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Cardero Announces Positive Preliminary Economic Assessment for Zonia Copper-Oxide Deposit, Arizona, USA

Unless explicitly stated, all units presented in this report are in the Imperial System and in United States (US) dollars.

Vancouver, British Columbia...Cardero Resource Corp. (“Cardero” or the “Company”) (TSX: CDU, Frankfurt: CR5) is pleased to announce results of a new Preliminary Economic Assessment (“PEA”) on the Zonia copper-oxide deposit in Arizona, USA. Cardero has an Option Agreement with Redstone Resources Corporation (“Redstone”) under which Cardero has been granted an exclusive option to acquire a 100% interest in the Zonia Copper Project (the project).

The PEA is based on the amended resource estimate by Tetra Tech Inc. (see news release NR-17-08 dated November, 2017) and outlines an open-pit, copper-oxide heap leach project with a 9-year mine life and favourable economics.

“We are pleased to announce the results of this PEA as part of our ongoing development of the Zonia Copper Project. The results show us that the economics of the project are excellent and that gives us the assurance to advance the project through feasibility. We believe the upward trend in the price of copper, along with additional exploration of the new porphyry target to the north of the existing drill defined copper oxide deposit, will also add more value to the project”, stated Stuart Ross, President and CEO of Cardero.

PEA Highlights:

The base case uses a \$2.00/lb designed pit shell with a grade cutoff of 0.17% total copper. At a copper price of \$3.00/lb the economics are:

- After-tax NPV8% and IRR of \$ 192 million and 29 %, respectively, with a 2.89 year payback of initial capital
- Initial capital of \$198 million
- Cumulative Net Cash Flow After Taxes of \$331 million

The PEA was prepared by Global Resource Engineering Ltd. (“GRE”) of Denver, Colorado, in accordance with the Canadian Securities Administrators (CSA) NI 43-101. GRE reported on the scoping-level capital and operating costs, and project economics associated with the potential development of the Zonia copper oxide project.

The PEA is preliminary in nature and includes inferred mineral resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that PEA results will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

PEA Parameters:

The following table summarizes the main aspects of the study:

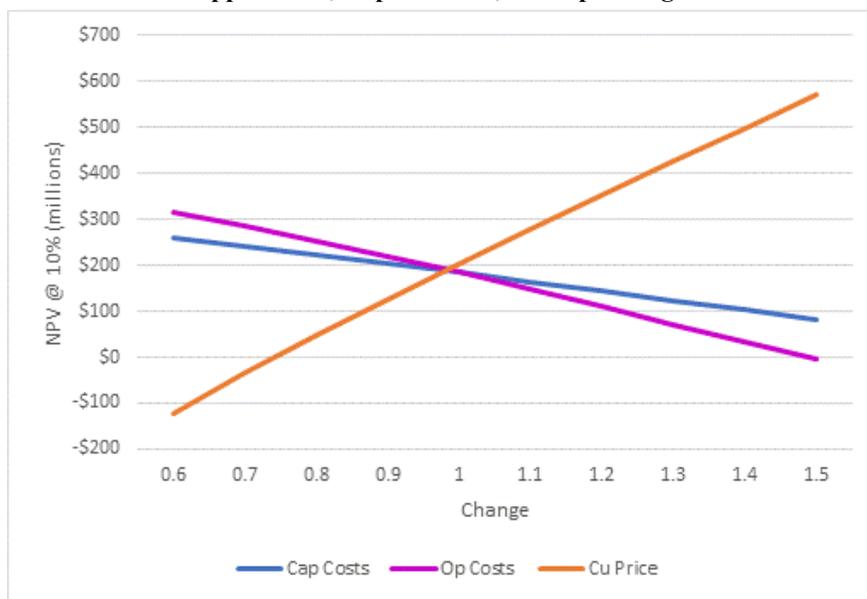
Production Profile	
Total Tons Leached	92.6 million
Head Grade	0.30%
Mine Life	8.6 years
Payback Period	2.89 years
Mill throughput	30,000 tpd
Copper Recovery (oxide)	73%
Copper Recovery (transition)	70%
Total Copper Recovered	421.5 million lbs
Average Annual Production	49.1 million lbs
Operating Costs	
Mining Costs	\$0.64/lb of copper
Processing Costs	\$0.74/lb of copper
G&A	\$0.80/lb of copper
Capital Requirements	
Initial Capital	\$198million
Sustaining Capital	\$40.8 million

PEA Sensitivities:

GRE evaluated the after-tax NPV@10% sensitivity to changes in copper price, capital costs, and operating costs. The base case project scenario produces 92.6 million tons of leachable material over an 8.6-year mine life. The project is most sensitive to copper price, then operating costs, then capital costs.

The results are shown in Figure 1-1.

Figure 1-1: NPV@10% Sensitivity to Changes in Copper Price, Capital Costs, and Operating Costs



Mineral Resources

For the 2017 Mineral Resource Estimate, Tetra Tech (“Tt”) completed an independent mineral resource and reserve estimate of the contained copper in the Zonia deposit. Table 1-1 shows the Tt estimated Zonia classified mineral resources at a base case cutoff of 0.2 % total copper (“TCu”). Mineral resources were reported within a Whittle® shell generated using the Lerchs-Grossman algorithm using \$2.50/lb copper. Mineral resources within an optimized shell are not mineral reserves and do not have demonstrated economic viability.

Table 1-1: Tetra Tech 2017 Zonia Classified Mineral Resources Base Case

CLASSIFICATION	CUTOFF GRADE CU%	TONS M	GRADE CU%	CU LBS M
Measured	0.2	15.4	0.42	129.3
Indicated	0.2	61.4	0.31	380.6
Measured + Indicated	0.2	76.8	0.33	510.0
Inferred	0.2	27.2	0.28	154.6

Notes:

- (1) Resources are stated within a Lerchs-Grossman optimized shell using the following parameters: Mining (ore and waste) \$1.5/ton, processing \$3.4/ton, General and Administrative \$0.45/ton, oxide recovery 73%, transition recovery 70%, and Cu price \$2.50/lb
- (2) Columns may not total due to rounding, and
- (3) One Ton is equal to 2,000 lbs or 0.9071847 Tonnes.
- (4) Inferred Mineral Resources: It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

As part of this PEA, GRE used the 2017 Tetra Tech block model to generate new pit shells at metal prices from \$0.50/lb to \$5.00/lb Cu, in \$0.25/lb increments. Preliminary analysis indicated that the \$2.00/lb pit had the greatest potential for economic success. The pit shell for the \$2.00/lb pit was imported into

Geovia GEMS™ to design the ultimate pit layout using 45 degrees batter angle, 20-foot bench height, 12.7-foot bench width, 10% ramp grade, and ramp width of 100 feet for all but the lowest four benches, which were given a single-wide 50-foot ramp width.

Table 1-2 shows the estimated classified mineral resources within the \$2.00/lb pit at various copper cutoffs.

**Table 1-2: GRE 2018 Pit-Constrained
Mineral Resources at Various Copper Cutoffs**

Classification	Tons (millions)	Cu Grade (%)	Cu Pounds (millions)
0.12% Cutoff			
Measured	15.5	0.415	125.4
Indicated	65.1	0.297	378.3
Measured + Indicated	80.5	0.319	503.7
Inferred	26.4	0.265	153.3
0.16% Cutoff			
Measured	15.0	0.418	124.7
Indicated	58.2	0.309	362.0
Measured + Indicated	73.2	0.331	486.7
Inferred	22.2	0.279	143.1
0.20% Cutoff			
Measured	14.3	0.419	124.5
Indicated	48.3	0.310	361.1
Measured + Indicated	62.5	0.332	485.6
Inferred	17.0	0.284	138.6
0.22% Cutoff			
Measured	13.7	0.430	121.3
Indicated	42.0	0.329	321.4
Measured + Indicated	55.7	0.351	442.6
Inferred	14.4	0.304	117.0

Notes:

- (1) Resources are stated within a floating cone optimized shell using the following parameters: Mining (ore and waste) \$1.8/ton, processing \$2.89/ton plus \$0.12/lb copper SX/EW, General and Administrative \$0.80/ton, oxide recovery 73%, transition recovery 70%, and Cu price \$2.00/lb
- (2) Columns may not total due to rounding
- (3) Inferred Mineral Resources: It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves. Inferred resources are that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

Metallurgy

Good copper extractions were achieved from the majority of the metallurgical samples at Zonia, and range from 59% to 81% in a 91-day locked cycle column leach test (excluding the high sulfide and low grade samples). The copper extraction from the master composite sample, with a nominal P80 size of 25 millimetres (mm), was 77.8%. The overall copper extraction based on the total copper assay (%TCu) for the deposit is estimated to be between 71% and 75%. For pit optimization, copper recovery has been assigned based on mineral type: copper oxide minerals at 73%, secondary copper sulfides at 70% and primary copper sulfides at 0%.

Recovery Methods

The Zonia project would employ open pit mining with a conventional copper acid heap leach system. The mineralized material would be crushed in a three-stage crushing circuit to a nominal P80 size of 25mm. The crushed material would be agglomerated with acid containing solutions using either raffinate or fresh sulfuric acid, and then be delivered to the heap via overland conveyor and grasshopper conveyors and stacked in 10-metre (m) lifts with a radial stacker operating in retreat mode. The heap is designed to contain up to 10 lifts for a maximum height of 100 m, each with an interlift liner.

The SX circuit consists of two extraction stages and one stripping stage using a conventional mixer/settler arrangement. The electrowinning (EW) circuit consists of two parallel banks of 50 polycement cells with 1m² cathodes. The plated copper cathodes are stripped using a mechanized stripping system after being washed. Copper cathodes are then sampled and bundled for shipment.

Geology and Mineralization

The Zonia deposit is hosted by steeply dipping, northeast-trending, Precambrian metamorphic rocks of the Yavapai Series, comprising schistose subvolcanic intrusions, volcanic flows and tuffs, and fine-grained sedimentary rocks, enclosed in Precambrian granitic plutons. Portions of the area are covered by post-mineralization Quaternary basalt, fanglomerate, and alluvial material. Mineralized units consist mainly of highly variably foliated quartz- monzonite, felsic schist, and diorite, with highly schistose phyllite and chlorite schist along the southeast margin.

The Zonia copper oxide deposit, as defined in this study, is the highly oxidized portion of a previously supergene-enriched metamorphosed porphyry deposit. Oxidation of the original chalcopyrite mineralization and younger secondary supergene chalcocite has been pervasive and deep, extending down over 250 metres (874 feet) in the central pit at the historical Cuprite mine shaft. Chrysocolla, malachite, azurite, tenorite, and cuprite are the most common copper minerals.

Next Steps

Cardero recently completed rock geochemical sampling on a 150-metre spaced grid over most of the claim block, which generated a new porphyry copper target three kilometres to the northeast of the drill-defined Zonia copper oxide deposit. The coincident copper, molybdenum and manganese anomaly measures 2500 by 1000 metres and shares characteristics of Zonia's geochemical footprint.

Cardero has just completed a 28 line-kilometre IP survey over the Zonia and neighbouring Silver Queen properties (see NR16-06), utilizing 200 metre spaced dipoles. Results are pending.

Qualified Persons

The independent Qualified Persons, as defined by NI 43-101, for the technical PEA details that form the basis for this news release are Terre Lane and Dr. Todd Harvey of GRE, who have reviewed and verified that the technical information contained herein is accurate and approves of the written disclosure.

John Drobe P.Geol., Cardero's Chief Geologist and a qualified person as defined by National Instrument 43-101, has reviewed the other scientific information within this release, and has approved the disclosure herein. Mr. Drobe is not independent of the Company as he is an officer, a shareholder and hold incentive stock options

ABOUT CARDERO RESOURCE CORP.

Cardero Resource Corp., headquartered in Vancouver, is a resource company focussed on building a minerals exploration and development company. Cardero has the exclusive option to acquire up to a 100% interest in the Zonia Copper Oxide Project. Zonia is located on the north end of the Weaver Mountains in the Walnut Grove Mining District, Yavapai County, Arizona. Zonia is a near-surface copper-oxide resource and a brownfields site having already been mined in the late 1960s and '70s. The Zonia Property consists of 261 patented (96) and unpatented (185) mineral claims and 566.85 acres of surface rights acquired from the State of Arizona; comprising 4,279.55 acres total.

In September 2016, Cardero completed staking a total of 57 claims, the Silver Queen block, covering 424.5 hectares (1,049 acres) adjacent to the southeast edge of Zonia.

The Company also has two option agreements covering five nickel-cobalt properties in south eastern British Columbia the, Kootenay Project totalling approximately 8,000 hectares. The Project is within the prospective Lardeau Group, which hosts numerous volcanogenic massive sulphide deposits, including the past-producing Goldstream mine located north of Revelstoke.

Detailed information is available at the Company's web site at www.cardero.com.

The common shares of the Company are currently listed on the TSX Venture Exchange (symbol CDU), the Frankfurt Stock Exchange (symbol CR5) and OTCBB (symbol CDYCF). For further details on the Company readers are referred to the Company's web site (www.cardero.com), Canadian regulatory filings on SEDAR at www.sedar.com

On Behalf of the Board of Directors of
CARDERO RESOURCE CORP.

"Stuart R. Ross" (signed)

Stuart R. Ross, CEO and President

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Cautionary Note Regarding Forward-Looking Statements

Forward Looking Information: This news release includes certain information that may be deemed "forward looking information". Forward-looking information can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. All information in this release, other than information of historical facts, including, without limitation, the potential of Zonia general future plans and objectives for the Zonia project, the completion of the Plan and receipt of shareholder and regulatory approval therefore, the likelihood of receipt of value from the Retained Right, the availability of financing to the Company and the Company's plan in relation to its listing review are forward-looking information that involve various risks and uncertainties. Although the Company believes that the expectations expressed in such forward-looking information are based on reasonable assumptions, such expectations are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking information. Forward-looking information is based on a number of material factors and assumptions. Factors that could cause actual results to differ materially from the forward-looking information include changes in project parameters as plans continue to be refined, future metal prices, availability of capital and financing on acceptable terms, general economic, market or business conditions, regulatory changes, delays in receiving approvals, and other risks detailed herein and from time to time in the filings made by the Company with securities regulatory authorities in Canada. Mineral exploration and development of mines is an inherently risky business. Accordingly, actual events may differ materially from those projected in the forward-looking information. For more information on the Company and the risks and challenges of our business, investors should review our continuous disclosure filings which are available at www.sedar.com. Readers are cautioned not to place undue reliance on forward-looking information. The Company does not undertake to update any forward looking information, except in accordance with applicable securities laws.

This press release is not, and is not to be construed in any way as, an offer to buy or sell securities in the United States.

Cautionary Note to US Investors Regarding References to Resources and Reserves

National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all resource estimates contained in or incorporated by reference in this press release have been prepared in accordance with NI 43-101 and the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resource and Mineral Reserves, adopted by the CIM Council on November 14, 2004 (the "CIM Standards") as they may be amended from time to time by the CIM.

United States shareholders are cautioned that the requirements and terminology of NI 43-101 and the CIM Standards differ significantly from the requirements and terminology of the SEC set forth in the SEC's Industry Guide 7 ("SEC Industry Guide 7"). Accordingly, the Company's disclosures regarding mineralization may not be comparable to similar information disclosed by companies subject to SEC Industry Guide 7. Without limiting the foregoing, while the terms "mineral resources", "inferred mineral resources", "indicated mineral resources" and "measured mineral resources" are recognized and required by NI 43-101 and the CIM Standards, they are not recognized by the SEC and are not permitted to be used in documents filed with the SEC by companies subject to SEC Industry Guide 7. Mineral resources which are not mineral reserves do not have demonstrated economic viability, and US investors are cautioned not to assume that all or any part of a mineral resource will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher resource category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of a feasibility study or prefeasibility study, except in rare cases. The SEC normally only permits issuers to report mineralization that does not constitute SEC Industry Guide 7 compliant "reserves" as in-place tonnage and grade without reference to unit amounts. The term "contained ounces" is not permitted under the rules of SEC Industry Guide 7. In addition, the NI 43-101 and CIM Standards definition of a "reserve" differs from the definition in SEC Industry Guide 7. In SEC Industry Guide 7, a mineral reserve is defined as a part of a mineral deposit which could be economically and legally extracted or produced at the time the mineral reserve determination is made, and a "final" or "bankable" feasibility study is required to report reserves, the three-year historical price is used in any reserve or cash flow analysis of designated reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.