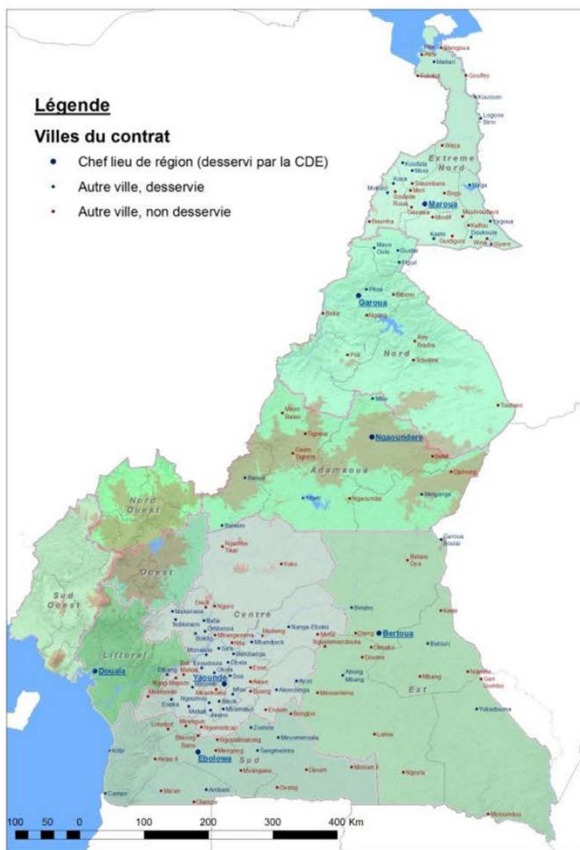


Update: November 10, 2016

Cameroon

The following is the second of three updates we are issuing. This update focuses on the status of the current signed contract, on-going work, an amendment to the contract, and new work in Cameroon. As



we work through the dossier and amendment, our excitement is on the next phase of building and deployment of systems in the communities selected by CAMWATER. This deployment is viewed by MINEE and CAMWATER as a pilot for future water supply in communities throughout the country. In many cases our systems supplement other work, for example in the Yaoundé area, while in others Red Bird Systems will be the primary water supply. It has taken longer than we anticipated, but now we are approaching the deployment phase.

Projects and Contracts

CAMWATER Key Points:

- As previously reported, we are preparing a report/dossier outlining the technical feasibility, economic impacts and environmental impacts of the contract. Work on this report is revenue generating.

- Drafts of the various sections of the report are being exchanged with the CAMWATER technical team and we are finalizing the final details.

- Cardinal Resources' team in Cameroon visited one new site (NKAMBE) last week where the Red Bird Systems will be used to replace a portion of the existing water distribution network. The existing system at this site is not operational. The details of this site are being added to the dossier.



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- The contract amendment which covers additional large groundwater pumps for the existing water supply infrastructure, chemical feed pumps, gauging stations in communities utilizing surface water and water kiosks as part of distribution has been prepared. The total of the amendment is now approximately \$11.0 million with the addition of iron treatment for the Red Birds Systems and other solar pumping systems.
- Work is continuing in the US and Cameroon. The US team will return to Cameroon before the end of the year as soon as schedules allow for the signing of the amendment and formal dossier approval. With a team in Cameroon for other work in December, we will likely coordinate the travel with that project.
- In addition to the technical information, the dossier also includes the final finance terms and selection of the mandated bank for the transaction. With the approval of the dossier, the work moves back to the US Export Import Bank for final action. As previously reported EXIM has reviewed the project extensively including a site visit.



Other CAMWATER Opportunity:

Outside of the main contract, Cardinal Resources is providing consulting services related to naturally occurring elevated metals in five recently installed 1,000 gallon per minute wells that are part of the Doula system. The cost estimate for the treatment systems (not Red Bird Systems) to be installed at the well locations has been prepared and is under review.

Cameroon Pesticide Evaluation – Site Assessment:

The previously reported project involving the assessment of pesticide impacted sites is moving to the detailed site assessment phase for selected sites. Cardinal Resources' and our partner's team will be conducting the detailed site assessment beginning in mid-December. This work includes the

development of work plans, sampling, analysis of samples and reporting. The results of the site assessment will be used to determine if further clean-up is needed.

Summary:

The work on the projects and contracts in Cameroon continue to move forward and momentum is building toward the more expansive phases of work in all cases. As these projects move into these new phases, the Company will be returning to a growth phase with hiring anticipated in response to the growing revenue generating work load.

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.

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