

**ISSUER INFORMATION AND DISCLOSURE STATEMENT  
PURSUANT TO RULE 15C2-11**

January 25, 2010

**CANNON EXPLORATION INC.**

2575 East Camelback Rd.  
Suite 450  
Phoenix, AZ 85016  
Phone: (602) 343-2266

**Federal I.D.No.**  
133204966

**Cusip No.**  
137693107

**INFORMATION AND DISCLOSURE STATEMENT**

January 25, 2010

Cannon Exploration Inc. ("Cannon Exploration" or the "Company") is responsible for the content of this information statement. To the knowledge of the Company the information is correct and no material circumstances have been omitted. The information contained in this report is in draft format and has not been filed with the Securities and Exchange Commission, the National Association of Securities Dealers, or any other regulatory body.

The Issuer has duly caused this report to be signed on its behalf by the undersigned, duly authorized on this 25<sup>th</sup> day of January 2010.

/s/Edwin Solano

Edwin Solano  
President and CEO  
Cannon Exploration Inc.

**CANNON EXPLORATION INC.**

**INFORMATION AND DISCLOSURE STATEMENT**

**January 25, 2010**

All information contained in this Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of Rule 15(c)-211(a)(5) promulgated under the Securities Exchange Act of 1934, as amended. The enumerated captions contained in this Information and Disclosure Statement corresponds to the sequential format as set forth in the rule.

**ITEM I: The exact name of the issuer and its predecessor or, if any:**

The exact name of the issuer is Cannon Exploration Inc.

Cannon Exploration Inc. (Certificate of Amendment, filed March 13, 2008);

Successor to Glance Imaging Inc. (Certificate of Amendment filed February 15, 2008)

Successor to Citisource Inc. (Certificate of Amendment filed September 14, 2007)

Successor to China Shuangji Cement Corporation. (Certificate of Amendment filed June 15, 2006)

Zintech Inc. merged into Citisource Inc. (Certificate of Amendment filed August 30, 1984)

Successor to Citisource Inc. (Certificate of Amendment filed November 9, 1983)

Successor to Park 8000 Corporation (Certificate of Incorporation filed September 27, 1983)

**ITEM II: The address of its principal executive offices:**

2575 East Camelback Rd.  
Suite 450  
Phoenix, AZ 85016  
Phone: (602) 343-2266  
<http://www.cannon-exploration.com>

**ITEM III: The jurisdiction(s) and date of the issuer's incorporation**

The issuer is a Delaware corporation, incorporated on September 27, 1983

**ITEM IV: The exact title and class of security:**

Common voting stock, single class  
CUSIP: 137693107  
Trading Symbol: CNEX (Pinksheet Exchange)

**ITEM V: The par of stated value of the security:**

\$.0001 – Common voting stock, single class

**ITEM VI: The number of shares or total amount of the Securities outstanding as of the issuer's most recent fiscal year:**

As of the period ending December 31, 2009, the issuer had the following:

(i) Authorized Shares:

400,000,000 Common Shares

400,000,000 Preferred Shares

(ii) Shares Outstanding:

15,315,537 Common Shares

60,000,000 Restricted Shares

250,000,000 Preferred Shares

(iii) Freely tradable issued common shares: 15,315,537

Shareholders: 59

**ITEM VII: The name and address of the transfer agent:**

Global Sentry Equity Transfer Inc.  
92 Lakeshore Road East Suite 220  
Mississauga, Ontario L5G 4S2  
(905) 891-1515  
[www.gsetransfer.com](http://www.gsetransfer.com)

The transfer agent is registered under the Exchange Act. The regulatory authority of the transfer agent is the SEC.

**ITEM VIII:                   The nature of the issuers business:**

**A.                               Business Development**

The Issuer was incorporated in the State of Delaware on September 27, 1983, under the name Park 8000 Corporation. On November 9, 1983 the company changed its name to Citisource Inc. On August 30, 1984 Zintech Inc. merged into Citisource Inc. Then on June 15, 2006 the Company changed its name to China Shuangji Cement Corporation. On September 14, 2007 the Company changed its name to Citisource Inc. On February 15, 2008 the Company changed its name to Glance Imaging Inc. Then on March 13, 2008 the Company changed its name to Cannon Exploration Inc.

The company's fiscal year end is Dec.31.

Neither Cannon Exploration Inc. nor its predecessor has ever been in bankruptcy, receivership or any similar proceedings. Neither Cannon Exploration Inc. nor its predecessor has ever been in any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments;

Neither Cannon Exploration Inc. nor its predecessor has ever had any reclassification, merger, consolidation, or purchase or sale of a significant amount of assets;

The company is not in any default whatsoever of the terms of any note, loan, lease or other indebtedness.

Control of the company changed on January 14, 2010 when Gilbert Oliveros resigned his duties as President and remained a director of the company at which point Edwin Solano was appointed as President and CEO. On July 25 2008, Neil Sarran, the Company's Chairman and CEO, resigned and Gilbert Oliveros was appointed the Company's new President and Chief Executive Officer.

In January 2010, 250,000,000 Preferred Restricted shares were issued to Edwin Solano which represents more than a 10% INCREASE in this share class.

In March 2008, 60,000,000 shares of restricted common stock was issued to Neil Sarran which represents an increase of more than 10% in this share class.

The company performed a 100:1 reverse split effective October 2, 2007.

The issuer's securities have never been delisted by any securities exchange or NASDAQ. There are no current, past, pending or threatened legal procedures or administrative actions that could have a material effect on the issuer's business.

**B. Business of Issuer**

**1. The issuer's primary and secondary SIC codes:**

The issuer's primary SIC code is 1000.

**2. If the issuer has never conducted operations, is it in the developmental stage or currently conducting operations:**

The issuer is currently conducting operations.

**3. If the issuer is considered a "shell company" pursuant to SEC Rule 405 of the Securities Act of 1933;**

The issuer is not considered a "shell company" pursuant to SEC Rule 405 of the Securities Act of 1933.

**4. State the names of any parent, subsidiary, or affiliate of the issuer, and describe its business purpose, its method of operations, its ownership and whether it is included in the financial statements attached to its disclosure statement:**

None

**5. The effect of existing or probable governmental regulations on the business:**

The issuer is not subject to any current or probable US governmental regulations until such time as it acquires mining properties within the US. The issuer is subject to compliance with the Mining Act of Ontario, Canada, related to the acquisition, maintenance, and development of its mining properties within the province of Ontario.

- 6. An estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers:**

N/A

- 7. Costs and effects of compliance with environmental laws (federal, state and local):**

The issuer is not currently subject to compliance with any federal, state or local environmental laws within the United States.

- 8. Number of total employees and the number of full time employees:**

The issuer currently has one full-time employee, one part-time employee, and work-for-hire contractors.

- 9. For issuers engaged in mining, oil and gas production and real estate activities, substantial additional disclosure of the issuer's business is required.**

Cannon Exploration Inc. is a junior mineral exploration company, focused on precious metals exploration in Canada. The Company will focus on growing its portfolio of mineral resource properties by development of its existing assets and pursuit of acquisition opportunities in Canada.

**ITEM IX: The nature of the products or services offered:**

- 1. Principal products or services and their markets:**

The Company's business plan is designed to leverage our mining properties and mineral claims into near-term revenue streams even during the earliest stages of exploration and development. This is accomplished by entering into sales, joint-venture, and/or option contracts with other mining companies, for which the Company generates revenue through payments in cash, stock, and other consideration. The Company also plans on generating revenue through mining once commercial operations begin on any of its properties.

- 2. Distribution methods of the products or services:**

N/A

**3. Status of any publicly announced new product or service:**

On July 24, 2008, the company executed an option agreement to earn a 100% interest on the Queen Alexandra Mine, located 47 km south of Dryden at the northeast end of Carelton Lake, 70 meters east of the lakeshore in northern Ontario, Canada. The property has potential to host economic precious and base metal mineralization, including gold, silver and copper. All claims are optioned by IPMG Inc. of Toronto, Ontario. The property consists of 20 claims comprising approximately 520 hectares. The claims are in good standing order.

The mine consists of one shaft and exploration pit, which is 65 meters apart, and seven trenches. The occurrence exposes two conjugate quartz veins. The mine is underlain by mafic volcanic rocks of the Blanchard Lake group (Blackburn 1976, 1982).

In 2008, Cannon initiated geophysics and prospecting program to confirm the presence of the known gold showings, as well as attempting to map the conductive zone known to be on the property, in the vicinity of the old workings (shaft, pits and trenches).

**4. Competitive business conditions, the issuer's competitive position in the industry and methods of competition:**

N/A

**5. Sources and availability of raw materials and the names of principal suppliers:**

N/A

**6. Dependence on one or a few major customers:**

N/A

**7. Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration:**

N/A

**8. The need for any government approval of principal products of services:**

The issuer is not currently subject to any governmental approval for any of its products and services.

**ITEM X: The nature and extent of the issuer's facilities:**

- 1. Describe the general character and location of all materially important properties held or intended to be acquired by or leased to the issuer and describe the present or proposed use of such properties and their suitability and adequacy for such use. Properties not yet acquired should be identified as such:**

The issuer currently owns no real estate. It currently rents an office space on a yearly basis in Arizona. The company owns 100% interest in the Queen Alexandra mine located in Ontario Canada.

**ITEM XI: The names of the chief executive officer and members of the Board of Directors:**

**A. Executive Officers and Directors**

Edwin Solano 2575 East Camelback Rd. Suite 450 Phoenix, AZ 85016	President and CEO
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Gilbert Oliveros 2575 East Camelback Rd. Suite 450 Phoenix, AZ 85016	Director
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Mr. Oliveros has participated in a number of successful enterprises over the past 10 years in a diverse number of fields, ranging from the arts and technology to finance and natural resources. In July 2008, Mr. Oliveros was engaged as CEO to engineer the company's total corporate restructuring and lead its re-emergence as a natural resources company. Mr. Oliveros subsequently resigned his position as President and CEO and continues to act in the capacity of director. He designed the company's business model and was instrumental in the acquisition of the Queen Alexandra Mine. Mr. Oliveros has no other board memberships or affiliations.

Mr. Solano is currently President of Cannon Exploration and is responsible for the ongoing operations of the company. He has been involved with various mining companies in the last 7 years. He brings to the company a wealth of experience with respects to field operations and managerial duties.

Currently the shares beneficially owned by Mr. Solano are 60,000,000 restricted common shares, and 250,000,000 preferred shares.

**B. Legal/Disciplinary History.**

1. Edwin Solano and Gilbert Oliveros have **not** been subject to a conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding.
2. Edwin Solano and Gilbert Oliveros have **not** been in the subject of the entry of an order, judgment, nor decree, not subsequently reversed, suspending or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities.
3. Edwin Solano and Gilbert Oliveros have **not** been the subject of a finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, or a state securities regulator of a violation of a federal or state securities or commodities law, which finding or judgment has not been reverse, suspended or vacated.
4. Edwin Solano and Gilbert Oliveros have **not** subject to the entry of any order by self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such persons; involvement in any type of business or securities activities.

**C. Disclosure of Family Relationships.**

There are no family relationships among and between the issuer's directors, officers, persons nominated or chosen by the issuer to become directors or officers. Edwin Solano is the only affiliate with more than 5% of the restricted shares outstanding and Preferred shares.

**D. Disclosure of Related Party Transactions.**

None

**E. Disclosure of Conflicts of Interest.**

None

**ITEM XII: The issuer's most recent balance sheet and profit and loss and Retained Earnings Statements:**

See attached Annual Financials for 2008, 2009

**ITEM XIII: Similar Financial Information for the prior two (2) fiscal years of Issuer's existence:**

See attached Annual Financials for 2008, 2009

**ITEM XIV: Beneficial Owners**

Edwin Solano:  
2575 East Camelback Rd. Suite 450  
Phoenix, AZ 85016

60,000,000 restricted common shares and 250 million Preferred Shares are issued in the name of Edwin Solano.

**ITEM XIV: The name of any outside providers that advise the issuer on matters relating to the operations, business development and disclosure. The information should include the advisor(s) name, address, telephone, and email address.**

**1. Investment Banker:**

None

**2. Promoters:**

None

**3. Counsel:**

None

**4. Accountant or Auditor:**

None

**5. Public Relations Consultant:**

The Company does not currently have an outside public relations consultant and handles all public relations activities internally.

**6. Investor Relations Consultant:**

None

**7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure documentation**

None

**ITEM XVI: Management's Discussion and Analysis or Plan of Operation.**

**A. Plan of Operation**

The Company's business plan is based on the Generative Business Model, which is designed to generate a steady stream of revenue well before any property is ever developed into a commercial mining operation.

A traditional mining company is often a virtual money pit, where a never-ending flow of capital disappears into the ground and only rarely comes out the other end as a profitable commercial mining operation.

A more modern approach is to extract profits from a property during its early exploration stages rather than wait 10 or 20 years to see if a mine can ever be opened. Indeed, contrary to popular belief, the greatest profits on a percentage ROI basis from ownership of a mining property can occur not from opening a mine, but from the early exploration stages. This approach is called the Generative Business Model, and is the focal point of the Company's business plan.

The Generative Business Model comprises the following steps:

1. Targeting and acquiring properties with good historical assays.
2. Identifying potential partners for the development of each of the Company's properties and entering into joint-venture or option agreements.
3. The partner or acquiring company also must commit to a specific work program over a period of several years to develop the property.

4. These work programs enable the Company to maintain our properties for little or no cost, as the annual maintenance fees due to the government are offset by the amount of money spent on property exploration and development paid for by our partners. Any surplus of expenditures beyond what is due to maintain the properties can then be applied as "portable assessment credits " towards the maintenance of other Company properties that are not yet producing revenue but which have good prospects of doing so in the future.

The business model generates cash on a relatively small amount of investment capital. It also provides our shareholders with multiple opportunities to profit from discoveries, preserves our capital, and minimizes the risk involved in exploration and development by essentially outsourcing the risk to other entities.

i. How long the issuer can satisfy its cash requirements and whether it will have to raise additional funds in the next twelve months;

The Company expects that revenue from JV agreements will not be sufficient to sustain operations, and that it will need raise additional funds in the next twelve months.

ii. Summary of any product research and development that the issuer will perform for the term of the plan;

N/A

iii. Any expected purchase or sale of plant and significant equipment; and

No

iv. Any expected significant changes in the number of employees

No

C. Off-Balance Sheet Arrangements

N/A

**ITEM XVII List of securities offerings and shares issued for services in the past two years.**

In September 2008, 2004, the Company offered and sold an aggregate of 1,714,285 shares of free trading common stock via Securities Act Rule 504 in the state of Texas.

In October 2009, the Company offered and sold an aggregate of 2,272,727 shares of free trading common stock via Securities Act Rule 504 in the state of Texas.

In November 2009, the company offered and sold an aggregate 6,000,000 shares of free trading common stock via Securities Act Rule 504 in the state of Texas.

**ITEM XVIII Material Contracts.**

None

**ITEM XIX Articles of Incorporation and Bylaws.**

A copy of the Company's Articles of Incorporation and Bylaws are attached.

**ITEM XX Purchases of Equity Securities by Issuer and Affiliated Purchasers**

None

**ITEM XXI Issuer's Certifications.**

I, Edwin Solano, certify that:

- a. I have reviewed this disclosure statement of Cannon Exploration Inc.;
- b. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
- c. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of and for, the periods presented in this disclosure statement.

Dated, this 25<sup>th</sup> day of January, 2010

/s/ Edwin Solano

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Edwin Solano  
President /CEO

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I, Gilbert Oliveros, certify that:

d. I have reviewed this disclosure statement of Cannon Exploration Inc.;

e. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

f. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of and for, the periods presented in this disclosure statement.

Dated, this 25<sup>th</sup> day of January, 2010

/s/ Gilbert Oliveros

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Gilbert Oliveros  
Director