

Nordgold confirms acquisition of 19.9% strategic stake in Cardinal Resources

- Acquisition at average price of A\$0.43798 per share, including 16.4% acquired from Gold Fields at A\$0.45775 per share;
- Non-Binding Preliminary Proposal to acquire Cardinal Resources.

London, United Kingdom, 16 March 2020 – Nord Gold SE (“Nordgold” or the “Company”), is pleased to announce that it has acquired a relevant interest in 98,443,593 shares in Cardinal Resources Limited (“Cardinal”), giving it voting power of approximately 19.9 percent of the total share capital outstanding. This acquisition includes an agreement to purchase 81,038,233 shares in Cardinal (approximately 16.4 percent interest) held by Corporate International Holdings BV, a subsidiary of Gold Fields (“The Gold Fields Purchase”). The Gold Fields Purchase will be conducted at a price of A\$0.45775 per share in cash and will complete on or about Wednesday 18 March 2020.

Nordgold is also pleased to announce that it has submitted a non-binding indicative and conditional proposal (“Preliminary Proposal”) to acquire all the issued share capital of Cardinal not already owned by Nordgold at A\$0.45775 per Cardinal share. At this stage, there is no formal proposal to acquire all the shares not already owned by Nordgold, nor is it certain that a formal proposal will be made.

The Preliminary Proposal values the equity of Cardinal at approximately A\$227 million (c. US\$143 million) on a 100 percent basis¹, and represents a cash premium of 83 percent to the closing price of A\$0.25000 per Cardinal share on the Australian Securities Exchange (the “ASX”) on 13 March 2020, and a 43 percent premium to the volume weighted average price (“VWAP”) of Cardinal shares over the last week on the ASX. The Preliminary Proposal will be financed through Nordgold’s existing cash reserves and facilities.

Process

Nordgold is seeking that the Cardinal Board provides confirmatory due diligence access to Nordgold on certain key aspects of Cardinal’s Namdini Project. Nordgold has indicated it will work constructively with Cardinal to expedite its confirmatory due diligence with the aim of completing it within a four week period.

Following the successful completion of confirmatory due diligence to Nordgold’s satisfaction, Nordgold would seek to formulate a binding Preliminary Proposal (including, if applicable, incorporating the conditions set out in Annexure A of this announcement or any additional conditions it sees fit).

Any final proposal will be conditional on successful completion of confirmatory due diligence to Nordgold’s satisfaction and approval from the Nordgold Board of Directors. Neither the Preliminary Proposal (nor, for the avoidance of doubt, this announcement) constitutes a public proposal to make a takeover bid for the purposes of section 631 of the Corporations Act 2001 (Cth).

Background

Cardinal is a West African gold-focused exploration and development company that holds interests in tenements within Ghana. Cardinal is concentrating on the development of the Namdini Gold Project and released the Feasibility Study on 28 October 2019. Cardinal has been looking since approximately H1 2019 to source project financing, and is concurrently evaluating strategic alternatives to bring the Namdini Project into production.

Nordgold is a privately owned, internationally diversified gold producer, with a proven track record of operational excellence and mine development, and a significant international development pipeline. Nordgold operates ten mines, with four of these in West Africa (three in Burkina Faso and one in Guinea). It is strategically committed to West Africa and is strongly positioned to bring the Namdini Project into production based on its development and operational expertise in the region and robust balance sheet.

Since its foundation in 2007, Nordgold has established a global reputation as a leading developer of tier one gold mining assets. Over a five year period, Nordgold has identified, planned and constructed three

¹ Based on 495,024,522 Fully Paid Ordinary Shares outstanding

separate gold mines on time and on budget, including two in Burkina Faso (Bouly and Bissa) and most recently, the Gross mine in Russia, which continues to exceed all initial expectations.

Nikolai Zelenski, Chief Executive Officer, said:

“Nordgold’s Preliminary Proposal would represent a substantial cash premium for Cardinal shareholders and provides an immediate opportunity to realise value without the associated risks of project development. Nordgold is committed to operating in West Africa, and has the proven development experience and balance sheet to bring Namdini into production to the benefit of the local community and all stakeholders.”

About Nordgold

Nordgold is an internationally diversified gold producer established in 2007. Nordgold has a proven track record of operational excellence and benefits from a significant international development pipeline. The Company is relentlessly focused on shareholder value, committed to running safe, efficient, profitable operations, which enable it to generate strong cashflows and in turn, continue to invest in its pipeline of new growth opportunities while generating returns for investors.

Nordgold operates 10 mines (5 in Russia, 3 in Burkina Faso and one each in Guinea and Kazakhstan). It has several prospective projects in feasibility study and advanced exploration phases, as well as a diverse portfolio of early-stage exploration projects and licences in Burkina Faso, Russia, French Guiana and Canada. Nordgold employs over 8,000 people.

For further information on Nordgold please visit the Company’s website: www.nordgold.com

Advisers

Bacchus Capital acts as financial adviser and DLA Piper as legal adviser to the Offer.

Enquiries

Nordgold

Olga Ulyeva
Head of Media Relations

olga.ulyeva@nordgold.com

Bacchus Capital

Peter Bacchus
Cillian Spillane

peter.bacchus@bacchuscapital.co.uk
cillian.spillane@bacchuscapital.co.uk

Powerscourt

Peter Ogden

peter.ogden@powerscourt-group.com
Tel: +44 (0) 20 7250 1446

Forward-Looking Information

This news release and each of the documents referred to herein contains “forward-looking information” within the meaning of applicable securities legislation. All statements, other than statements of historical fact, included herein are forward-looking information, including, for greater certainty, statements regarding the Gold Fields Purchase or the Preliminary Proposal, including the anticipated benefits and likelihood of completion thereof.

Generally, forward-looking information may be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “proposed”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. There can be no assurance that such forward-looking information

will prove to be accurate, and actual results and future events could differ materially from those anticipated in such forward-looking information. This forward-looking information reflects Nordgold's current beliefs and is based on information currently available to Nordgold and on assumptions Nordgold believes are reasonable. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Nordgold to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: risks associated with economic conditions, dependence on management and currency risk; risks relating to anti-money laundering laws and regulation; other governmental and environmental regulation; public opinion and perception of the mining industry; risks related to the enforceability of contracts; reliance on the expertise and judgment of senior management of Nordgold; risks related to proprietary intellectual property and potential infringement by third parties; risks inherent in a mining business; risks relating to energy costs; reliance on key inputs, suppliers and skilled labor; cybersecurity risks; tax and insurance related risks; risks related to the economy generally; risk of litigation; conflicts of interest; and risks relating to certain remedies being limited and the difficulty of enforcement of judgments. Although Nordgold has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this news release is expressly qualified by this cautionary statement. The forward-looking information contained in this news release represents the expectations of Nordgold as of the date of this news release and, accordingly, is subject to change after such date. However, Nordgold expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.

Annexure A – Offer Conditions

1) Minimum acceptance

At the end of the Offer Period Nordgold has a Relevant Interest in at least 90% (by number) of Cardinal Shares (on a fully diluted basis).

2) 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 judgment of \$100,000 or more is commenced, is threatened to be commenced, is announced, or is made known to Nordgold (whether or not becoming public) or Cardinal, other than that which is in the public domain as at the Announcement Date.

3) Cooperation and equal access to information

Between the Announcement Date and the end of the Offer Period (each inclusive), Cardinal promptly (and in any event within three business days of a request) provides Nordgold with the following access and information which Nordgold may from time to time reasonably request in connection with the Transaction:

- i. ability to review the resource and block models, and mine plan optimisation;
- ii. ability to review title and mining permit;
- iii. access to complete customary site visit;
- iv. ability to confirm no undisclosed material liabilities; and
- v. information which has been provided by Cardinal or its associates to any other bidder or potential bidder for Cardinal (whether by takeover, scheme of arrangement or other proposal or proposals likely to lead to a change of control in Cardinal or the acquisition of substantially all the assets and operations of Cardinal).

4) Target's Statement confirmations

Cardinal states, after due enquiry, in its target's statement in response to the Offer (**Target's Statement**) or in an announcement to ASX before the date of the Target's Statement, which statement is expressed to be made with the approval of the directors of Cardinal, that:

- i. the Tenements are held by a Cardinal Group Member and are in good standing (including regarding compliance with all work programs and expenditure commitments), in full force and effect and Cardinal has not received any notice of default or current claim or expropriation or forfeiture in respect of a Tenement;
- ii. it is in compliance with all applicable approvals, permits and licences that are material to the operation of the Projects;
- iii. all Mineral Resources and Mineral Reserves announced by Cardinal to ASX prior to the Announcement Date in respect of the Projects:
 - a. are accurate in all material respects;
 - b. have been reported in compliance with the JORC Code; and
 - c. there is no new information or data that materially affects the information included in the previously announced Mineral Resources and Mineral Resources relating to the Projects;
- iv. there are no agreements, approvals, permits or licences to which any Cardinal Group Member is a party or has the benefit of, or by or to which any Cardinal Group Member or any of their assets may be bound or subject, which could result, to any extent which is material in the context of the Cardinal Group taken as a whole, in:
 - a. any such agreement, approvals, permits, licences or other instrument being terminated, adversely varied or modified or any action being taken or arising thereunder;
 - b. the interest of any Cardinal Group Member in any firm, joint venture, trust, corporation nor other entity (or any arrangements in relation to such interest) being terminated, adversely varied or modified; or

c. the business of any Cardinal Group Member with any other person being adversely affected,
as a result of the Offer or the acquisition of Cardinal Shares or a Relevant Interest in Cardinal Shares by Nordgold which have not been announced by Cardinal to ASX prior to the Announcement Date,

and each such statement is not varied, revoked or qualified before the end of the Offer Period.

5) No undisclosed material information

Between the Announcement Date and the end of the Offer Period (each inclusive), Nordgold does not become aware of any information which:

- i. has not been announced by Cardinal to ASX prior to the Announcement Date which a reasonable person would expect, if it were generally available prior to the Announcement Date, to have a material effect on the price or value of Cardinal Shares; or
- ii. has not been announced by Cardinal to ASX which a reasonable person would expect, if it were generally available, to have a material effect on the price or value of Cardinal Shares.

6) Change in control

Between the Announcement Date and the end of the Offer Period (each inclusive), no person exercises or purports to exercise, states an intention to exercise, or has any rights (whether subject to conditions or not) under any provision of any agreement, approval, permit, licence or other instrument to which any Cardinal Group Member is a party or has the benefit of, or by or to which any Cardinal Group Member or any of their assets may be bound or subject, which could result, to any extent which is material in the context of the Cardinal Group taken as a whole, in:

- i. any such agreement, approvals, permits, licences or other instrument being terminated, adversely varied or modified or any action being taken or arising thereunder;
- ii. the interest of any Cardinal Group Member in any firm, joint venture, trust, corporation or other entity (or any arrangements in relation to such interest) being terminated, adversely varied or modified; or
- iii. the business of any Cardinal Group Member with any other person being adversely affected,

as a result of the Offer or the acquisition of Cardinal Shares or a Relevant Interest in Cardinal Shares by Nordgold.

7) No restraints

Between the Announcement Date and the end of the Offer Period (each inclusive), there is no judgment, injunction, order or decree which restrains or enjoins or otherwise prohibits the Offer or the completion of the Transaction.

8) 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 Government Agency, to permit:

- i. the Offer to be lawfully made to and accepted by Cardinal Shareholders;
- ii. the Offer to be completed;
- iii. the acquisition of Cardinal Shares or a Relevant Interest in Cardinal Shares by Nordgold; and
- iv. the indirect change of control in the ultimate ownership of the Projects from Cardinal to Nordgold,

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, suspend, restrict, modify or not renew them.

9) 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 or disposal of, any material asset or business, or enters into any corporate transaction, which would or would be likely to involve a material change in the manner in which the Cardinal Group conducts its business or the nature (including balance sheet classification), extent or value of the assets or liabilities of the Cardinal Group as at the Announcement Date.

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

- i. any Cardinal Group Member disposes of, or enters into or announces any agreement for the disposal of, any Tenement or any interest in any Tenement;
- ii. any Cardinal Group Member makes any change to its constitutional documents;
- iii. any Cardinal Group Member commences business activities not already carried out as at the Announcement Date, whether by way of acquisition or otherwise;
- iv. any Cardinal Group Member acquires, leases, disposes of, or agrees to acquire, lease or dispose of, any business, assets, entity or undertaking, the value of which exceeds A\$100,000 (individually or in aggregate);
- v. any Cardinal Group Member enters into any contract or commitment (including in respect of financial indebtedness) requiring payments by the Cardinal Group in excess of A\$100,000 (individually or in aggregate) other than any payment required by law; or
- vi. any Cardinal Group Member agrees to incur capital expenditure from the Announcement Date of more than A\$100,000 (individually or in aggregate).

10) 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.

11) No Prescribed Occurrence

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

Definitions

| | |
|------------------------------|---|
| Announcement Date | The date on which Nordgold publicly proposes to make the Offer. |
| Associate | Has the meaning given to that term in the Corporations Act. |
| ASX | As the context requires, ASX Limited ABN 98 008 624 691 or the securities market conducted by it. |
| Bidder's Statement | The statement of Nordgold under Part 6.5 Division 2 of the Corporations Act relating to the Offer. |
| Cardinal | Cardinal |
| Cardinal Group | Cardinal and each of its subsidiaries and Cardinal Group Member means any member of the Cardinal Group. |
| Cardinal Shareholders | Each person who is registered in the register of members of Cardinal as the holder of Cardinal Shares from time to time. |
| Cardinal Shares | Fully paid ordinary shares issued in the capital of Cardinal. |
| Corporations Act | <i>Corporations Act 2001</i> (Cth). |
| Government Agency | Any government or any governmental, semi-governmental, statutory or judicial entity, agency or authority, whether in Australia or elsewhere, including (without limitation) any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX, TSX or any other stock exchange. |
| JORC Code | The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition. |
| Material Contracts | Any agreement or other instrument to which any Cardinal Group Member is a party, or to which any Cardinal Group Member or any of its assets may be bound or subject, and which is material to the Cardinal Group taken as a whole, including any agreement or instrument which: <ul style="list-style-type: none"> i. relates to the Tenements; and ii. is entered into by a Cardinal Group Member in connection with the Projects. |
| Offer | The offer for Cardinal Shares under the terms and conditions contained in the Bidder's Statement. |
| Offer Period | The period during which Offers are open for acceptance. |

| | |
|--------------------------------|--|
| Prescribed Occurrence | <p>The occurrence of any of the following where that occurrence was not consented to by Nordgold in writing:</p> <ul style="list-style-type: none"> i. any Cardinal Group Member converting all or any of its securities into a larger or smaller number of securities; ii. 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; iii. any Cardinal Group Member entering into a buy-back agreement or resolving to approve the terms of such an agreement; iv. any Cardinal Group Member making an issue of its securities or granting an option over its securities or agreeing to make such an issue or grant such an option; v. any Cardinal Group Member issuing, or agreeing to issue, convertible notes; vi. any Cardinal Group Member disposes, or agrees to dispose, of the whole or a substantial part of its business or property; vii. any Cardinal Group Member charging, or agreeing to charge, the whole, or a substantial part, of its business or property; viii. any Cardinal Group Member resolving that it be wound up; ix. the appointment of a liquidator or provisional liquidator of any Cardinal Group Member; x. the making of an order by a court for the winding up of any Cardinal Group Member; xi. an administrator of any Cardinal Group Member being appointed; xii. any Cardinal Group Member executing a deed of company arrangement; or xiii. 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. |
| Projects | <p>Means the following projects of the Cardinal Group:</p> <ul style="list-style-type: none"> i. the Namdini Project in East Ghana; ii. the Bolgatanga Project in East Ghana; and iii. the Subranum Project in Southwest Ghana. |
| Relevant Interest | Has the meaning given in the Corporations Act. |
| Standard Tax Conditions | 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. |
| Tenement | Any tenements or licences relating to the Projects, including those set out in Annexure B. |
| Third Party | A person not being any of Nordgold, its representatives, or an Associate of Nordgold. |
| Transaction | The acquisition by Nordgold of all Cardinal Shares under the Offer. |
| TSX | Toronto Stock Exchange. |

Annexure B – Tenements

| Tenement | License Status | Ref | Interest Acquired During Quarter | Interest Divested During Quarter | Interest Held at End of Quarter |
|----------------------------------|----------------|---|---|---|---------------------------------------|
| Ghana | | | | | |
| <i>Bolgatanga Project</i> | | | | | |
| Ndongo | Prospecting | PL9/13, PL9/19, PL9/22 & PL936 | - | - | 100% |
| Kungongo | Prospecting | RL9/28 | - | - | 100% |
| Bongo | Prospecting | PL9/29, PL9/37 & PL9/38 | - | - | 100% |
| <i>Namdini Project</i> | | | | | |
| Namdini | Mining License | LVB14619/09 | - | - | 100% |
| <i>Subranum Project</i> | | | | | |
| Subranum | Prospecting | PL/309 | - | - | 100% |