

**QUARTERLY REPORT
For the Period Ended
March 31, 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

CANNON EXPLORATION, INC.

Quarterly Report

For The Period Ended March 31, 2010

Item 1. The exact name of the issuer and its predecessors (if any):

Cannon Exploration, Inc., a Delaware corporation.
Formerly known as Park 8000 Corporation.

The Company's contact information is as follows:

Cannon Exploration, Inc.
2575 East Camelback Rd.
Suite 450
Phoenix, AZ 85016
Phone: (602) 343-2266
Internet: www.cannon-exploration.com

Item 2. Shares outstanding:

Authorized Shares: 1,400,000,000
Common shares issued and outstanding: 487,095,429
Restricted Common Shares: 60,000,000
Restricted Preferred Shares: 300,000,000

The contact information for the Company's Transfer Agent is as follows:

Global Sentry Equity Transfer Inc.
92 Lakeshore Road East Suite 227
Mississauga, Ontario L5G 4S2
Phone: (905) 891-1515 Fax: (905) 891-1565
Internet: www.gsetransfer.com

Item 3. Interim financial statements:

The Company's financial statements for the period ended March 31, 2010 are attached hereto.

Item 4. Management's discussion and analysis or plan of operation:

A. Plan of Operation

The Company's business plan remains the same. That 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.

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 it will need raise additional funds in the next twelve months in order to sustain operations and continue its business model.

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 5. Legal proceedings:

None for the period ended March 31, 2010.

Item 6. Default upon senior securities:

None for the period ended March 31, 2010.

CANNON EXPLORATION, INC.
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For The Period Ended March 31, 2010 *(Continued)*

Item 7. Other information:

a. Entry into a material definitive agreement:

None for the period ended March 31, 2010.

b. Termination of a material definitive agreement:

None for the period ended March 31, 2010.

c. Completion of acquisition or disposition of assets, including but not limited to merger:

None for the period ended March 31, 2010.

d. Creation of a direct financial obligation or an obligation under an off-balance sheet arrangement of an issuer:

None for the period ended March 31, 2010.

e. Triggering events that accelerate or increase a direct financial obligation or an obligation under an off-balance sheet arrangement:

None for the period ended March 31, 2010.

f. Costs associated with exit or disposal activities:

None for the period ended March 31, 2010.

g. Material impairments:

None for the period ended March 31, 2010.

h. Sales of equity securities:

None for the period ended March 31, 2010.

i. Material modification to rights of security holders:

None for the period ended March 31, 2010.

j. Changes in issuer's certifying accountant:

None for the period ended March 31, 2010.

CANNON EXPLORATION, INC.

Quarterly Report

For The Period Ended March 31, 2010 *(Continued)*

Item 7. Other information: *(Continued)*

k. Non-reliance on previously issued financial statements or a related audit report or completed interim review:

None for the period ended March 31, 2010.

l. Changes in control of issuer:

None for the period ended March 31, 2010.

m. Departure of directors or officers; election of directors; appointment of principal officers:

None for the period ended March 31, 2010.

The current members of the Company's Board of Directors are as follows:

Gilbert Oliveros

The current executive officers of the Company are as follows:

Edwin Solano, President / CEO

n. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year:

None for the period ended March 31, 2010.

o. Amendments to Issuer's Code of Ethics, or Waiver of a Provision of the Code of Ethics:

None for the period ended March 31, 2010.

Item 8. Exhibits:

All exhibits required under capital items XVII and XIX of Section One of the Reporting Guidelines have already been described and attached in prior disclosure statements, and have not changed since such prior statements.

CANNON EXPLORATION, INC.
Quarterly Report
For The Period Ended March 31, 2010 (*Continued*)

Item 9. Certifications:

I, Edwin Solano, certify that:

- a. I have reviewed the Quarterly Report including the financial statements for the period ended March 31, 2010 and the footnotes of Cannon Exploration, Inc.
- b. Based on my knowledge, this Quarterly Report 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, other financial information included or incorporated by reference including the previously filed information and 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.

May 19, 2010
/s/ Edwin Solano
Edwin Solano
President / CEO

I, Gilbert Oliveros, certify that:

- d. I have reviewed the Quarterly Report including the financial statements for the period ended March 31, 2010 and the footnotes of Cannon Exploration, Inc.
- e. Based on my knowledge, this Quarterly Report 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, other financial information included or incorporated by reference including the previously filed information and 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.

May 19, 2010
/s/ Gilbert Oliveros
Gilbert Oliveros
Director

CANNON EXPLORATION INC.
(A Development Stage Company)

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CANNON EXPLORATION INC.
(A Development Stage Company)
Balance Sheet (unaudited)
(in \$USD)

	March 31, 2010	December 31, 2009
ASSETS		
Cash	\$ 161	\$ -
Mining properties	30,000	30,000
TOTAL ASSETS	\$ 30,161	\$ 30,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Accounts payable	\$ 13,823	\$ -
Note payable	36,834	44,056
	50,657	44,056
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Common shares	101,183	90,361
Additional paid-in capital	-	-
Preferred shares	30,000	-
Retained earnings (deficit)	(151,679)	(104,417)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)	(20,496)	(14,056)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 30,161	\$ 30,000

The accompanying notes are an integral part of the financial statements.

CANNON EXPLORATION INC.
(A Development Stage Company)
Statement of Loss (unaudited)
(in \$USD)

	For the Three Months Ended March 31, 2010	For the Three Months Ended March 31, 2009	From Inception - March 13, 2008 to March 31, 2010
REVENUE	\$ 0	\$ 0	\$ 0
EXPENSES			
Compensation	40,500	10,500	88,500
Legal and professional	-	3,000	9,000
Telephone	-	1,000	4,000
Occupancy	1,425	1,425	7,125
Travel and accommodations	-	7,100	7,100
General and administrative	5,337	8,132	35,954
	17,262	31,157	151,679
NET LOSS FOR THE PERIOD	\$ (47,262)	\$ (31,157)	\$ (151,679)

The accompanying notes are an integral part of the financial statements.

CANNON EXPLORATION INC.**(A Development Stage Company)****Statement of Stockholders' Equity (Deficit)**

For the Period from March 13, 2008 (inception) to March 31, 2010 (unaudited)

(in \$USD)

	Common Stock		Additional	Preferred		Accumulated	Total
	Shares	Amount	Paid-in Shares	Shares	Amount	Deficit	
Balance, inception (March 13, 2008)	285,471	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 1
Stock issuance for compensation	60,000,000	6,000	-	-	-	-	6,000
Conversion Note payable to shares	2,600,000	260	-	-	-	-	260
Issuance of shares	1,714,285	28,500	-	-	-	-	28,500
Net loss for the period	-	-	-	-	-	(14,985)	(14,985)
Balance, December 31, 2008	64,599,756	34,761	-	-	-	(14,985)	19,776
Conversion of Note payable to shares	6,000,000	600	-	-	-	-	600
Issuance of shares	8,272,727	55,000	-	-	-	-	55,000
Net loss for the period	-	-	-	-	-	(89,432)	(89,432)
Balance, December 31, 2009	78,872,483	90,361	-	-	-	(104,417)	(14,056)
Issuance of shares for compensation	-	-	-300,000,000	30,000	-	-	30,000
Conversion of Note payable to shares	48,500,000	4,850	-	-	-	-	4,850
Conversion of Note payable to shares	59,723,000	5,972	-	-	-	-	5,972
Net loss for the period	-	-	-	-	-	(47,262)	(47,262)
Balance, March 31, 2010	187,095,483	\$ 101,183	\$ -300,000,000	\$ 30,000	\$ (151,679)	\$ (20,496)	

The accompanying notes are an integral part of the financial statements.

CANNON EXPLORATION INC.
(A Development Stage Company)
Statement of Cash Flows (unaudited)
(in \$USD)

	For the Three Months Ended March 31, 2010	For the Three Months Ended March 31, 2009	From Inception - March 13, 2008 to March 31, 2010
OPERATING ACTIVITIES			
Net loss for the period	\$ (47,262)	\$ (31,157)	\$ (151,679)
Accounts payable	13,823	-	13,823
Issuance of preferred shares for compensation	30,000	-	30,000
Issuance of commons shares for compensation	-	-	6,000
Cash used in operating activities	(3,439)	(31,157)	(101,856)
INVESTING ACTIVITIES			
Acquisition of mining properties	-	-	(30,000)
Cash used in investing activities	-	-	(30,000)
FINANCING ACTIVITIES			
Issuance of note payable	(7,222)	13,057	36,834
Conversion of note payable to shares	10,822	600	11,682
Issuance of shares	-	55,000	83,500
Cash provided by financing activities	3,600	68,657	132,016
NET INCREASE (DECREASE) IN CASH DURING THE PERIOD			
	161	37,500	160
CASH BALANCE, BEGINNING OF PERIOD	-	-	1
CASH BALANCE, END OF PERIOD	\$ 161	\$ 37,500	\$ 161

The accompanying notes are an integral part of the financial statements.

Cannon Exploration Inc.
(A Development Stage Company)
Notes to the Financial Statements
March 31, 2010 (Unaudited)

1. **THE COMPANY**

Cannon Exploration Inc. ("the Company"), a company formerly known as Park 8000 Corporation and incorporated in the State of Delaware on September 27, 1983, changed its name to Cannon Exploration Inc. On March 13, 2008 and entered the mineral exploration industry. The Company specializes in precious mineral exploration in Canada. The Company's fiscal year end is December 31.

2. **SIGNIFICANT ACCOUNTING POLICIES**

The Company's accounting policies conform to United States generally accepted accounting principles and have been consistently applied in the preparation of financial statements.

The financial statements included herein have not been audited by an independent registered public accounting firm, but include all adjustments (including normal, recurring entries), which are, in the opinion of management, necessary for a fair presentation of the results for such periods.

a) ***Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

b) ***Revenue Recognition***

The Company recognizes revenue when earned in accordance with SEC Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements."

3. **NOTE PAYABLE**

Since March 13, 2008, the Company has issued a note payable to unrelated parties for \$860, \$5,624, \$38,432 and \$3,600. The note payable for \$860 has been converted to common shares at the option of the holder of the note payable. During the three month period ended March 31, 2010, \$4,850 of the note for \$5,624 was converted to common shares at the option of the holder of the note payable at \$0.0001 per share. As at March 31, 2010, \$774 of the note remains outstanding. During the three month period ended March 31, 2010, \$5,972 of the note for \$38,432 was converted to common shares at the option of the holder of the note payable at \$0.0001 per share. As at March 31, 2010, \$32,460 of the note remains outstanding. On January 6, 2010, the Company issued a note payable to an unrelated party for \$3,600; the note is convertible at the holder's option at \$0.0001 per share, bears no interest and is due upon demand. The Company has a total note payable of \$36,834 outstanding as at March 31, 2010. The notes payable do not bear any interest and is due upon demand and is convertible at the holder's option into common shares of the Company at a conversion price of \$0.0001.

Cannon Exploration Inc.
(A Development Stage Company)
Notes to the Financial Statements
March 31, 2010 (Unaudited)

4. **GOING CONCERN**

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements, during the three months ended March 31, 2010, the Company incurred a loss of \$47,262. In addition, the Company has an accumulated deficit of \$151,679. It is the intention of the Company's stockholders to fund capital shortfalls for the foreseeable future.

5. **Preferred Shares**

During the quarter a total of 300,000,000 preferred shares with a par value of \$0.0001 were issued to the CEO of the company for compensation.