



ASX Release

23 October 2020

Extension of Offer Period and Accelerated Payment Terms

Highlights

- **Payment under the Offer has been accelerated to 3 Business Days from Tuesday, 27 October 2020**
- **Offer Period is extended to 7.00pm (Sydney time) on Friday, 30 October 2020 (unless extended)**

Shandong Gold Mining (HongKong) Co., Ltd (**Bidder**) is pleased to make this announcement regarding its off-market takeover offer for Cardinal Resources Limited ACN 147 325 620 (**Cardinal**) in relation to the Bidder's offer dated 13 August 2020 (as varied by notices dated as varied by notices dated 7 September 2020, 21 September 2020, 12 October 2020 and 23 October 2020) (**Shandong Gold Offer** or **Offer**). The Offer is contained in the bidder's statement issued by the Bidder and dated 11 August 2020 (as supplemented on 7 September 2020 and 19 October 2020) (**Bidder's Statement**).

Unless otherwise defined in this announcement, words defined in the Bidder's Statement have the same meaning in this announcement.

Accelerated payment terms

The Bidder is pleased to announce that it will accelerate its payment terms to 3 Business Days for acceptances received on or after 27 October 2020.

Accordingly, Cardinal Shareholders who validly accept the Offer on or before 27 October 2020 will be paid the Cash Consideration of \$1.00 per Cardinal Share by 30 October 2020, and all Cardinal Shareholders accepting the Offer after 27 October 2020 will be paid the Cash Consideration within 3 Business Days of their acceptance.

Extension of Offer Period

The Bidder has varied its Offer by extending the Offer Period such that the Offer will remain open for acceptances until 7:00pm (Sydney time) on Friday, 30 October 2020 (unless extended).

Annexure A includes a copy of the formal notice under section 650D of the Corporations Act in respect of this extension to the Offer Period.

Comparison to Nordgold Offer

Bid Price: A\$1.00 per share under both the current Shandong Gold Offer and Nordgold Offer.

Payment terms: The payment terms under the Shandong Gold Offer have been substantially shortened to 3 Business Days (with effect from Tuesday, 27 October 2020), compared to the T+2 settlement under the Nordgold Offer.

Entitlement to any higher Offer price: If the Bidder were to increase its Offer price (although it is not obliged to do so), any Cardinal Shareholders that have previously accepted the Shandong Gold Offer will receive the benefit of the improved Cash Consideration from the Bidder as a result of the operation of the Shandong Gold Offer's off-market takeover structure in accordance with the Corporations Act. This contrasts with the on-market Nordgold Offer where any Cardinal Shareholders that accept the Nordgold Offer will only receive the Nordgold offer price at the time of their acceptance, and will not benefit from any escalation in price subsequently offered by Nordgold.

Brokerage: Cardinal Shareholders holding their shares in an Issuer Sponsored Holding, and potentially those holding in a CHES Holding,¹ will not incur brokerage in connection with an acceptance of the Shandong Gold Offer. Cardinal Shareholders that accept the Nordgold Offer, being an on-market offer which can only be accepted through a broker, will generally incur brokerage charges.

Support Shandong Gold's Offer to increase the prospect of a higher bid

The Bidder also urges Cardinal Shareholders to support the Shandong Gold Offer as the only realistic means of re-enlivening the auction for control of Cardinal, and keeping open the possibility of greater value being delivered to Cardinal Shareholders.

As announced earlier today, the Bidder will not raise its Offer price above \$1.00 per Cardinal Share unless Nordgold, or another competing bidder, makes an offer (or announces an intention to make an offer) in excess of \$1.00 per Cardinal Share. The Bidder was forced to adopt this position by Nordgold matching, rather than exceeding, the Bidder's \$1.00 Offer price. Nordgold's decision to match, rather than exceed, the Bidder's Offer price is an attempt to cruel the auction for control of Cardinal and has significant potential to deprive Cardinal Shareholders of additional value.

The only realistic way in which the auction will be re-enlivened is by Cardinal Shareholders supporting the Shandong Gold Offer. If enough Cardinal Shareholders accept this Offer and/or publicly state an intention to do so in the absence of a higher offer from Nordgold, Nordgold will be forced to consider raising its offer price above \$1.00 in order to obtain control of Cardinal and / or prevent the Bidder acquiring control of Cardinal. If Nordgold raises its offer price above \$1.00 or announces an intention to do so, the Bidder will be free to raise the Offer price (if it decides to do so). If Cardinal Shareholders accept the Nordgold Offer, it will become increasingly unlikely that Nordgold will be motivated to raise its offer price and thereby reactivate the auction for control of Cardinal.

¹Cardinal Shareholders should ask their Controlling Participant to confirm whether they will incur brokerage or other transaction fees or service charges in connection with an acceptance of the Offer.

In light of the Shandong Gold Offer price being the same as the Nordgold Offer price, the choice for Cardinal Shareholders is clear – accept the Bidder’s Offer and retain the possibility of further value becoming available.

19.38% of Cardinal Shareholders have provided an intention statement to accept the Shandong Gold Offer in the absence of a higher bid from Nordgold and Cardinal has invited additional Cardinal Shareholders to do the same

Consistent with the above, the Bidder refers to the announcement made by Cardinal earlier today inviting Cardinal Shareholders to support the Shandong Gold Offer through providing statements of intention to accept into the Offer in the absence of a higher bid from Nordgold.

Cardinal’s announcement noted that Cardinal Shareholders with more than 19% of all Cardinal Shares have already publicly indicated an intention to accept into the Offer unless Nordgold increases its offer by 5.30pm (AEDT) on Thursday, 29 October 2020 (the **Shareholder Intention Statements**). In the event that Nordgold elects not to increase its offer by 5.30pm (AEDT) on 29 October 2020 (and there is no other superior proposal for value in excess of \$1.00 per Share), the persons providing the Shareholder Intention Statements who own or control 19.38% of Cardinal’s shares will accept the Shandong Gold Offer, increasing Shandong Gold’s relevant interest in Cardinal shares to at least 31.37%.

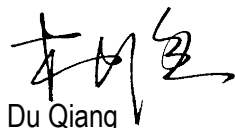
In addition, we confirm that we are seeking to reach agreement with the holders of certain transferable Cardinal Options to accelerate the completion of the acquisition of such options with a view to exercising them. The options represent an additional 3.3% of Cardinal Shares on a fully diluted basis.

As outlined above, the Bidder encourages Cardinal Shareholders to accept into the Shandong Gold Offer or otherwise provide statements indicating an intention to accept into the Offer in the absence of a higher offer from Nordgold. This will maximise the prospects of a higher offer from Nordgold which would in turn allow the Bidder to increase its own bid, should it choose to do so.

Enquiries

If you require assistance or have any enquiries in relation to the Bidder’s Offer, please call **1300 148 804** (toll-free within Australia) or **+61 3 9415 4305** (from outside Australia), Monday to Friday between 9.00am and 5.00pm (Sydney Time). Canadian Branch Shareholders should contact their broker or financial adviser or call the Depository Agent toll free at 1-800-564-6253 for assistance with respect to acceptance of the Offer.

This announcement has been authorised for release by the Bidder’s board of directors.



Du Qiang
Director
Shandong Gold Mining (HongKong) Co., Limited

Encl. Annexure A – Section 650D notice

Shandong Gold Mining (HongKong) Co., Limited

A limited liability company incorporated in Hong Kong under Company Number 2489908

**Notice under section 650D(1) of the *Corporations Act 2001* (Cth)
Variation of offer – extension of Offer Period**

23 October 2020

To: Australian Securities and Investments Commission (ASIC)

ASX Limited

Cardinal Resources Limited (ACN 147 325 620) (Cardinal)

Each person to whom an Offer was made as described in section 650D(1)(c)(iii) of the *Corporations Act 2001* (Cth) (as modified by ASIC Class Order [CO 13/521])

This notice (**Notice**) is given under section 650D of the *Corporations Act 2001* (Cth) (**Corporations Act**) by Shandong Gold Mining (HongKong) Co., Limited, a limited liability company incorporated in Hong Kong under Company Number 2489908 (**Bidder**) in relation to its offer dated 13 August 2020 (as varied by notices dated 7 September 2020, 21 September 2020 and 12 October 2020) (**Offer**) under its off-market takeover bid to acquire all of the ordinary shares in Cardinal. The Offer is contained in the bidder's statement issued by the Bidder and dated 11 August 2020 (as supplemented on 7 September 2020 and 19 October 2020) (**Bidder's Statement**).

Unless otherwise defined in this Notice, words defined in the Bidder's Statement have the same meaning in this Notice.

Extension of Offer Period

The Bidder gives notice under section 650D(1) of the *Corporations Act* that pursuant to section 650C(1) of the *Corporations Act* it varies the Offer by extending the Offer Period such that the Offer will remain open for acceptance from the Offer Date until 7:00 pm (Sydney time) on 30 October 2020.

Amendment

The Bidder's Statement and Acceptance Form are amended by substituting the date "30 October 2020" for the date "23 October 2020" in all places in the Bidder's Statement and Acceptance Form where the date "23 October 2020" appears as the closing date of the Offer.

Date and ASIC disclaimer

A copy of this Notice was lodged with ASIC on 23 October 2020. ASIC takes no responsibility for the contents of this Notice.

Authorisation

This Notice has been approved by a resolution passed by the directors of Shandong Gold Mining (HongKong) Co., Limited (Company Number 2489908), in accordance with section 650D(3A) of the *Corporations Act 2001* (Cth) (as inserted by ASIC Class Order [CO 13/521]).