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Quick Update: Two Projects

CAMWATER and Arizona

July 6, 2016

It's a short week following the Independence Day Holiday and with everything going on, I'm going to start with a short update on exciting news on two key projects. At the same time as these projects are moving ahead into new phases of implementation, we are keeping focused on the need to catch up with our filings. As we catch up with the filings, look for more news on these projects and others.

As always, thank you for your interest in Cardinal Resources. These steps, both large and small, are positive steps towards overcoming the challenges we have and will continue to face.

CAMWATER

'Under the Project of Drinking Water Supply in 13 secondary cities, a Commercial Agreement was signed October 7, 2013 with American Cardinal Resources Company for an amount of approximately \$ 28,086,908.

To this end, and taking into account delays experienced by the implementation of this important project, it was mutually agreed that those responsible for this structure go as Cameroon during the period from 9 to 24 July 2016 in order to conduct studies feasibility of the project." Alphonse Roger ONDOA AKOA Director General (translated)

As we have previously reported, the Republic of Cameroon requested that Cardinal Resources Inc. provide Feasibility Studies for the 13 secondary cities that will be receiving mini water utilities which include our Red Bird System, tanks and piping. These studies, which are not funded through an Export Credit Agency, and not included in the value of the main contract, were recommended after meetings between the International Monetary Fund and Cameroon officials to help focus their infrastructure spending and debt. As noted by the Director General Cardinal Resources has been directed to quickly move ahead and finish this work before the end of July.

This critical confirmation of the importance of the project, at a time of drinking water shortages in Cameroon, along with the compressed time frame in completing the work, and the commitment of resources by CAMWATER is a key first step in the larger project. The Environmental Assessments completed by Cardinal Resources as part of the application to the US Export Import Bank have been accepted by both the Bank and the government.

While completing the Feasibility Studies we will also be meeting with the key officials, to finalize the schedule and first sites, for the main contract. This step will result in systems being delivered under the

contract beginning in the 3rd Quarter of 2016 and projected to be completed over the following 15 months.

Arizona

Also in July, we are going to Arizona to finalize the location and logistics of installing our first US based CRB-40. This system will be used to pump and treat water from an underground mine for use in the reclamation and reuse of mine tailings from the 1800's. While not the largest project, it is a cash project and also provides a proving ground for the use of our system outside of developing/emerging economies. In addition, once up and running, it will be a location where interested parties can go to see the system in operation. In regards to timing, much of the long-lead time items, such as the specialty tanks, are already in inventory which will reduce the build time.

Another benefit of starting the build in July, is that it will help reduce the costs of the CAMWATER and other systems as the supply chain can take better advantage of bulk ordering and the assembly time should gain in efficiency. Our goal has been to move from a strict build-to-order model to a true assembly line. Having multiple contracts requiring systems at the same time will help us meet that goal.

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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