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NEWS RELEASE

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TSX Venture: KLM

- **Another Zone Now Providing Excellent Results in Jackson's Arm Including 50.8 metres of 1.27 gpt gold**

Kermode Resources is pleased to report that the company has received analytical results from 7 additional drill holes from their ongoing drill program at Jackson's Arm, Newfoundland. These results are from the Road Zone which is located approximately 1.5 kilometres south of the recently announced intercepts on the highly encouraging Apsy Zone. The Road Zone is an area that Kermode has generated very little data from prior to the current drill program. Drilling in the Road Zone continues.

Highlights from these seven holes include an intersection of **50.8 metres of 1.27 gpt gold, 64.9 metres of 1.02 gpt gold, 32 metres of 1.30 gpt gold** and **27.3 metres of 1.12 gpt gold**. All seven holes drilled encountered significant gold mineralization. Analytical results are given below:

Hole Number	From (m)	To (m)	Core Length (m)	Au (gpt)
JA-07-67	38.9	39.9	1.0	1.84
	57.5	63.9	6.4	1.29
	103.7	107.6	3.9	1.03
	117.4	121.9	4.4	1.07
	124.4	125.0	0.6	2.19
	126.8	127.7	0.9	1.61
JA-07-68	23.5	27.1	3.6	1.14
	71.5	73.3	1.8	1.68
	96.0	101.5	5.5	0.82
	119.3	120.0	1.0	1.35
JA-07-69	12.5	35.0	23.0	1.02
	38.1	39.6	1.5	1.46
	66.8	68.0	1.2	1.82
	78.0	79.0	1.0	1.13
	97.4	98.4	1.0	1.17
JA-07-70	9.0	13.0	4.0	1.07
	39.0	71.0	32.0	1.30
	95.0	96.5	1.5	1.17
JA-07-71	9.5	14.0	4.5	1.13
	20.0	21.5	1.5	1.28
	36.3	63.6	27.3	1.12
	74.0	75.0	1.0	1.29
JA-07-72	17.5	18.8	1.3	2.15
	25.7	27.2	1.5	1.00
	37.4	88.2	50.8	1.27
JA-07-73	107.0	119.0	12.0	0.76
	17.0	81.9	64.9	1.02
	85.7	87.1	1.4	1.72
	93.3	109.5	16.2	1.03
	166.0	167.0	1.0	1.26

Kermode has now delivered excellent drill results from multiple areas of the large Jackson's Arm gold property, which is important as the company targets a large bulk tonnage type gold deposit.

Neil Briggs, President of Kermode Resources states, "Jackson's Arm is a large and extensively mineralized property and we are very pleased to continue generating excellent results from this ongoing drill program. Kermode has been consistently delivering good numbers during this drill program at Jackson's Arm. We will continue to drill, targeting both a large open pit type mining configuration as well as additional high grade sedimentary-hosted mineralization."

Kermode acknowledges the financial assistance provided by the Government of Newfoundland and Labrador's Junior Company Exploration Assistance Program. Proceeds of a flow-through financing by MineralFields Group of Toronto (www.mineralfields.com) are being used to fund this drill program.

Visit our website at www.kermode.com for more information.

ON BEHALF OF THE BOARD OF DIRECTORS

"D. Neil Briggs"

PRESIDENT AND DIRECTOR

Consulting Geologist James Harris P. Geo, a Qualified Person under National Instrument 43-101 guidelines, is supervising the Jackson's Arm drilling program and has reviewed the technical information contained in this News Release on behalf of the Company. Petro Drilling Company Limited of Springdale, Newfoundland is conducting the drilling. Core samples were taken from drillcore which was descriptively logged on site, aligned, marked for sampling and then split in half, longitudinally, using a diamond saw blade. One half the core has been preserved in core boxes for future reference. The samples, comprising the other half of the drillcore were bagged, sealed and delivered directly to the analytical laboratory under the supervision of Mr. Harris. Samples were processed and analyzed at Eastern Analytical Ltd., an assay laboratory based in Springdale, Newfoundland. Samples were crushed with a jaw crusher to 75% passing 10 mesh and split with a riffle splitter to approximately 250 grams. This sample was then pulverized to 95% passing 150 mesh and analyzed for gold utilizing a half assay ton, fire assay technique plus ICP-11. As part of the quality control program being implemented, Eastern Analytical is sending a pulp of 1 in 10 samples to Acme Analytical Laboratories Ltd. of Vancouver BC, an ISO 9001:2000 accredited laboratory for ICPMS check analyses. Analytical pulps and rejects will be retrieved by Kermode and retained.