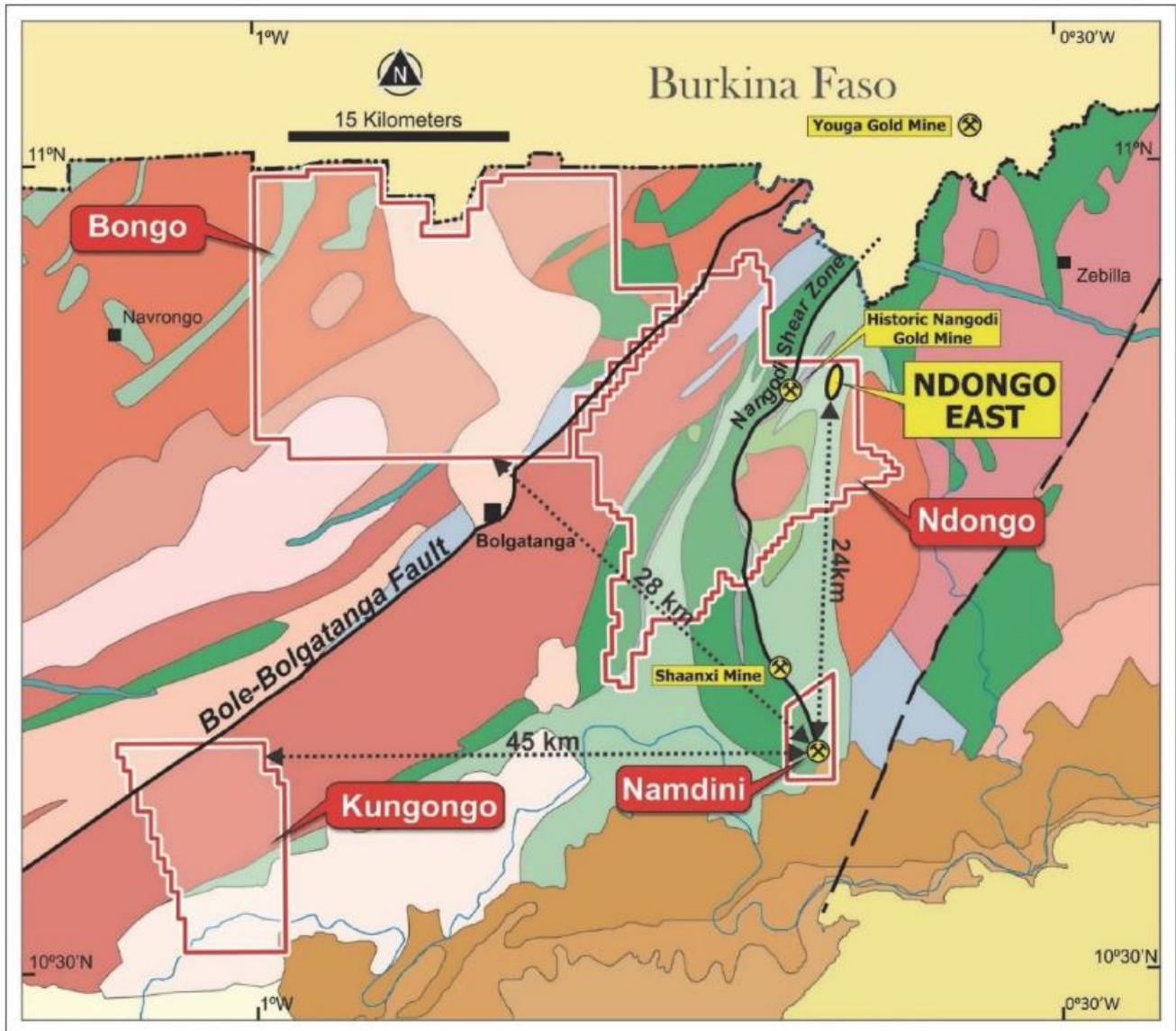
Cardinal's Chief Executive Officer / Managing Director, Archie Koimtsides, commented "to be increasingly encouraged at how **Ndongo East** is evolving". The new discovery has the potential to add further high-grade ounces gold to the Company's Maiden Probable Ore Reserve of 4.7 million ounces gold within the **Namdini Gold Project**.

The **Ndongo East discovery** is particularly encouraging with the 450 metres strike length of strong, shallow "gold mineralisation still open along strike and depth".

Beyond the initial mineralised zone, a further 750 metres pf gold mineralisation has been intersected along strike towards the southwest, which appears to be extending the overall gold mineralisation of the **Ndongo East discovery** to approximately 1.2 km.

The **Ndongo East prospect** lies within a larger target area of approximately 7 km in length that has yet to be drill tested.

Cardinal has now recommended drilling after the 2018 wet season with further results pending.



Cardinal's Tenements comprising the Bolgatanga and Namdini Projects

NEW FRONTIER: NORTHERN GHANA

- **Paleoproterozoic Granite-Greenstone Belt**
 - Underexplored compared to Southern Ghana
- **Well-Established Local Infrastructure**
 - 30km – National HV hydro grid power
 - 7km – Continuous water supply – White Volta River
 - 25km – Sealed national highway
- **Excellent Community Relationships**
 - Facilitates rapid development objective
- **Open Savannah Grassland**
 - Low population density
- **Mining License Granted for 15 years renewable**



Investment comments:

Cardinal's main focus is the flagship **Namdini Gold Project** with the recently completed PFS having delivered a **Maiden Probable Ore Reserve estimate of 4.76 million ounces of gold from 129.6 Mt @ 1.14 g/t gold at a 0.05 g/t cut-off**. The resource could generate **US\$ 1.4 billion free cash flow (pre-tax utilising a business case 9.5 million tonnes per annum throughput processing facility model)**.

The PFS study confirms the **Namdini Project** as one of Ghana's and Africa's most promising undeveloped, large gold assets. The financial modelling of the Project shows it to be technically sound and financially viable.

A **Feasibility Study (FS)** is fully funded and will form the basis for the development of our Namdini Gold Project in Ghana with completion anticipated in Q3 2019.

Ghana to be considered Africa's highest ranked destination for investing in gold mining, referring specifically to its low peer comparison valuation, in my view, **Cardinal Resources**, at its current market valuation of US 121 million, offers a highly attractive investment opportunity.

Supported by a better investment climate for gold, I maintain my 2019 price target of A\$ 0.90.