



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP20 / 63

Friday, 23 October 2020

Cardinal Resources Limited – Panel Receives Application

The Panel has received an application from Nord Gold S.E. (**Nordgold**) in relation to the affairs of Cardinal Resources Limited (ASX/TSX: CDV). Cardinal is the subject of competing takeover bids from Nordgold and Shandong Gold Mining (HongKong) Co., Limited (**Shandong**).

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

Cardinal is a West African gold-focused exploration and development company that holds interests in tenements within Ghana, West Africa.

Nordgold holds approximately 27.8% of Cardinal's shares. Nordgold has made an offer under an unconditional on-market takeover bid to acquire all of the ordinary shares in the capital of Cardinal that it and its associates do not already own (**Offer**). The Offer had an initial offer price of \$0.66 per Cardinal share.

Shandong has also made an offer under an off-market takeover bid to acquire all of the Cardinal shares (**Shandong Offer**). The Shandong Offer had an initial offer price of \$0.70 per Cardinal share.

On 2 September 2020, Nordgold increased its offer price under the Offer from \$0.66 to \$0.90 cash per Cardinal share.

On 7 September 2020, Shandong increased its offer price under the Shandong Offer from \$0.70 to \$1.00 per Cardinal share.

On 19 October 2020, Shandong lodged its Second Supplementary Bidder's Statement stating that its \$1.00 per share offer price is "*best and final in the absence of a higher competing offer*" (**Last and Final Statement**).

On 20 October 2020, Cardinal announced that the effect of Shandong's Last and Final Statement is "*..that unless there is a higher competing offer to the Shandong Gold Offer (whether from Nordgold or a third party), Shandong Gold cannot increase its offer price*".

On 21 October 2020, Nordgold increased the price under its Offer from \$0.90 to \$1.00 per share. At 9.40am on the same date, Nordgold released an announcement and its Third Supplementary Bidder's Statement in which it stated that its increased price under the Offer "*is not a higher competing offer*".

At approximately 1.43pm on 21 October 2020, Cardinal announced that "*Nordgold has made a higher competing offer by increasing the Offer Price of the Nordgold Takeover Bid to A\$1.00 cash per share (previously A\$0.90 cash per share)*" (**Wednesday Statement**).

Nordgold understands that Cardinal's financial advisers have actively represented to Cardinal shareholders that Shandong can now depart from its Last and Final Statement.

On 22 October 2020, Cardinal announced that it was seeking clarification from Shandong in relation to its Last and Final Statement. Cardinal has not responded to requests from Nordgold to correct its Wednesday Statement.

Nordgold submits (among other things) that:

- Cardinal's conduct is misleading and/or deceptive, or likely to mislead or deceive
- Cardinal's conduct has created uncertainty concerning the interpretation of Shandong's Last and Final Statement. In particular, it has implied that Shandong may be released from the legal consequences of its Last and Final Statement
- A false market for Cardinal's shares has been created as the market has traded, and continues to trade, on the basis of Cardinal's misleading conduct and
- The acquisition of control over Cardinal is not taking place in an efficient, competitive and informed market, and Cardinal's shareholders have not been given enough information to enable them to assess the merits of the proposals.

Nordgold seeks interim and final orders that:

- Cardinal immediately make an announcement to the market correcting its Wednesday Statement and reaffirming "*the clear and unambiguous interpretation*" of Shandong's Last and Final Statement (that it may not increase its offer price unless a third party makes or increases its offer above \$1.00 per Cardinal share)
- Shandong immediately make an announcement to the market reaffirming "*the clear and unambiguous interpretation*" of its Last and Final Statement and
- Shandong not depart from its Last and Final Statement.

Allan Bulman
Director, Takeovers Panel
Level 16, 530 Collins Street
Melbourne VIC 3000
Ph: +61 3 9655 3500
takeovers@takeovers.gov.au