



Clean Water.
Clean Environment.
Worldwide.

FOR IMMEDIATE RELEASE

Cardinal Resources Issues Special Letter to Shareholders

PITTSBURGH, PA - February 9, 2015 -- Cardinal Resources Inc. (OTCQB: CDNL), a global producer of patented, solar powered, community-scale drinking water systems, today issued the following Special Letter to Shareholders from its Chief Executive Officer, Kevin Jones.

Dear Shareholder:

Cardinal's transition to a publicly traded company a little over a year ago was a major milestone for our company. We had kept a relatively low profile in 2014 as we focused on completing the transition from our legacy worldwide environmental remediation business to our water treatment business, producing the industry-leading "Red Bird" family of patented, solar-powered, community-scale mobile and fixed-location drinking water systems.

I am looking forward to providing shareholders and the investment community with news and updates as the Company achieves important financial and operational milestones in the coming months. We are proud of the hard work our team has done in creating our Company's revolutionary line of products and technology, and are excited at the opportunity we see to build a global presence for our brand as we address an enormous worldwide need.

Our Red Bird System is capable of producing thousands of gallons of clean drinking water daily from any fresh water source within hours of its arrival at an ultra-low cost-per-gallon of a fraction of a cent. Developed and refined over the past nine years, with several million dollars invested in its R&D, Red Bird is a patented, high-tech, rapid-deployment green energy solution designed to function in the harsh, low-tech environment ubiquitous throughout developing nations globally.

\$40 Million Contract Backlog, Accelerating Demand and Adoption

We made strong progress in 2014 and, with advanced discussions underway with numerous prospective customers and distributors across three continents, I am confident Cardinal will open new markets spanning Africa, Asia and Latin America in 2015.

As is common with new industrial technologies, the rate of adoption has been slow. However, we have persevered and have now installed Red Bird Systems in China, US, Senegal, Nigeria and Ghana.

In Q3-14, we sold a Red Bird unit to a Panamanian distributor which will ship in the current quarter as part of a ten-unit minimum purchase commitment to be fulfilled by September 2015. The first unit will be used to demonstrate the Red Bird System throughout Central America and Columbia.

In West Africa, we have won major contracts competing against some of our industry's global giants. After recording approximately \$4 million in West African revenue so far, we have a remaining contract backlog totaling \$39.6 million in Bayelsa State, Nigeria, Cameroon, and Senegal; all are backed by Sovereign Guarantees. We anticipate booking a significant portion of that backlog in 2015. With gross margins near 50 percent, scaling to an estimated 70 percent at higher sales volumes, Cardinal Resources is well positioned to perform in 2015.

The global water problems we are addressing are nothing short of catastrophic. Management shares a deeply held passion to transform the planet through access to affordable, clean drinking water.

The Problem: 880 Million People without Clean Drinking Water

Over 880 million people live without access to clean drinking water. A shocking 84 percent of people worldwide live without access to clean water in rural areas¹. Nearly 42,000 people, including more than 31,000 children, die each week because of poor water quality and sanitation. Globally, business, economies and societies are impacted dramatically by the availability, cost and quality of water.

The UN statistics are devastating:

- Over half of the world's hospital beds are occupied due to waterborne illnesses.
- More people die per year (22 million) as a result of polluted water than all forms of violence including war.
- 1.6 million children under the age of five die each year due to lack of clean water².

In China, an estimated 300 million people are without adequate drinking water. In Brazil, a strong emerging economy, 40 percent of the population lacks clean water while in India, 70 percent of its citizens live in rural areas with limited or no treated water.

The Patented Red Bird Solution: Sun, and Salt

The Red Bird System is uniquely able to deliver and sustain large volumes of water at a low cost per liter. Depending on the model, a single Red Bird System will produce between 10 to 44 gallons per minute (gpm) of clean drinking water from any fresh water source using our patented, natural media Red Bird Filters.

The Red Bird System is totally integrated and within hours of delivery will begin pumping from any fresh water source, with filtration to remove particles, and residual disinfection to meet U.S. and international standards. It uses three key ingredients: sun for power - with energy-storage batteries for sustainable 24/7 operation, our proprietary mix of media for filtration, and salt which is used to generate chlorine for disinfection. It can also run off generator or grid power, and will pump water to a storage tank up to 30 feet high.

To meet our customers' needs, we have six different Red Bird Systems. Our website provides details, specs, photos and video of the Red Bird product line, and I invite you to peruse it to see for yourself why we expect the Red Bird will revolutionize the global market for clean drinking water: www.cardinalres.com. 2015 will be a busy year at Cardinal, so please consider signing up for Company news updates on the Investor tab.

Urgent Demand and \$11.6 Trillion Projected Addressable Market

With millions of people dying annually, not of thirst, but for lack of access to clean drinking water, leading consulting firm McKinsey & Company estimates that \$11.6 trillion is needed for water infrastructure worldwide by 2030.

In the public sector, significant funding is available for water with international development agencies committing over \$250 billion across more than 1,000 active water projects that meet the Red Bird System criteria³. The largest initial markets for our Red Bird Systems are community water within developing countries, entrepreneurs selling water to communities through bottled water or delivery, capacity building/disaster or conflict recovery.

Red Bird Competitive Advantages and Barriers to Entry

Who is our main competitor?

'The status quo.'

The water industry, like most others, has an intrinsic inertia and slow rate of adopting new technologies. However, the compelling cost/benefit of our patented Red Bird System provides powerful competitive advantages including its ultra-low cost per liter, self-sustaining off-grid operation, self-contained mobility, fast deployment and its high ROI and fast two to five-year payback. We train indigenous workers to operate a Red Bird in two weeks, making it self-sustaining and a jobs creator.

Our Systems range in price from \$126,000 to \$268,000, but the key water-market metric is the all-in cost per liter (CPL) over the unit life which, for Red Bird, averages just \$0.0004, or seven gallons for one penny – the industry's lowest CPL for deployable rapid-start systems. This cost is actually on par with US municipal water infrastructure projects that can take millions of dollars and years to build.

Our assumed competitors (similar flow rates and size) use either cartridge-based or membrane filtration, and either ozone or UV oxidation for the final disinfection. They have a lower capital cost but far higher maintenance costs that, over time, drives their actual CPL much higher than Red Bird. Worse, such systems need a constant supply of expensive filters that can create supply chain issues in rural or hard currency-strapped communities.

The Red Bird occupies the large space between the inferior, low entry-price systems with high maintenance costs, and expensive municipal infrastructure water systems. We intend to dominate this space. Our intellectual property (IP) portfolio is growing and, along with trade secret manufacturing processes, creates a formidable barrier to entry.

Poised for Success: Cardinal Resources' 2015 Goals

With a complete line of six Red Bird Systems in the market, Cardinal's 2015 goals include:

- **Harvest our \$39.6 Million Contract Backlog.** Further implementing our West African contracts depends on our customers securing transnational financing guarantees through organizations such as the U.S. Export Import Bank. We are working diligently through the host governments and bankers to expedite this process.
- **Innovative, Win-Win Financing Structures.** All clean drinking water, worldwide, is paid for one way or another. In developing nations, interest in Red Bird Systems is high but hard currency is in short supply. With a payback as short as one to two years in many cases, we are actively developing JV, coop, leasing and other structures to enable communities and entrepreneurs to purchase our Systems directly.
- **Increase R&D in Adjacent Markets.** As cash flow and distribution channels grow, we intend to expand our technology platform through R&D to commercialize new wastewater, gray and brackish-water treatment systems we currently have under development.
- **Reinforce Management Team.** We have a senior management team of industry executives and plan to add key positions to management and our Board of Directors in 2015. Our recent appointment of Don Danks to the Board is a great example of the accomplished, highly regarded business executives we can attract.
- **Build IP Portfolio.** We plan to develop new or upgraded water treatment systems, and will file for patents when prudent to protect IP and build shareholder value.
- **Open Asian Market.** We are in advanced discussions in India to establish a strategic alliance there which will secure Cardinal a solid foot-hold on the Asian continent.
- **Drive Enterprise Sales.** A number of industries, such as mining, operate in remote areas and need clean drinking water for themselves as well as funding systems for surrounding rural communities as part of their corporate social responsibility projects.
- **Penetrate Latin America.** We sold a Red Bird System to a Panamanian distributor in Q3-14 as a demo unit for the region. We are also focusing on Mexico with its large rural population and well financed, sophisticated economic and government infrastructure.
- **Communicate Proactively.** We are implementing 'best practices' financial communications initiatives to keep our shareholders informed, communicate proactively with Wall Street and the media on our progress, and build an orderly market for our common stock.
- **Up-list to a Senior Exchange.** We are fully committed to up-listing our common stock to a national exchange as soon as possible, and will lay the ground work for that important step in 2015.

Cardinal Resources: Poised for Success

Cardinal Resources today has the ingredients required for success. In addition to our state-of-the-art Red Bird System, they include:

- Massive global demand to solve a water crisis impacting 880 million people
- \$11.6 trillion projected aggregate TAM over the next 15 years (McKinsey)
- Marketing initiatives in Asia and Latin America gaining traction
- Low CPL, high ROI, attracts government, community and small business demand
- Red Bird tech platform holds promise for new systems in adjacent water markets
- Veteran industry management team
- R&D and a growing IP portfolio
- JV and coop financing structure enables communities and entrepreneurs to buy direct
- Major revenue ramp up in 2015 expected

I thank our shareholders for their support and patience. It is a privilege to lead your company into what I strongly believe to be an exciting and rewarding future.

Sincerely yours,

Kevin Jones
Chief Executive Officer

¹(<http://crs.org/water-sanitation>)

²The UN reports *"The Millennium Development Goals Report,"* 2009; United Nations Department of Economic and Social Affairs, July 2009

³Development Finance International, 2009)

Forward-Looking Statements

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:

Certain statements in this Letter 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."