

New Assay Data Upgrades Cedar Mountain's Kelly Creek Project

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Vancouver, British Columbia - Cedar Mountain Exploration Inc. ("Cedar") is pleased to announce updated results of its 2010 work program on the Kelly Creek Project, located on the Seward Peninsula, Alaska. New assay data upgrade extensive gold-in-soil anomalies within a large and mostly untested gold district. The individual anomalies and the prospective stratigraphic and structural corridor largely remain open and untested.

"The results of Cedar's 2010 program at Kelly Creek continue to be exciting" stated Charles Chebry, President and CEO of Cedar, "Our initial geochemistry program has been augmented with new fire assay data that enhance and expand numerous anomalies. We are now able to define three drill-ready prospects and others that will become drill ready with more detailed sampling. The district remains a tremendous exploration opportunity with many unevaluated mineralized areas and occurrences" added Mr. Chebry.

To view soil anomaly maps, [click here](#)

The 2010 exploration program in the Kelly Creek project area included soil grid surveys and reconnaissance soil sampling. The 1,642 soil samples collected in 2010 were analyzed by ALS Chemex for a multi-element suite using aqua regia digestion. This technique enabled gold to be determined at 0.1 to 100 ppb levels. These sample results were integrated with 1983 and 2007 data to make the gold-in-soil maps for the Kelly Creek, Wolf, Fox, and Wolverine prospects reported on November 3, 2010 (Cedar Mountain News Release). They were also used to select 517 samples for reanalysis by fire assay. The samples selected for fire assay had high concentrations of gold-correlated pathfinder elements (arsenic and antimony), 5 or more ppb gold, or were within specific prospect areas. Most of these samples had sufficient material for a 50-gram split to be submitted for fire assays capable of determining 1 to 10,000 ppb gold. These new gold data were used to update the gold-in-soil anomaly maps and compare gold distribution to the distribution of arsenic, antimony, and mercury in the prospect areas (see accompanying North Trend maps). Updated prospect descriptions are included here for the Kelly Creek, Wolf, Fox, Wolverine, and Bear prospects. Some of the conclusions supported by the available data include:

- The soil anomaly at the **Kelly Creek prospect** continues to the southeast to the headwaters of Erin Creek where it remains open. The total anomaly length is over 2.2 km as now known. The anomaly is scheduled to be drilled at several locations in 2011.
- The **Fox prospect** area includes three strong anomalies. Two zones are present in the South Fox area and a third is located in the North Fox area. Detailed soil sampling scheduled to be done early in the 2011 season is expected to define drilling opportunities on each of these anomalies.

- The **Wolf prospect** now includes a well-defined, 1.2 km-long soil anomaly associated with the high-angle Ruff fault. This anomaly is scheduled to be drilled in 2011.
- The **Wolverine prospect** soil anomaly is now 1.7 km long and open down-slope to the southeast. The anomaly is scheduled to be drilled at several locations in 2011.
- The **Bear prospect** area has a weak gold but stronger arsenic, antimony, and mercury anomaly associated with a contact between graphitic schist and calcareous metasedimentary rocks (North Bear prospect). The 2010 sampling in this area was very broadly spaced and more detailed sampling is scheduled for the 2011 season.

In addition, reconnaissance soil sampling in 2010 identified two occurrences that need detailed soil grid surveys in 2011. Nine soil samples at the **Moose occurrence**, a schist-marble contact zone 3.6 km southeast of the Wolverine prospect, contained 11 to 377 ppb and averaged 97 ppb gold (fire assays). These samples contain 112.5 to 1195 ppm arsenic, 4.56 to 12.95 ppm antimony, and 0.15 to 0.7 ppm mercury. A single sample collected in a similar geologic setting 6.8 km southeast of the Wolverine prospect, the **Jaeger occurrence**, contained 100 ppb gold (insufficient material for fire assay analysis). This sample contained 3030 ppm arsenic, 11.75 ppm antimony, and 0.05 ppm mercury.

Kelly Creek Prospect Update – January 2011

Reconnaissance stream sediment sampling by Anaconda Minerals Company led to the discovery of the Kelly Creek prospect in 1982. Soil sampling that followed up the anomalous stream sediment values identified the widespread occurrence of gold in headwater areas of Kelly Creek. Bedrock in this area is covered by about 2 m of locally derived, unconsolidated and clay-rich overburden extensively churned by frost action. The area is not glaciated but some factors that can influence soil gold content in this area are solifluction, summer spring activity, and alluvial processes along drainages.

Soil sampling completed in 1983 identified strong gold-in-soil anomalies over large parts of the upper Kelly Creek drainage. The soil sampling was on tundra-mantled slopes with local dwarf willows and alders. The slope on the north side of upper Kelly Creek has permafrost at the base of vegetation but elsewhere the soils are not frozen. The sampling targeted B-horizon materials that could be collected by hand shovel. Low-level gold values are widespread in the area but a strong and continuous gold-in-soil anomaly, up to 300 meters wide and almost 2 km long, was defined. Many samples in this anomaly contained 50 to several hundred ppb gold (see accompanying Kelly Creek prospect maps).

A shallow to moderately dipping reverse fault (Kelly Creek fault) places micaceous marble structurally over graphitic mica-quartz schist in the headwaters of Kelly Creek. The gold-in-soil anomaly is localized in the footwall graphitic schist along the Kelly Creek fault, over graphitic schist along Kelly Creek, and in a northwest-trending zone within graphitic schist. This strong anomaly was open to both the northwest and southeast. The 1983 data also defined a low-level gold anomaly (10 to 25 ppb) over footwall graphitic schist southeast of the main anomaly along the Kelly Creek fault and a few local gold anomalies (10 to 130 ppb) on the slope north of upper Kelly Creek.

In 1984, Anaconda Minerals Company drilled four small-diameter core holes in one part of the Kelly Creek prospect. KC-4 targeted a schistose marble/graphitic schist contact that was only weakly and locally mineralized. KC-2 was inclined to the southwest and drilled under the main mineralized zone. Both KC-1 and KC-3 were inclined to the northwest and intersected gold-bearing rocks. KC-1 intersected 1.19 g/t over 19.8 meters and 0.78 g/t over its total length of 38 meters. KC-3 intercepted 1.28 g/t over 11.9 meters and 0.73 g/t over its total length of 39.6 meters. The core data show that gold is disseminated in graphitic schist and more irregularly distributed in quartz vein stockworks, quartz-cemented breccias, and silicified zones. Although arsenic concentrations are commonly greater than 1000 ppm in the gold-bearing intervals, arsenopyrite is not present. Pyrite is the identified sulfide mineral. Alteration minerals include quartz, carbonate (dolomite and calcite), and clay (kaolinite and montmorillonite).

The 2007 soil sampling at the Kelly Creek prospect was directed towards infilling and extending the strong soil anomaly originally defined by Anaconda in 1983. This included soil sampling to the southeast of Anaconda's soil grid as well as sampling within this grid where surface characteristics along drainages suggested that gold levels in previous sampling could be suppressed.

The 2007 soil sampling extended the Kelly Creek prospect to the southeast. All but one of the 17 samples contained anomalous gold (from 22 to 163 ppb gold). The gold-in-soil anomaly was extended 400 meters and remained open to the southeast in the upper Erin Creek drainage. The five 2007 samples collected at four sample sites near Kelly Creek within the 1983 Anaconda grid contained 14, 37, 112, 172, and 713 ppb gold. The 2007 exploration program included soil sampling west along the Kelly Creek fault and upslope of the original Anaconda soil grid. This sampling extended the gold-in-soil anomaly west to the slope and saddle north of elevation 1137. Soils that contain gold in the 10 to 60 ppb range continue to the saddle but more systematic sampling is needed in this area.

The 2010 sampling tested the open southeast extension of the Kelly Creek gold-in-soil anomaly in the northern part of the soil grid established in the upper Erin Creek drainage (primarily covering the Wolf prospect – see accompanying maps). This part of the grid covered about 0.4 km² and overlapped the 2007 sampling in this area. The 2010 sampling was on 100 meter-spaced lines with 50 meter-spaced sample intervals along them. A total of 76 samples were collected in this part of the grid.

The 2010 soil samples were analyzed by ALS Chemex for a multi-element suite using aqua regia digestion. This technique enabled gold to be determined at 0.1 to 100 ppb levels. These sample results were integrated with 1983 and 2007 data to make the gold-in-soil map reported on November 3, 2010 (Cedar Mountain News Release). They were also used to select 24 samples for reanalysis by fire assay. A 50-gram split of the original sample pulps were submitted for fire assay analyses capable of determining 1 to 10,000 ppb gold. These new gold data were used to update the gold-in-soil anomaly map and compare it to the distribution of arsenic, antimony, and mercury in the Kelly Creek prospect area (see accompanying Kelly Creek prospect maps).

The 2010 sample data confirm the southeast extension of the Kelly Creek gold-in-soil anomaly for at least 450 meters into the headwaters of Erin Creek. Fifteen of the 2010 samples contain 15 to 57 ppb gold in this part of the anomaly and it remains open to the southeast. A portion of this anomaly appears to extend to the southwest side of the upper Erin Creek drainage and the open side of the anomaly is 400 meters from the anomalies in the Wolf prospect area. Additional sampling is needed in the area between these anomalies.

The combined soil data from 1983, 2007, and 2010 define an arsenic -in-soil anomaly (+50 ppm) that closely follows the gold-in-soil anomaly at the Kelly Creek prospect. The arsenic data support continuity of the main anomaly along Kelly Creek and along about 1000 meters of the Kelly Creek fault.

The antimony-in-soil anomaly (+5 ppm) defined by the 1983, 2007, and 2010 data is mostly developed along the Kelly Creek fault and the northwest-trending zone within graphitic schist. Unlike the gold and arsenic data, antimony data suggests that two separate mineralized zones, not continuous along Kelly Creek, are present. The antimony anomaly along the Kelly Creek fault overlaps the gold and arsenic anomalies but it extends significantly more to the southeast (about 400 meters). A few areas of anomalous antimony are present on the north side of Kelly Creek, especially along the north side of the 1983 soil grid.

Only a few local areas contain more than 0.5 ppm mercury in the Kelly Creek prospect area. Higher mercury values (up to 2 ppm) are near the northwest part of the Kelly Creek fault and along the main northwest-trending gold-arsenic-antimony anomaly in graphitic schist.

The combined gold, arsenic, antimony, and mercury data now available for the Kelly Creek prospect support the following conclusions.

- The gold and arsenic soil anomalies are coherent and continuous across and along Kelly Creek but alluvial processes probably influence at least part of the anomaly character in this area. If mineralization is continuous along Kelly Creek, then a total strike length of at least 2.2 km is indicated for the main Kelly Creek anomaly. The change in strike of this anomaly could be an indication that cross structures are present and controlling at least some of the mineralization.
- The antimony data suggests that two separate strongly mineralized zones are present, one along the Kelly Creek fault and one (previously drilled) trending northwest within graphitic schist. Drilling is required to determine whether mineralization is continuous between these zones as indicated by the gold and arsenic data.
- The gold, arsenic, and antimony anomalies along the southeastern segment of the Kelly Creek fault are where solifluction and landslide processes are distributing non-mineralized marble debris down slope across the mineralized graphitic schist. These processes may be subduing gold and arsenic values in this area.
- The slope on the north side of upper Kelly Creek is an area of permafrost. The scattered gold, arsenic, and antimony anomalies in this area could be further evaluated using augers to reach to or near bedrock.

- The extension of the Kelly Creek anomaly into the upper Erin Creek drainage needs additional sampling to be completely defined.

Fox Prospect Update – January 2011

The Fox prospect is a 6 km-long schist-marble contact along the north, west, and south sides of the marble upland at elevation 1180 on the continental divide. The presence of a reverse fault and schist-marble contact subsidiary to a regional high-angle fault system and a few low-level gold anomalies in nearby stream sediments targeted the area for reconnaissance soil sampling in 2007. The contact that was sampled in 2007 is subparallel to the reverse fault that is a control on Kelly Creek prospect gold mineralization some 2 to 3 km to the south-southeast. Samples collected in three widely spaced traverses across the schist-marble contact in 2007 were weakly anomalous in gold and in some cases arsenic and antimony.

In 2010, 14 soil lines were completed across the schist-marble contact along about 5 km of its strike length (see accompanying maps). The spacing between these lines varied from a few to several hundred or more meters and the sample spacing along them was 100 meters. This sampling targeted B-horizon materials that could be collected by hand shovel. A total of 157 soil samples were collected in 2010.

The 2010 soil samples were analyzed by ALS Chemex for a multi-element suite using aqua regia digestion. This technique enabled gold to be determined at 0.1 to 100 ppb levels. These sample results were used to make the first gold-in-soil anomaly map for the prospect (November 3, 2010 Cedar Mountain News Release). They were also used to select 74 samples for reanalysis by fire assay. A 50-gram split of the original sample pulps were submitted for fire assay analyses capable of determining 1 to 10,000 ppb gold. These new gold data were used to update the gold-in-soil anomaly map and compare it to the distribution of arsenic, antimony, and mercury in the Fox prospect area soils. Although the data are reconnaissance in character and more detailed sampling is needed, they are sufficient to define coherent multi-element anomalies in the Fox prospect area (see accompanying Fox prospect maps).

Anomalous gold values (+10 ppb) are widely distributed on the south and west sides of elevation 1180 and more locally on the north side. The gold anomalies on the south and west sides appear to define two zones where anomalous values greater than 20 ppb are present. The more western of these zones has gold values up to 32 ppb and is 1000 meters long. The more eastern zone has gold values up to 203 ppb and is 600 meters long. The distance between soil lines is very wide (up to about 1 km in places) but the eastern zone appears to be localized near the schist-marble contact and the western zone is subparallel to this contact in structurally overlying schist. If the overall gold-in-soil anomaly is continuous between the widely spaced lines as shown in the accompanying map, gold-bearing rocks are present over about 2 km of strike length south and west of elevation 1180.

On the north side of elevation 1180, +10 ppb and +20 ppb gold anomalies are present on two of the 2010 soil lines (gold values in the 5 to 9 ppb range are also present on most of the northern lines). The two stronger anomalies are near the schist-marble contact. The strongest of these (up to 41 ppb gold) is the eastern-most of the north-side soil lines. This strong anomaly is likely to continue to the east along the

schist-marble contact. The 2007 sampling identified low-level gold -in-soil values along this contact 1400 meters east of the 2010 soil lines.

The arsenic-in-soil anomalies (+50 ppm) coincide fairly well with the two stronger gold anomalies on the south and west sides of elevation 1180. On the north side, +50 ppm arsenic values are present near the schist-marble contact on the eastern six soil lines. The farthest east line on the north side of elevation 1180 has six samples containing more than 100 ppm arsenic (102.5 to 172.5 ppm).

Anomalous antimony values (+5 ppm) are widely distributed along the south and west sides of elevation 1180. The antimony anomalies follow the gold-in-soil anomalies fairly well but they also suggest that mineralized rocks extend further north along the schist-marble contact. The eastern-most soil line on the north side of elevation 1180 has six samples with anomalous antimony (6.92 to 18.4 ppm).

Mercury-in-soil values are very low throughout the Fox prospect area. Only five samples contain more than 0.2 ppm mercury (0.2 to 0.31 ppm) and three of these are on the eastern-most soil line north of elevation 1180.

Much more detailed sampling is needed to define the continuity and character of soil anomalies in the Fox prospect area but the data now available support the following conclusions.

- Gold-bearing mineralization is extensive along the south and west side of elevation 1180. This South Fox prospect area has coherent gold-arsenic-antimony anomalies that define two mineralized zones. The anomalies are developed along and structurally above a schist-marble contact and have strike lengths that can be 1 to 2 km long.
- The anomalous gold, arsenic, and antimony values on the eastern-most soil line north of elevation 1180 identify a separate mineralized zone, the North Fox prospect. This separate mineralized system appears to be primarily developed east of the 2010 reconnaissance soil sampling.

Wolf Prospect Update – January 2011

The Wolf prospect was discovered in 2007 by soil sampling along the schist-marble contact (Kelly Creek fault) that localizes part of the Kelly Creek prospect 1 km to the north. This area was also examined because a stream sediment sample down-slope in upper Erin Creek contained 60 ppb gold.

The Wolf prospect soil anomaly is underlain by graphitic mica-quartz schist in the footwall of the Kelly Creek fault. Hanging wall rocks are micaceous marble. The steeply dipping, northwest-trending Ruff fault and a nearby parallel fault 300 meters to the north offset the Kelly Creek fault. The Ruff fault is marked by frost boils with float of iron-stained and partly silicified marble, quartz vein stockwork in silicified marble, and some polished and slickensided rock fragments.

The 2007 sampling included ten soil samples collected on the slope below the Kelly Creek fault, both south and north of the Ruff fault. These samples returned values ranging from 12 to 97 ppb gold, 39.3 to 453.6 ppm arsenic, 1.7 to 6.5 ppm antimony, and 0.09 to 0.51 ppm mercury. The 2007 soil sampling was

continued south along and down-slope of the Kelly Creek fault for 1500 meters from the mineralized area in the vicinity of the Ruff fault. Only one of these 23 samples contained detectable gold (10 ppb) and only two had more than 50 ppm arsenic (57.5 and 58.5 ppm). However, this area returned highly anomalous antimony (6.1 to 44.2 ppm) and mercury (0.9 to 2.2 ppm) values.

In 2010, a soil sample grid was established to evaluate the Wolf prospect anomalies identified in 2007. This grid covered about 1.8 km² on the south side of the upper Erin Creek drainage. The soil sample lines were 100 meters apart and the sample interval along them was 50 meters. The soil sampling was on tundra-mantled slopes with local dwarf willows and alders. This sampling targeted B-horizon materials that could be collected by hand shovel. A total of 309 samples were collected in 2010.

The 2010 samples were analyzed by ALS Chemex for a multi-element suite using aqua regia digestion. This technique enabled gold to be determined at 0.1 to 100 ppb levels. These sample results were used to make the first gold-in-soil anomaly map for the prospect (November 3, 2010 Cedar Mountain News Release). They were also used to select 121 samples for reanalysis by fire assay. A 50-gram split of the original sample pulps were submitted for fire assay analyses capable of determining 1 to 10,000 ppb gold. These new gold data were used to update the gold-in-soil anomaly map and compare it to the distribution of arsenic, antimony, and mercury in the Wolf prospect area soils (see accompanying Wolf prospect maps). The new data significantly extend the soil anomalies associated with the Ruff fault and confirm the anomalies along the southern Kelly Creek fault.

The gold-in-soil anomaly (+10 ppb) associated with the Ruff fault extends from near the schist-marble contact (about 250 meters southeast of elevation 1095) to Erin Creek, 1.2 km down-slope to the southeast. This anomaly is up to 250 meters wide in soils over graphitic schist and merges with a northwest-trending gold-in-soil anomaly along upper Erin Creek. Most of the gold values in this anomaly are in the 10 to 30 ppb range but five samples contain more than 50 ppb (up to 103 ppb). Solifluction processes are very active in the area of this anomaly and influence its character in undetermined ways.

Only three samples collected along the southern Kelly Creek fault contain more than 10 ppb gold (11 to 27 ppb). These samples indicate that the southern Kelly Creek fault controls some gold mineralization but this mineralization is not extensive in footwall graphitic schist (as it is in parts of the Kelly Creek prospect to the north).

The arsenic soil data fairly closely follow the gold-in-soil anomalies. The mineralization associated with the Ruff fault has anomalous arsenic (+50 ppm) including an area down-slope adjacent to Erin Creek where arsenic values range up to 133.5 ppm. The development of stronger arsenic values at the down-slope limits of this anomaly suggests that underlying rocks and not slope dispersal processes are a main control on anomaly character here. Arsenic values exceed 50 ppm in four samples along the southern Kelly Creek fault (57.5 to 108.5 ppm). Two samples on the south side of the grid north of the Ruff fault anomaly have more than 50 ppm arsenic (52 and 66.2 ppm). These anomalous samples are near a northwest-trending high-angle fault that offsets the schist-marble contact about 300 meters north of the Ruff fault.

Some anomalous antimony values (+5 ppm) are present near the schist-marble contact in the up-slope parts of the Ruff fault gold-arsenic anomaly but a very strong and continuous antimony anomaly is associated with the southern Kelly Creek fault. Antimony values up to 119.5 ppm are associated with this fault and the antimony anomalies down-slope of this structure may primarily reflect slope dispersal processes. Like arsenic, some anomalous antimony values appear to be associated with the northwest-trending fault parallel to, and about 300 meters north of, the Ruff fault.

A few mercury anomalies (+0.5 ppm) are present north of the southern Kelly Creek fault but this fault is a major control on highly anomalous mercury values (up to 70.5 ppm). The mercury and antimony data both indicate that about 1.6 km of the southern Kelly Creek fault is mineralized. As with antimony, the mercury values down-slope of this fault may largely reflect slope dispersal processes.

The available gold, arsenic, antimony, and mercury data for the Wolf prospect area support the following conclusions.

- A large gold-in-soil anomaly is associated with the Ruff fault where it cuts graphitic schist structurally below the Kelly Creek fault. Anomalous arsenic accompanies gold in this anomaly and the presence of strong arsenic values at the down-slope limit of the anomaly suggests that bedrock mineralization is present there. This anomaly is 1.2 km long and up to 250 meters wide.
- The southern Kelly Creek fault is associated with very strong antimony (up to 119.5 ppm) and mercury (to 70.5 ppm) values over about 1.6 km of its length. Some weaker gold and arsenic anomalies are also associated with part of this fault. Because the trace of this fault is up-slope of most of the 2010 soil sample grid, additional sampling is needed to evaluate its gold potential.
- A northwest-trending high-angle fault parallel to and about 300 meters north of the Ruff fault appears to be associated with anomalous arsenic, antimony, and mercury values but anomalous gold values have not been identified here.
- A northwest-trending part of the Ruff fault anomaly is open to the north along Erin Creek. This part of the anomaly is only about 400 meters south of the southeast-trending and open Kelly Creek soil anomaly.

Wolverine Prospect Update – January 2011

A reconnaissance soil survey completed in 2007 discovered the Wolverine prospect. It is located in the northern Kelly Creek trend about 6.5 km east-northeast of the Kelly Creek prospect. This area was targeted for a soil survey because an adjacent drainage contained anomalous gold in stream sediments, a gold-bearing reconnaissance soil sample was collected in the headwaters of this drainage, and the trace of a high-angle fault was projected through an area where calcareous and graphitic metasedimentary rocks are in contact.

Soil sampling completed in 2010 included a grid survey with 50 meter-spaced sample intervals along 100 meter-spaced lines that in total covered about a 2 km² area. The soil sampling, on the crest of an upland and its adjacent tundra-mantled slopes, targeted B-horizon materials that could be collected by hand shovel. This sampling collected a total of 350 samples in the Wolverine prospect area (see accompanying maps).

The 2010 samples were analyzed by ALS Chemex for a multi-element suite using aqua regia digestion. This technique enabled gold to be determined at 0.1 to 100 ppb levels. These sample results were used to make the first gold-in-soil anomaly map for the prospect (November 3, 2010 Cedar Mountain News Release). They were also used to select 170 samples for reanalysis by fire assay. A 50-gram split of the original sample pulps were submitted for fire assay analyses capable of determining 1 to 10,000 ppb gold. These new gold data were used to update the gold-in-soil anomaly map and compare it to the distribution of arsenic, antimony, and mercury in the Wolverine prospect area soils (see accompanying Wolverine prospect maps).

The fire assay data have confirmed and extended the gold-in-soil anomaly at the Wolverine prospect. The main anomaly (+10 ppb) trends northeast and is 1700 meters long. It drapes across the crest of the upland but to the northwest its trend is slightly oblique to the fall line of the slope. To the southeast the anomaly trends down a small drainage and slope soil dispersal processes probably influence its character in this area. However, some areas with +20 ppb gold values at the southeast limits of the anomaly suggest that the gold mineralization is continuous and open in this direction. A low-level gold anomaly (+10 ppb) at lower elevations in the southwest corner of the 2010 sample grid suggests additional mineralization in this area.

The arsenic-in-soil anomaly (+50 ppm) fairly closely follows the gold-in-soil anomaly. The northwest limit of the anomaly has samples with up to 199 ppm arsenic. Anomalous arsenic values to 119 ppm are also present in the southwest corner of the grid and elevated arsenic values in a southwest-trending branch of the main anomaly trend towards this area. However, this part of the arsenic anomaly is developed on the fall line of the slope and slope dispersal processes are probably influencing its character. Slope soil dispersal processes probably also influence the southeast extension of the arsenic-in-soil anomaly but several samples with greater than 100 ppm arsenic in the eastern limits of the anomaly suggest that mineralization is continuous and open in this direction. There are also scattered arsenic anomalies south of the main Wolverine prospect but the northern boundary of elevated arsenic values is sharp and well-defined in the soil sample data.

The antimony-in-soil anomaly (+5 ppm) is generally similar to that for arsenic. However, compared to arsenic, antimony is more widely distributed at anomalous levels and more persistently anomalous (+10 ppm) in the northwestern extension of the main anomaly. The high antimony values that continue to the northwest limits of the anomaly suggest that slope dispersal processes are not a major control on soil antimony values in this direction. Like gold and arsenic, antimony is anomalous in the southwest corner of the soil sample grid. There are scattered antimony anomalies south of the main anomaly but like arsenic, the north boundary of anomalous antimony values is well-defined and sharp.

Mercury values are generally low throughout the Wolverine prospect area. This is especially the case through the area of high gold, arsenic, and antimony values where mercury levels are commonly less than 0.1 ppm. South of the strong gold-arsenic-antimony anomaly, mercury values greater than 0.2 ppm (up to 0.63 ppm) are widely scattered.

The combined gold, arsenic, antimony, and mercury data now available support the following conclusions.

- The strongest and most continuous gold-in-soil anomaly (+20 ppb) is about 600 meters long and contains 16 samples with more than 50 ppb gold (up to 1146 ppb).
- The gold (+ 10 ppb), arsenic (+50 ppm), and antimony (+5 ppm) data together define a coherent anomaly that trends northwest, is about 1700 meters long, has a sharp north boundary, and is open to the southeast. This multi-element anomaly suggests that the gold-bearing mineralized zone is continuous down slope to both the northwest and southeast although slope dispersal processes influence the anomaly character.
- The gold-arsenic-antimony anomaly in the southwest corner of the soil sample grid indicates a separate mineralized zone or a southwest extension of a branch of the main anomaly. However, slope dispersal processes are expected to significantly influence soil values in this area.
- The scattered higher arsenic (+50 ppm), antimony (+5 ppm), and mercury (+0.2 ppm) values in soils south of the main gold-arsenic-antimony anomaly may indicate separate mineralized structures and/or lithologic units. They could also indicate a possible south dip to at least part of the main mineralized zone. Lithologic units dip shallowly to the south in this area and the anomalies may indicate leakage above mineralization at depth.

Bear Prospect Summary - January 2011

The Bear prospect area is 17 km southeast of the Kelly Creek prospect. The exploration targets at the Bear prospect are the north and south contacts of an east-west trending graphitic schist unit that trends across the uplands on both sides of upper Dawn Creek. The northern contact of the graphitic schist dips moderately south placing it structurally above an interlayered sequence of calc-schist, carbonaceous schist, and schistose micaceous marble. The southern contact of the graphitic schist also dips moderately south bringing an interlayered sequence of calc-schist, carbonaceous schist, and mostly schistose micaceous marble over the graphitic schist. Reconnaissance soil samples collected in 2007 across these contacts on the crest of the uplands contained low-level gold anomalies (to 28 ppb) accompanied by some anomalous arsenic (to 94 ppm), antimony (to 20.5 ppm), and mercury (to 1.68 ppm).

The Bear prospect area was investigated in 2010 with a reconnaissance soil sample grid that covered almost 5 km². The sample lines were 200 meters apart and the sample interval along them was 100 meters. A total of 326 samples were collected. The 2010 soil samples were analyzed by ALS Chemex

for a multi-element suite using aqua regia digestion. This technique enabled gold to be determined at 0.1 to 100 ppb levels. These sample results were used to select 52 samples for reanalysis by fire assay. A 50-gram split of the original sample pulps were submitted for fire assay analyses capable of determining 1 to 10,000 ppb gold. The 2010 gold, arsenic, antimony, and mercury data (see accompanying Bear prospect maps) identify a discontinuous and weak gold-bearing zone along the north contact of the graphitic schist unit (North Bear prospect). A strong arsenic, antimony, and mercury anomaly developed along part of the south contact does not appear to contain significant gold.

Soils collected in the North Bear prospect area have anomalous but low gold levels on the upland that includes elevation 840 and on the east-facing slope west of Dawn Creek. This anomaly, where soils contain 5 to 15 ppb gold, is not continuous across Dawn Creek. The eastern segment is about 1.4 km long and the western segment about 700 meters long. The gap between these segments is about 400 meters. Arsenic is commonly greater than 50 ppm (to 198 ppm) on both segments. Antimony is also anomalous on both segments ranging from 5.31 to 27.5 ppm. The antimony anomaly nicely follows the graphitic schist contact along its north side. Mercury is only locally strongly anomalous (1.31 ppm) on the eastern segment but is consistently high (1.15 to 3.56 ppm) on the western segment. The discontinuous nature of the gold, arsenic, and antimony anomaly across Dawn Creek and the significantly different mercury contents of the two segments suggest that they are separate mineralized zones. More detailed soil sampling of the North Bear prospect is needed.

The anomaly south of the graphitic schist contact is a 300 to 600 meter-wide and 1.4 km-long antimony (5.23 to 26.2 ppm) and mercury (0.58 to 26.1 ppm) anomaly. Arsenic is locally greater than 50 ppm (up to 770 ppm) in the anomaly. It does not contain significant gold. Some 2007 samples contained low levels of gold in this area but only one 2010 sample contained more than 5 ppb gold (8 ppb). Ten samples from the strongest part of the antimony and mercury anomaly were fire assayed for gold and found to contain less than 1 to 4 ppb. The relationships between this mineralized zone to gold-bearing mineralization, if any, is unknown.

A continuous arsenic anomaly, with values from 102 to 229 ppm, is developed in graphitic schist eastward from elevation 880 for over 1 km. This strong arsenic anomaly does not coincide with elevated gold, antimony, or mercury. It shows that sources of high arsenic values other than gold-bearing hydrothermal systems are present in the Kelly Creek project area.

The Property

The Kelly Creek Property is located on Seward Peninsula, Alaska 145 km (90 miles) north of Nome. Kelly Creek is a drill-permitted early-stage gold exploration property comprising 89,600 acres (36,260 hectares). Historic results indicate the presence of disseminated gold deposits in metasedimentary rocks. gold deposit within a mining district that has historically recorded placer gold production of 5 million ounces.

The Company's disclosure of a technical or scientific nature in this press release has been prepared by Dr. Travis Hudson, registered geologist, who serves as a Qualified Person under the definition of National Instrument 43-101. The Kelly Creek project represents an early stage property and does not contain any mineral resources as defined by National Instrument 43-101.

CEDAR MOUNTAIN EXPLORATION INC. (CED: TSX-V) is a junior mineral exploration focused on gold resources in North America. Cedar is a member of the Discovery Group of Companies:
www.discoveryexp.com

Charles Chebry, B.Sc., CMA
Chief Executive Officer
Cedar Mountain Exploration Inc.
Tel: (403) 283-0001
Email: charles@chebry.com

Website: www.cedarmountainexp.com

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