



# CARDERO RESOURCE CORP.

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## Cardero Completes Acquisition of the Zonia Copper Deposit, Arizona, USA

Vancouver, British Columbia - Cardero Resource Corp. (“Cardero” or the “Company”) (TSXV: CDU, Frankfurt: CR5) reports that it has completed acquisition of an undivided 100% interest in the Zonia copper deposit (“Zonia” or the “Property”). Under the terms of the option agreement dated August 27, 2015 (the “Option Agreement”), as amended between the Company and Redstone Resources Corporation (“Redstone”), the Company was granted the right to acquire up to a 100% interest in the Property in consideration of, among other things, the aggregate cash payment of US\$2,425,000 and issuance of an aggregate of 16,500,000 common shares over a three-year period.

Pursuant to an amendment dated October 3, 2018 Redstone was granted an option to convert US\$500,000 of the remaining cash payments to common shares of the Company. Redstone exercised that option and a total of 6,179,099 common shares were issued in lieu of US\$500,000 cash (see Company’s news release dated October 26, 2018). As a result, the total consideration paid to Redstone has been adjusted to US\$1,925,000 cash and 22,679,099 common shares (Table 1).

The Company issued 5,000,000 common shares October 31, 2018, the delivery of which completes all share issuances associated with the acquisition.

*Table 1: Consideration paid to Redstone with respect to the Zonia acquisition.*

Date	US\$ Cash	CDU Shares
Signing	\$25,000 (paid)	
August 30, 2015	\$26,350 (paid)	
October 27, 2015	\$150,000 (paid)	1,000,000 (issued)
January 31, 2016	\$75,000 (paid)	1,500,000 (issued)
July 31, 2016	\$75,000 (paid)	
January 31, 2017	\$450,000 (paid)	2,500,000 (issued)
July 31, 2017		2,500,000 (issued)
January 8, 2018	\$500,000 (paid)	4,000,000 (issued)
August 17, 2018	\$50,000 (paid)	
October 26, 2018		6,179,099 (issued)
October 31, 2018	\$573,650*	5,000,000 (issued)
	<b>\$1,925,000</b>	<b>22,679,099</b>

\*The final cash payment of US\$573,650 is subject to a separate agreement (the “Installment Plan”) and is deemed to have been paid in full and on time as per the terms of the Option Agreement. Redstone will begin transfer of the Property to a wholly-owned subsidiary of Cardero, a process that is expected to be complete within 12 weeks. Under the terms of the Installment Plan, the Company will make five equal installments of US\$126,060 commencing on November 6, 2018 and ending March 31, 2018, for a total payment of US\$630,300.

*“Completing the acquisition of Zonia is a significant milestone for Cardero, which will allow us advance the Zonia project under Cardero’s 100% ownership. The Company has planned and permitted an 18 hole drill program that will test an anomaly northeast of the existing ore body. The drill program is described in our news release dated April 12, 2018”* says Stuart Ross CEO and President of Cardero.

### **Zonia Copper Oxide Deposit**

The Zonia Copper Oxide Project has been held under private ownership for almost 100 years and has undergone comprehensive exploration, metallurgical studies and mine development planning. The majority of the mineralized area was pre-stripped during previous open-pit mining operations at Zonia in 1966, as 17 million tons were mined with 7 million tons stacked on heap leach pads, producing cement copper up till 1975. The property has been drill tested with almost 700 drill holes (60,000 meters). This high-density drilling covers 30% of the property and defines the current resource estimate, reducing technical risk on the deposit.

The Zonia copper deposit has a north-easterly strike length of about 2,400 m (8,000 ft) and horizontal width varies from 60 m (200 ft) to 460m (1,500 ft). The deposit consists of multiple mineralized zones that dip at various angles to the northwest. The zones are generally in the order of 200 ft (60 m) wide and commonly occur in sub-parallel groups of three or more. Most of the deposit has been drilled to depths of 120 m (400 ft) or less. Deposit highlights include:

- Measured and Indicated Resources of 76.8 million short tons grading 0.33% copper containing 510 million pounds of copper (0.2% copper cut-off grade).
- Inferred Resources of 27.2 million short tons grading 0.28% copper containing 154.6 million pounds of copper (0.2% copper cut-off grade).
- Low strip ratio of 1:1 waste to mineralized material in base case.

A Preliminary Economic Assessment (PEA) was completed in March, 2018. The base case uses a \$2.00/lb designed pit shell with a grade cut-off of 0.17% total copper. At a copper price of \$3.00/lb the economics are:

- After-tax NPV of \$192 million @ 8% and an IRR of 29 %, post-tax, 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. Estimated resources at Zonia were reported in November, 2017 in the Company’s news release NR17-08.

Cardero also announced receipt of data for a 28 line-kilometre Induced Polarization and Resistivity geophysical survey (the “Survey”) over the Zonia and contiguous Silver Queen properties (“the Zonia project”), utilizing 200 metre spaced dipoles. Results of the Survey outline an area of overlapping chargeability and copper-molybdenum anomalies at the northeast end of the current drill-defined resource estimate that could extend resources significantly. This anomaly is described in detail in the Company’s news release dated April 12, 2018.

## **Qualified Persons**

The independent Qualified Persons, as defined by NI 43-101, for the technical PEA details are Terre Lane and Dr. Todd Harvey of GRE and Rex Bryan, SME-RM 411340 of Tetra Tech Inc. who have reviewed and verified that the technical information contained in the technical report is accurate and approves of the written disclosure.

## **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 completed an option to acquire up to a 100% interest in the Zonia Copper Oxide Project, located in Arizona. Zonia is a near-surface copper-oxide resource and a brownfields site having already been mined in the late 1960s and '70s.

The entire resource (NI 43-101 as amended and dated October, 2017), as currently defined, is located on private land and Cardero has now completed a Preliminary Economic Assessment which has been announced in a news release NR 18-04 dated March 6, 2018.

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](http://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](http://www.cardero.com)), Canadian regulatory filings on SEDAR at [www.sedar.com](http://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](http://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.*