

Cardinal Resources Ltd.: Debt Purchased by Ghana Infrastructure Investment Fund From Sprott

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Perth, Australia - [Cardinal Resources Ltd.](#) (ASX:CDV) (FRA:C3L) (OTCMKTS:CRDNF) (TSE:CDV) is pleased to announce that the senior secured credit facility (as amended in February 2020 and March 2020) ("Facility") has been assigned from Sprott Private Resource Lending (Collector), L.P. ("Sprott") to the Ghana Infrastructure Investment Fund ("GIIF"), a Ghana Government owned infrastructure investment vehicle. The Company has been informed that completion of the acquisition by GIIF occurred on 4 June 2020.

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

The balance of the Facility is 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 has agreed to amend and restate the Facility under Ghanaian law.

Solomon Asamoah, CEO of the Ghana Infrastructure Investment Fund stated:

"As one of Africa's largest and most significant new gold discoveries, we at GIIF are very pleased to be able to enter into this very important transaction which ensures increased Ghanaian participation, through our capacity as a Sovereign owned fund.

"As stated many times by our President, H.E. Nana Akufo Addo, we believe it is very important that there is increased paid participation in all sectors of the domestic economy by Ghanaians, including the mining sector. GIIF is looking to play an important role by supporting both feeder and spin-off industries made possible by the increased economic activity and accompanying new infrastructure arising from the mining operation. The development of this large-scale gold mine is very important to Ghana as it will assist in bringing much needed jobs to the Upper East Region of Northern Ghana."

Archie Koimtsidis, CEO and Managing Director of Cardinal stated:

"On behalf of the Board of Cardinal Resources, we would like to thank GIIF and their entire team. The Company is very impressed with the GIIF organisation, especially the range of Ghanaian infrastructure projects that the organisation has managed to complete in such a short timeframe. It has been a pleasure working with GIIF since Q4 - 2019 to reach this point and we are very pleased that the Board of GIIF has approved this initial investment with its acquisition of the entire Sprott debt facility.

"This investment clearly demonstrates to all investors that Ghana is "Open for Business" as per The President, H.E. Nana Akufo Addo's speech at the 2019 Mining Indaba Conference in Cape Town, where he eloquently articulated the importance of Ghanaian paid financial participation into Ghanaian projects for the benefit of all its citizens long into the future.

"Cardinal is confident that GIIF will be a valuable stakeholder in the development of its 5.1 Moz Gold Mine in the Upper East Region of Ghana, West Africa and we would also like to take this opportunity to thank the Sprott Lending team for the sale of the debt facility to GIIF."

A Feasibility Study released in Q4 -2019 demonstrated that Cardinal's flagship Namdini Gold Project in Ghana's Northern District has the potential to be a low capital cost, high-margin development opportunity at a US\$1,350 per ounce gold price.

The material commercial terms of the Facility (below) remain unchanged or are otherwise more favourable for Cardinal, as set out below:

- 24-month repayment term (the Sprott arrangements had a maturity date of 1 March 2021)
- Interest rate of 7.75% + the greater of 3 months LIBOR or 1% per annum

- Early repayment flexibility is continued and as per the arrangements with Sprott, a 5% redemption premium applies to all future repayments of the Facility
- Secured against the assets of Cardinal and its wholly owned subsidiaries in Ghana
- Upon a change of control of Cardinal, GIIF may require repayment of the Facility (under the prior Sprott arrangements, immediate repayment was required in such circumstances)

Corporate Activity

Please refer to the Company's announcements of 16 March 2020 and 30 March 2020 in relation to the approach from Nord Gold.

The Company continues to work with the Special Purpose Committee and its advisors, Maxit Capital LP (Nth America), Hartleys Limited (Australia), BMO Capital Markets and Cannacord Genuity, to review all strategic alternatives.

About Cardinal Resources Ltd:

[Cardinal Resources Ltd.](#) (ASX:CDV) (TSE:CDV) (OTCMKTS:CRDNF) is a West African gold exploration and development Company that holds interests in tenements within Ghana, West Africa.

The Company is focused on the development of the Namdini Project with a gold Ore Reserve of 5.1Moz (0.4 Moz Proved and 4.7 Moz Probable) and a soon to be completed Feasibility Study.

Exploration programmes are also underway at the Company's Bolgatanga (Northern Ghana) and Subranum (Southern Ghana) Projects.

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

Source: [Cardinal Resources Ltd.](#)

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