



CARDERO RESOURCE CORP.

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NR21-08

September 20, 2021

Cardero and World Copper Execute Definitive Arrangement Agreement

Vancouver, British Columbia - Cardero Resource Corp. (“Cardero” or the “Company”) (TSXV: CDU, Frankfurt: CR5), is pleased to announce that, further to its press release dated April 20, 2021 and June 9, 2021 it has entered into a definitive arrangement agreement dated September 17, 2021 (the “**Arrangement Agreement**”) with World Copper Ltd. (“WCU”) and 1302172 B.C. Ltd. (“Subco”), a wholly owned subsidiary of WCU created for the purposes of completing the Proposed Transaction, in respect of the proposed merger of Cardero and WCU (the “**Proposed Transaction**”).

Under the terms of the Arrangement Agreement, the Proposed Transaction will be completed by way of a court approved plan of arrangement under the *Business Corporations Act* (British Columbia), whereby:

- (a) Cardero and Subco will amalgamate, with the amalgamated entity becoming a wholly owned subsidiary of WCU;
- (b) each outstanding share of Cardero shall be exchanged for such number of common shares of WCU (the “**Exchange Ratio**”) as will result, upon the completion of the Proposed Transaction, in former shareholders of Cardero, on a non-diluted basis, holding 40% of the outstanding WCU shares with the remaining 60% held by the existing shareholders of WCU, prior to the completion of any concurrent financing by WCU (as discussed below);
- (c) outstanding and unexercised Cardero warrants will become exercisable to acquire WCU shares as adjusted for the Exchange Ratio; and
- (d) all outstanding and unexercised options of Cardero will be cancelled.

Cardero will have the right to appoint two members to the board of WCU.

As previously announced (see press release dated June 9, 2021) upon closing of the Proposed Transaction, WCU will grant to Robert Kopple, a director and control person of the Company, or entities controlled by director Robert Kopple (a “**Kopple Entity**”), the option to acquire a 1% net smelter returns royalty on the Zonia copper oxide project (the “**Royalty Option**”). The Royalty Option will be exercisable by the holder thereof at a price of approximately \$1.41 million and may be repurchased by WCU at the election of WCU or the Royalty Holder.

Pursuant to the Arrangement Agreement, WCU is to complete a financing concurrently with or within 12 months of the completion of the Proposed Transaction, of not less than \$10 million, including the proceeds of the Royalty Option, for the merged entity (the “**WCU Financing**”), which WCU Financing shall not impact the Exchange Ratio.

Pursuant to the terms of the Arrangement Agreement, completion of the Proposed Transaction will be subject to a number of conditions, including but not limited to, closing conditions customary to transactions of the nature of the Proposed Transaction, including the completion of such portion of the WCU Financing as shall generate gross proceeds of \$2.0 million, holders of not more than 5% of the outstanding shares of

the Company having exercised dissent rights, the completion of the loan extensions with Kopple Entities (see press release dated May 31, 2021), approval of the shareholders of the Company, approvals of all regulatory bodies having jurisdiction in connection with the Proposed Transaction, including the approval of the British Columbia Supreme Court, and approval of the TSXV. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

The Arrangement Agreement also provides for customary mutual non-solicitation covenants (subject to standard “fiduciary out” provisions that entitle the Company or WCU to accept a superior proposal and a five-business day “right to match”). The Arrangement Agreement also provides for the payment of a mutual termination fee of \$250,000 if the Proposed Transaction is not completed in certain specified circumstances.

The Proposed Transaction requires the favourable vote of 66 2/3% of the votes cast by Cardero shareholders, as well as a majority of the minority shareholders, excluding the votes of the Kopple Entities in accordance with MI 61-101 as the Proposed Transaction will constitute a ‘business combination’ as such term is defined in MI 61-101 as a result of the ‘collateral benefit’ to be received by the Kopple Entities as a result of the Royalty Option to be granted by WCU.

The Company will hold an annual and special general meeting prior to November 30, 2021, to seek shareholder approval for the Proposed Transaction. A management information circular of the Company (the “**Circular**”) containing additional details about WCU, the Arrangement Agreement and the Proposed Transaction will be prepared in advance of the meeting. Cardero anticipates utilizing notice and access in connection with the distribution of the Circular.

The Proposed Transaction received the unanimous approval of the board of directors of the Company, with Robert Kopple and Henk Van Alphen, a director of the both the Company and WCU, each abstaining, following the recommendation of a special committee comprised of independent director Deepak Malhotra, following consultation with independent financial advisors.

Evans & Evans Inc., as the special committee’s financial advisor, has prepared a fairness opinion (the “**Fairness Opinion**”) in respect of the Proposed Transaction for the Company concluding that as of the date of the Fairness Opinion, the terms of the Proposed Transaction, are fair, from a financial point of view to the Cardero shareholders. A copy of the Fairness Opinion will be included in the Circular.

The Proposed Transaction will result in Cardero shareholders holding approximately 40% of the common shares of the combined entity. Post-merger, the Cardero shareholders and WCU shareholders will hold shares in an entity more diversified with respect to geographic location, and number of properties. Further, it is expected that the funds from the WCU financing will allow the combined entity to advance the properties to their next material milestones. The combination of the companies is expected to reduce certain administrative and operating costs, thus conserving costs and increasing funds available for exploration and development.

Additional Information

A copy of the Arrangement Agreement is available under the Company’s profile on SEDAR at www.sedar.com

Additional information about Cardero Resource Corp. and World Copper Ltd. is available by visiting Cardero’s website at www.cardero.com or WCU’s website at www.worldcopperltd.com or under their profiles on SEDAR at www.sedar.com.

This announcement is for informational purposes only and does not constitute an offer to purchase, a solicitation of an offer to sell shares or a solicitation of a proxy.

ABOUT CARDERO RESOURCE CORP.

Cardero Resource Corp., headquartered in Vancouver, is a resource company focused on building a minerals exploration and development company. Cardero has exercised the exclusive option to acquire 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 Project has been significantly de-risked with almost 700 drill holes completed to date and with substantial amounts of detailed engineering completed. The estimated resource (NI43-101 as amended and dated October, 2017) is located entirely on private land. Cardero completed a Preliminary Economic Assessment (“PEA”) published in April 2018 which outlines a mine plan and a chosen development route that will allow permitting to be done on private land thereby reducing the time line for permitting. Engineering at Zonia is more advanced than a typical project at this stage of development and it is reasonable to assume that the Project could go straight to Feasibility from PEA. The deposit is amenable to truck and shovel open pit mining and copper recovery via leaching and SX-EW processing to copper cathode. Cardero’s plan going forward is to complete a Feasibility Report and permitting of the Project within 3 to 4 year time line from start.

Detailed information is available at the Company’s web site at www.cardero.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 press release contains forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and assumptions and accordingly, actual results and future events could differ materially from those expressed or implied in such statements. You are hence cautioned not to place undue reliance on forward-looking statements. All statements other than statements of present or historical fact are forward-looking statements, including statements with respect to the Letter Agreement and the likelihood that the Definitive Agreement will be entered into and that Proposed Transaction will be consummated on the terms and timeline provided herein or at all, the benefits of the Proposed Transaction to Cardero and the receipt of all required approvals including without limitation the companies shareholders and applicable regulatory authorities and applicable stock exchanges. Forward-looking statements include words or expressions such as “proposed”, “will”, “subject to”, “near future”, “in the event”, “would”, “expect”, “prepared to” and other similar words or expressions. Factors that could cause future results or events to differ materially from current expectations expressed or implied by the forward-looking statements include general business, economic, competitive, political and social uncertainties; the state of capital markets; risks relating to (i) the preliminary nature of the Letter Agreement, (ii) the ability of the parties to satisfy the conditions precedent to the execution of any Definitive Agreement or to ultimately agree on definitive terms, (iii) the impact on the respective businesses, operations and

financial condition of Cardero and WCU resulting from the announcement of the Proposed Transaction and/or the failure complete the Proposed Transaction on terms described or at all, (iv) a third party competing bid materializing prior to the completion of the Proposed Transaction, (v) delay or failure to receive board, shareholder regulatory or court approvals, where applicable, or any other conditions precedent to the completion of the Proposed Transaction, (vi) unforeseen challenges in integrating the businesses of Cardero and WCU, (vii) failure to realize the anticipated benefits of the Proposed Transaction, (viii) other unforeseen events, developments, or factors causing any of the aforesaid expectations, assumptions, and other factors ultimately being inaccurate or irrelevant, including any escalation in the severity of the COVID-19 pandemic; and other risks described in Cardero's and WCU's documents filed with Canadian securities regulatory authorities. We disclaim any obligation to update or revise these forward-looking statements, except as required by applicable law..

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.