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Cannon Exploration Ltd. has conducted an exploration program on the optioned Kalum and KEN claims north of Terrace, B.C. Work on the property, in conformance with recommendations of the company's consultant, Dr P.A. Christopher, has included a soil sample survey ~~and~~ over several geophysically anomalous areas and diamond drill testing of five separate targets.

A total of 201 soil and rock samples were analyzed for gold by fire assay and atomic absorption and tests were run for 30 additional elements by ICP methods. Anomalous gold, copper and zinc values were obtained over some of the geophysical anomalies.

A total of 1466 feet of BQ diamond drilling was completed in six BQ diameter diamond drill holes which provided a preliminary test of five separate target zones. Favourable alteration and weak mineralization was encountered in all drill holes. Steep local topography prevented a drill test of the South Adit zone except at an unacceptable cost.

Compilation of the program data is underway. Direct cost of the program is estimated at \$80,000 but final cost invoices are not yet available.