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Cardinal Resources Receives Initial \$1.1 Million Tranche; Equity Investment at \$0.10 per Share from Asian Partner HSVW

PITTSBURGH, PA -- (Marketwired) -- 05/10/16 -- Cardinal Resources Inc. (OTC PINK: CDNL), a global producer of patented, solar powered, community-scale drinking water systems, today announced it has received an initial tranche of \$1,116,000 in exchange for 11.16 million shares of the Company's unregistered common shares (\$0.10/share), pursuant to its previously announced Letter of Intent with Hangzhou Sky Valley Water Technology Co., Ltd. ("HSVW").

Initial \$1.1 Million Tranche Funds Numerous Growth Initiatives

After completing an extensive review process with the State Agency for Foreign Exchange (SAFE), HSVW was authorized to release \$1.1 million as a first tranche toward the \$7.5 million LOI commitment. Proceeds from this initial investment will be used for general working capital and to begin or accelerate numerous important corporate development and growth initiatives including:

- Strengthen the Company's balance sheet by retiring old and more expensive debt obligations
- Reinforce the management team, starting with the appointment of an experienced Chief Financial Officer
- Increase sales and marketing activities
- Advance the legal and operational structure of JV with HSVW
- Complete its 2015 audit and resume current status in all its SEC reporting
- Boost investor relations to raise the Company's public profile and proactively keep shareholders and prospective investors informed on the Company's progress
- Initiate a corporate stock buyback program for up to \$500,000, to be funded pro rata as subsequent investment tranches from HSVW are received

Strong Progress with HSVW on Global Initiatives, \$675,000 in Recent Sales

In recent weeks, the Company and HSVW have advanced several important initiatives in furtherance of the Joint Venture underway including:

- Sales of three of the Company's Red Bird systems to HSVW, including one mobile unit, one CRB 20 and a CRB 40 unit. Total revenue from these sales is approximately \$675,000, of which \$76,000 was recorded across Q4-15 and Q1-16. The balance of about \$600,000 is expected to be recorded upon the units' delivery in the current quarter and in Q3-16.

- A highly productive trip for Cardinal and HSVW management in China's Xinjiang Province last month that included:
 - Meetings with key officials at The Bank of China and the China Export Import Bank to advance plans for financing the Company's \$30 million CAMWATER contracts in Cameroon.
 - Meetings with senior management at Nanjing, China-based Panda Manufacturing, HSVW's designated contract manufacturer.
 - Combined tech-team work sessions advanced the agenda to certify Red Bird components and assembly, protect intellectual property and prepare Panda for large-scale manufacturing. Panda's successful manufacturing of a Red Bird unit is a performance milestone with final certification anticipated this summer.
 - Meetings in Xinjiang Province with Chinese Government and commercial officials on potentially large (over 85-unit), multi-year orders for Red Bird units.

Major Turning Point for Company, Key Inflection Point for Cardinal's Global Expansion

"We are thrilled to be able to announce this major milestone in the Company's development. The solid and growing relationship with our partners at HSVW represents a major turning point in our efforts toward global commercialization of our technology and our brand," said Cardinal Resources CEO, Kevin Jones.

"Receiving this first infusion of capital investment is an exciting culmination of a full year's work on behalf of both management teams and a concrete step to transforming Cardinal from a niche provider of best-in-class water treatment technology, to a recognized global player with world-class technology, production, financing, management and global sales and marketing," Mr. Jones added.

Commenting on the \$1.1 million investment and recent progress on the Companies' joint venture, Jieshan Li, HSVW Chief Executive Officer, said, "Experts report nearly one billion men, women and children worldwide remain without adequate access to fresh, clean drinking water. By combining HSVW's resources with Cardinal Resources' superior and highly cost effective Red Bird technology, we have all the elements required to solve an important humanitarian crisis. Today's announcement is an important step toward completing our joint venture, and building a global brand with strong sales growth and earnings for years to come," Mr. Li concluded.

About Hangzhou Sky Valley Water Technology Co., Ltd.

HSVW is a Hangzhou, China-based consortium formed to market, commercialize and manufacture Cardinal Resources' water treatment technologies in Asia, Africa and other international markets. The consortium's principal companies have extensive investments in a variety of industrial, high tech, engineering, logistics, energy, and municipal infrastructure sectors.

About Cardinal Resources

Cardinal Resources brings a unique blend of experience, technology, and focus to projects worldwide and across the United States from its office in the Pittsburgh,

Pennsylvania area. Its commitment to "*Clean Water, Clean Environment, Worldwide*" includes the patented Red Bird System, a solar-powered community-sized drinking water system, and the Grey Bird Approach to wastewater treatment and green infrastructure as well as a wide range of traditional environmental and engineering services. For more info, visit: www.cardinalres.com.

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 our ability to obtain financing to continue our operations; reliance on third parties for parts and equipment to produce our products; unexpected design and engineering problems related to our products; business and political conditions in the geographic areas in which we sell our products;; outcomes of government reviews; continued compliance with government regulations; legislative or regulatory environments; requirements or changes adversely affecting the businesses in which we are engaged and jurisdictions in which we market and sell our products.

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. Information on the company's website does not constitute a part of this release.

Company Contact:
Kevin Jones
412-374-0989

Source: Cardinal Resources Inc.