



# CARDERO RESOURCE CORP.

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## Cardero Files Prefeasibility Study 43-101 Technical Report for the Carbon Creek Metallurgical Coal Deposit, Northeast British Columbia

**Base Case NPV<sub>8</sub> \$633 Million (Post-Tax, Post NPI), 23.7% IRR**

**Pre-production capital reduced to \$217M from \$301M**

**Percentage of hard coking coal increased to 60% from 35%**

**Average clean coal production rate increased to 4.1Mtpa from 2.9Mtpa**

**Measured & Indicated Resource Increased to 468M from 166M tonnes**

**Vancouver, British Columbia...Cardero Resource Corp.** (“Cardero” or the “Company”) (TSX: CDU, NYSE-MKT: CDY) announces it has received the final Prefeasibility Study (“PFS”) 43-101 technical report from Norwest Corporation (“Norwest”) relating to the Carbon Creek Metallurgical Coal deposit (“Carbon Creek”), located in northeast British Columbia, Canada. The report is dated November 6, 2012 and has an effective date of September 20, 2012. The report has been uploaded to SEDAR ([www.sedar.com](http://www.sedar.com)) and is available for download from the Company’s website ([www.cardero.com](http://www.cardero.com)).

Valuation highlights from the PFS are summarized below:

**Table 1: Carbon Creek Prefeasibility Valuation Results (Post-Tax, Post NPI).**

US\$, Post-Tax, Post NPI	Price*	IRR	NPV <sub>8</sub>	NPV <sub>10</sub>	NPV <sub>12</sub>
Best Case (5-year historical Metcoal pricing)	\$187/t	27.0%	\$819M	\$616M	\$462M
<b>Base Case (independent marketing consultant)</b>	<b>\$174/t</b>	<b>23.7%</b>	<b>\$633M</b>	<b>\$465M</b>	<b>\$338M</b>
Low case (analyst consensus on long-term price)	\$143/t	13.1%	\$191M	\$99M	\$30M

\*Price presented is average price based on relative proportions of coal products sold over mine life: 60% Hard Coking Coal, 34% HV metallurgical Coal, 6% Thermal (near-surface oxidized coal).

### Prefeasibility Study Highlights

- Increased Measured & Indicated Resource from 166Mt to 468Mt
- Established initial Proven and Probable Reserve of 121Mt (initial 20 year mine life)
- Increased average clean coal production rate from 2.9Mtpa to 4.1Mtpa (2016 to 2034)
- Total clean coal production currently estimated at 78.4Mt over mine life
- Percentage of hard coking coal increased from 35% to 60% of planned production
- Pre-production capital reduced to \$217M from \$301M
- Capital of \$475M (including pre-production capital) required to bring the project to full production
- Reduced operating cost from \$114 to \$110/tonne FOB
- First coal production planned for Q4 2014

- Projected positive cash-flow within three years of production
- Base case NPV<sub>8</sub> \$633M on a post-tax, post NPI basis, with 23.7% IRR
- Undiscounted cash flow of \$2,132M (LOM, Cardero share)

The Company cautions that the accuracy of resource and reserve estimates is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. Given the data available at the time the PFS 43-101 report was prepared, the estimates presented therein are considered reasonable. However, they should be accepted with the understanding that additional data and analysis available subsequent to the date of the estimates may necessitate revision. These revisions may be material. There is no guarantee that all or any part of the estimated resources will be recoverable. Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as proven or probable reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Inferred mineral resources have been excluded from the PFS for the purposes of mine planning and financial evaluation. Mineral reserves are included in measured and indicated mineral resources.

Investors are urged to read the PFS 43-101 report in its entirety for full details of the PFS, including the assumptions underlying the PFS. All dollar values throughout this news release are in US\$.

## **QUALIFIED PERSONS**

EurGeol Keith Henderson, PGeo, Cardero's Executive Vice President and a qualified person as defined by National Instrument 43-101, has reviewed the scientific and technical information that forms the basis of this news release, and has approved the disclosure herein. Mr. Henderson is not independent of the Company, as he is an officer and shareholder.

Larry Henchel, P.G., John Lewis, P.E., and Larry Messinger (all of Norwest Corporation, Salt Lake City, Utah, USA), each of whom is a "qualified person", as defined by National Instrument 43-101, are each responsible for portions of the Prefeasibility Study 43-101 technical report that forms the basis for this news release and have reviewed and approved the scientific and technical information contained in this news release.

John Lewis, P.Eng (Utah), Registered Member (SME), is the Manager of Underground Mining with Norwest Corporation. Mr. Lewis has 18 years' experience in the coal mining industry with expertise gathered from US mining operations in the areas of longwall mining, continuous mining, pillar retreat with MRS, mine ventilation, mine safety and health regulations, project management, short and long-term planning and mine budgeting.

Larry Messinger, Qualified Professional (MMSA), is a Senior Project Manager at Norwest Corporation and has over 35 years in the mining and energy industries with experience in project management, project evaluation and development, surface coal mine planning and operations, strategic planning, and market analysis. He has performed pre-feasibility studies for coal properties in Mongolia, South America and Mexico.

Lawrence D. Henchel, Registered Member (SME), is Vice President, Geologic Services of Norwest Corporation and has over 25 years' experience in surface and underground coal mining geology, specializing in exploration and evaluation of coal and mineral properties. He has held

positions in operating mines as well as participating in regional exploration projects. He is skilled in computerized modeling and reserve analysis of single and multi-seam coal deposits and has worked on projects in numerous countries, including the United States, Canada, India, South America, the Middle East, Mongolia and Southern Africa.

#### **ABOUT CARDERO RESOURCE CORP.**

The common shares of the Company are currently listed on the Toronto Stock Exchange (symbol CDU), the NYSE-MKT (symbol CDY) and the Frankfurt Stock Exchange (symbol CR5). 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) and United States regulatory filings on EDGAR at [www.sec.gov](http://www.sec.gov).

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

*“Michael Hunter” (signed)*  
Michael Hunter, CEO and President

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#### **Cautionary Note Regarding Forward-Looking Statements**

*This press release contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian and US securities legislation. All statements regarding the anticipated content, commencement and cost of exploration programs, anticipated exploration program results, the discovery and delineation of mineral deposits/resources/reserves, the potential for any production from the Carbon Creek deposit whether by 2014 or at all, the potential commencement of any development of a mine at the Carbon Creek deposit following a production decision, business and financing plans and business trends, are forward-looking statements. Information concerning mineral resource/reserve estimates and the economic analysis thereof contained in the prefeasibility study may also be deemed to be forward-looking statements in that it reflects a prediction of the mineralization that would be encountered, and the results of mining it, if a mineral deposit were developed and mined. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market for, and pricing of, any mineral products the Company may produce or plan to produce, significant increases in any of the machinery, equipment or supplies required to develop and operate a mine at Carbon Creek, a significant change in the availability or cost of the labor force required to operate a mine at Carbon Creek, significant increases in the cost of transportation for the Company's products, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, the Company's inability to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks and uncertainties disclosed in the Company's 2012 Annual Information Form filed with certain securities commissions in Canada and the Company's annual report on Form 40-F filed with the United States Securities and Exchange Commission (the “SEC”), and other information released by the Company and filed with the appropriate regulatory agencies. All of the Company's Canadian public disclosure filings may be accessed via [www.sedar.com](http://www.sedar.com) and its United States public disclosure filings may be accessed via [www.sec.gov](http://www.sec.gov), and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.*

***Cautionary Note 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, and in the Geological Survey of Canada Paper 88-21 entitled “A Standardized Coal Resource/Reserve Reporting System for Canada” originally published in 1988.*

*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. 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.*

*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.*