



Clean Water.
Clean Environment.
Worldwide.

A Brief Update: August 17, 2016

Pushing the Flywheel in Africa

Today's brief update is going to focus on key work in Africa. Most work in emerging countries takes patience and a constant steady push. Taking an example from Jim Collins, it is like pushing a flywheel in that it starts slow and momentum builds over time. Two keys for us is to build that momentum, and keeping the focus on those opportunities that will be successful. With the universal need for clean drinking water and waste water treatment, we are approached by multiple opportunities each week, and we have to carefully screen and focus on the most realistic.

As discussed previously, we are keeping the updates brief and without revenue projections or values while we work through becoming current on our filings.

Projects and Contracts

CAMWATER Red Bird Contract and FS/EA Work: Key Points

- We had a series of successful meetings with the Cameroon MINEPAT delegation on August 5, 2016 in Washington DC. Our objective in this meeting was to resolve any remaining questions on the finance of the contract and move forward. We did meet that objective and in the words of the Minister, "it is time to get to work on this contract". Our next steps include:
 - In the first weeks of September we will be meeting with CAMWATER, MINEPAT, and MINEE to accept the FS/EA work on the sites we have visited and complete the work on seven new sites.
 - In the same period we will be meeting with the CAMWATER and the Ministries along with the Commercial Bank for the main supply contract kick-off.

Bayelsa Nigeria

As previously reported, the Bayelsa Nigeria contract, which was stopped due to economic concerns in Nigeria is starting to move forward again. While Cardinal Resources Inc. has been paid for the work completed, we have been working with the Ministry of Water to come up with a mechanism to match the current funds the Government of Bayelsa has reserved with renewed production of systems and other goods under the contract. As we have previously reported, this is under a signed contract and does not rely on Export Credit Agency (ECA) which enables us to work together with the customer to develop a viable approach to the restart. The current revision is based on finishing the work first at the sites, where foundations and raw water tanks are in place. These mini-utility sites which are based around the CRB-40 would become operational, generating clean water for the community and revenue

for the water authority to help fund moving forward on the next group of sites. Cardinal Resources would receive an initial lump sum followed by monthly payments.

We anticipate having resolution on this contract modification before the end of August and will likely combine a trip to Bayelsa with the Cameroon trip.

Lagos State Proposal

We have begun the process of moving an existing CRB-10 system that is in Nigeria to Lagos State as a paid demonstration of the capabilities of our technology. The core proposal, which is still under consideration, is to provide the state with CRB-40s in their existing micro-utility network. Depending on progress in the review, we are working to combine this trip with other work in the region in September. As with Bayelsa the schedule will be resolved by the end of August for the paid demonstration while the review of the full proposal may extend.

East Africa

Cardinal Resources is establishing a new distributorship for our systems and services for a number of countries in East Africa. Concurrent with the establishment of the distributorship is a cash order for two CRB-10's in Kenya.

Other Opportunities and Projects

- South Africa: No change in status as we await results of testing. Our customer anticipates having those yet in August.
- We have new cash proposals pending in Chad, Niger, and the CAR. Proposals that would require ECA funding are under review in Chad. While we view these as high probability proposals, we are not projecting a timeline for decisions on the proposals.

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 Company¹s expectations.

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