



Clean Water.
Clean Environment.
Worldwide.

Restarting the Bayelsa, Nigeria Contract

Innovative Approach to Project Financing

To Deliver Clean Water

May 25, 2016

Cardinal Resources Inc.'s contract in the State of Bayelsa started out strong but then slowed with the overall Nigerian economy. Although CDNL and the State of Bayelsa are protected by a Bank Guarantee, the State of Bayelsa did not want to continue to move forward at a rapid pace due to their economic concerns fueled primarily by dropping oil prices. However, the lack of clean water, including in the State Capital persisted.

Now working together with our local partners and the State we have found a way to move



ahead providing clean water that makes sense financially for Cardinal Resources and Bayelsa while also providing long term recurring income for the Company. The long term goals and plans of 90 systems plus tanks and distribution piping remains the same.

With our low fractions of a cent operating costs, we recognized from the beginning that systems pay for themselves in a very short period of time. This pay-back ranges from about 1 year up to 3 years if the clean water is sold at local market rates, particularly in emerging countries where clean water is generally more expensive on a per gallon or liter basis. This engineering cost analysis, opens up two doors, lease to own, and participation in long term income through water sales, that Cardinal Resources has not been able to use because of the high capital costs involved.

What we developed for Bayelsa is a hybrid approach and since it is new, we will start out slow. Throughout this process, we will be protected by the Letter of Credit (LC)/Bank Guarantee (BG) plus we will obtain Export Credit Insurance. To begin, we will be paid the full price for a CRB-40s utilizing the Bank Guarantee/Letter of Credit while participating in the revenue from the

water sales over a 5 year period. As we progress, Cardinal Resources, will reduce the cost of the systems and take a greater share of the revenue while still leaving in sufficient funds for the long term growth of the water utility. Beginning slowly, the target is to still reach 90 system installations over the next 3 years.

What this means for Cardinal Resources is an initial boost in revenue (starting 2nd Quarter 2016) from the sale of the capital goods, plus significant reoccurring revenue per year per system over a five year period. There are risks with this approach as it relies in part on the efficient collection of water tariffs. However, the hybrid approach, where we cover our costs plus a margin, and limit the first order until the bugs are worked out helps reduce those risks. The use of the LC/BG, combined with the use of Export Credit insurance will further reduce the risk.

Thank you for the interest in Cardinal Resources Inc.

Forward-Looking Statements

Certain statements in this presentation constitute forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs but they involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements, such as business and political conditions in the geographic areas in which we sell our products, weather and natural disasters, changing interpretations of generally accepted accounting principles; outcomes of government reviews; inquiries and investigations and related litigation; continued compliance with government regulations; legislation or regulatory environments, requirements or changes adversely affecting the businesses in which we are engaged.

The information set forth herein should be read in light of such risks. You are urged to consider these factors carefully in evaluating the forward-looking statements herein and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by this cautionary statement. The forward-looking statements made herein speak only as of the date of this presentation and the Company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the Company's expectations.

Company Contact:

Kevin Jones, CEO
412-374-0989