Katrine Exploration

P.O. Box 219, 14579 Government Road, Larder Lake, Ontario, Canada, P0K 1L0

Telephone: +1 705.643.2345 Facsimile: +1 705.643.2191 Email: katrine@larder.ca
www.explorationservices.ca

ASHLEY GOLD MINES LTD.

PROSPECTING SURVEY
BEEMER PROPERTY

BEEMER TOWNSHIP, ONTARIO

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1. SURVEY DETAILS

1.1 PROJECT NAME

This project is known as the Beemer Twp. Property.

1.2 CLIENT

Ashley Gold Mines Ltd.
P.O. Box 219,
Larder Lake, ON
P0K 1L0

1.3 LOCATION

The Beemer Twp. property is located in Beemer Township, approximately 46km south-west of the city of Timmins, Ontario.

Figure 1: Location of Beemer Property

1.4 ACCESS

Access to the property is gained by following Pine St. South out of Timmins. Outside of Timmins, Pine St. turns into a gravel road, continue following this road for approximately 27km then turn right onto a logging road headed in a south-east direction. This second road continues for roughly 5km ending at a T- junction. Take another right and continue driving approximately 12km, at this point you will park the truck and use ATV trails to gain access to the property.

1.5 GENERAL GEOLOGY

The Beemer Property lies in the Metavolcanic-Metasedimentary Belt in the Superior Province of the Canadian Shield. Early Precambrian (Archean) metavolcanic and plutonic rocks underlie most of the property. Metavolcanics in the area consist mainly of massive and pillowed andesites which have been intruded by gabbroic and dioritic dykes. The bedrock in the area is covered by a thick layer of Pleistocene glacial deposits of silt and sand. Numerous major north-trending faults traverse the area.

(Daigle, 1997)

1.6 PREVIOUS WORK

1925 - J.C Nelson discovered gold at three locations near the north shore of Telluride Lake.

1935 - Sylvanite Gold Mines Ltd. carried out a trenching and sampling program on the north-east side of Telluride Lake where a zone of quartz 20ft wide and 150 feet long was exposed. A 25 ft. shaft was sunk on the quartz vein. Chip samples from this area returned values ranging from traces to 1.7 ounces gold per ton.

1981 - Lynco Exploration Ltd. conducted geophysical surveys including VLF, radiometric and magnetic surveys on claims located on the north side of Telluride Lake. The VLF survey outlined many conductive regions which were not followed up by trenching or drilling. No further work was conducted in this area and the claims were allowed to lapse in 1984.

1984 - Marjel Resources Inc. staked 5 claims around the Nelson showings and completed preliminary ground examinations.

1985 - Marjel Resources Inc. contracted E. Ludwig and Associates to conduct a magnetic survey of the 5 claims they held.

1988 - American Barrick Resources Corp. had a total of 5 holes drilled around Telluride Lake, 3 of these drill holes were located near the Nelson showings.

1995 - Driver Resources Ltd. contracted MC Exploration Services Inc. to cut a grid and perform magnetometer and IP surveys of the area. The results of the geophysical surveys in conjunction with the favorable geological setting and gold occurrences on the property encouraged additional exploration.

1997 - Starfire Minerals Inc. conducted a time domain induced polarization survey on the Spanride Property. Several areas of coinciding chargeability and resistivity anomalies were located by the survey, three of which warrant further work.

1999- Starfire Minerals Inc. contracted Norex Drilling to drill 16 holes on the Spanride Property.

(Ludwig, 1985)

2. SURVEY WORK UNDERTAKEN

2.1 PERSONNEL

Prospecting was performed by Laurie Morin of Ottawa and Amanda Rungis of Timmins. They are both Geological Technicians with diplomas from Sir Sanford Fleming College.

2.2 PURPOSE

The main purpose of the prospecting traverses was to locate and GPS the historic work. This would allow follow-up programs to be designed around these locations.

3. PROSPECTING DIARY AND NOTES

ALL SAMPLES WERE TAKEN FOR REFERENCE PURPOSES ONLY! NO SAMPLES HAVE BEEN SENT TO LAB FOR ANALYSIS.

3.1 AUG 28, 2008

LP 1236596

Line post location: 1600M east post #4

On same post Claim # 1236595 location 800M west post #2

B quartz vein

The quartz vein is 5cm thick, 30cm long striking 115 degrees true (dipping south) surrounded by mafic, igneous rock, dark grey, uniform in grain size and make up

B quartz 2

A Second quartz vein was seen on clean surface of rock outcrop. Vein is running 300 degrees true. Significant section can be seen. Visible vein is 1m long x 50cm wide. Vein keeps going, but we could not uncover all of it. It is located 3 meters left off of the road. Vein is strongly jointed, but with no mineralization seen in joints.

B quartz 3

Two quartz veins appear in the bedrock. The first one is 2cm wide (tapers at ends), 25cm long has strike of 210 degrees true and the second one is 1cm wide, 30 cm long and 252 degrees true

B Trench 1

Large angular rocks line trench. There is quartz veining throughout the broken rock. There is plenty of quartz seen around this area on the ground. The quartz is not running in any particular direction. Area has lots of small bushy trees that appear to be pushed over (cedar and poplar)

Sample obtained

Sample is a light grey, mafic, igneous rock with white lineation. The sample contains pyrite, muscovite and biotite. It has a very sparkly, shiny appearance in direct sunlight. The sample has a small grain size.

LP 4724558

Line post location: 400M W post #2

Old Metal

Big metal beam on edge of lake roughly 2.5m long x 40cm wide

Table 1: August 28, 2008 waypoint locations

Waypoint Map Location	UTM NAD 83 Zone 16	Claim Post Reference P 4 - 1236596 17U 473218 5323801
B Quartz Vein	17U 0473386E 5323876N	186m @ 65°T from P4 - 1236596
B Quartz 2	17U 0473375E 5323702N	186m @ 121°T from P4 - 1236596
B Quartz 3	17U 0473633E 5323242N	698m @ 143°T from P4 - 1236596
B Trench 1	17U 0473387E 5323706N	195m @ 119°T from P4 - 1236596
LP 4224558	17U 0473282E 5323559N	738m @ 342°T from P4 - 1236596
Old Metal	17U 0473282E 5323559N	249m @ 165°T from P4 - 1236596

3.2 AUG 29, 2008

B Shaft 1

A deep shaft surrounded by slag mostly comprised of quartz. The shaft has been fenced off and is beginning to fill with water. The outcrop surrounding the shaft is composed of old, weathered rock and a quartz vein at least ½ meter wide dipping into the ground. Rust staining and malachite blooms can be seen on the outcrop. This outcrop is approximately 7m long with a trend of 200°T with quartz noticeable throughout.

B Pit 1

Large pit, is approximately 1m deep and 1m in diameter. Quartz slag present in and around the pit. Sample 1 was taken from this pit. The sample is made up of quartz a grey slate like rock. The sample contains pyrite and has rust staining, as well as a bright orange stain. The sample also has a high specific gravity.

B Pit 2

Area 1m by 1m where a bedrock outcrop is broken into angular rock, not exactly pit shaped. The bedrock in this area is igneous mafic rock and has a very high density. Sample 2 was obtained from this pit. The sample is composed of dark gray mafic rock and contains some quartz. Pyrite and rust staining is visible in the sample.

Table 2: August 29, 2008 waypoint locations

Waypoint Map Location	UTM NAD 83 Zone 16	Claim Post Reference P4 - 1236596 17U 473218 5323801
B Shaft 1	17U 0472744E 5324156N	592m @ 306°T from P4 - 1236596
B Pit 1	17U 0472739E 5324156N	595m @ 306°T from P4 - 1236596
B Pit 2	17U 0472745E 5324134N	578m @ 305°T from P4 - 1236596

4. RECOMMENDATIONS

This Beemer Township Property presents above average exploration potential. It is recommended that additional prospecting be carried out around the Nelson showing and along the entire north side of Telluride Lake. Detailed geophysical surveys, bedrock stripping and a diamond drill program should be utilized to further explore areas of interest on the property.

5. REFERENCES

Barber, Rodney A., 1998**.** Report of Work on the Spanride Property, English and Beemer Townships, ON, Porcupine Mining Division for Starfire Minerals INC. Obtained from Geology Ontario at http://www.geologyontario.mndm.gov.on.ca/

Daigle, R.J., 1997**.** Report of Work for Drivers Resources Ltd., Spanride Property, English and Beemer Township, Porcupine Mining Division, 1995 Line Cutting/ TFM/ IP Surveys. Obtained from Geology Ontario at http://www.geologyontario.mndm.gov.on.ca/

Lill, John R., 1981. Report on Lynco Resources Inc. Beemer Township Gold Prospect Ontario Geophysical and Geological Surveys. Obtained from Geology Ontario at ttp://www.geologyontario.mndm.gov.on.ca/

Ludwig, Edward, 1985. Exploration Activities on the Beemer Township Claim Group for Marjel Resources INC. Obtained from Geology Ontario at ttp://www.geologyontario.mndm.gov.on.ca/

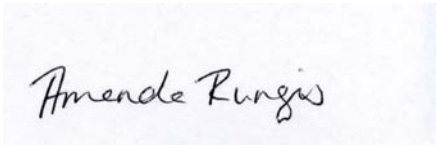
APPENDIX A

STATEMENT OF QUALIFICATIONS

I, Amanda C. Rungis, hereby declare that:

1. I am a geological technician with residence in Larder Lake, Ontario and am presently employed as a geological technician for Katrine Exploration and Development Inc. of Larder Lake, Ontario.
2. I graduated with a Geological Technician Diploma from Sir Sandford Fleming College, in Lindsay Ontario, in 2008.
3. I am an associate member of the Ontario Association of Certified Technicians and Technologists (OACETT).
4. I do not have nor expect an interest in the properties and securities of **Ashley Gold Mines Ltd.**
5. I am responsible for the final processing and validation of the prospecting survey and the compilation of the presentation of this report. The statements made in this report represent my professional opinion based on my consideration of the information available to me at the time of writing this report.

Larder Lake, ON
September 2008



Amanda C Rungis

Geological Technician

Katrine Exploration and Development Inc.

APPENDIX B

GARMIN RINO 520HCx

GARMIN RINO 520HCx

GPS Performance

Receiver:	WAAS enabled, 12 parallel channel GPS receiver continuously tracks and uses up to 12 satellites to compute and update your position

Navigation Features

Waypoints/icons:	500 with name and graphic symbol, 10 nearest (automatic), 10 proximity
Routes:	50 reversible routes with up to 50 points each, plus MOB and TracBack® modes
Tracks:	Automatic track log; 10 saved tracks let you retrace your path in both directions
Trip computer:	Current speed, average speed, resettable max. speed, trip timer and trip distance
Alarms:	Anchor drag, approach and arrival, off-course, proximity waypoint, shallow water and deep water
Tables:	Built in celestial tables for best times to fish and hunt, sun and moon rise, set and location
Map datums:	More than 100 plus user datum
Position format:	Lat/Lon, UTM/UPS, Maidenhead, MGRS, Loran TDs and other grids, including user grid

Acquisition times

Warm:	Approximately 15 seconds
Cold:	Approximately 45 seconds

AutoLocate®:	Approximately 2 minutes
Update rate:	1/second, continuous

GPS accuracy

Position:	< 15 meters, 95% typical*
Velocity:	0.05 meter/sec steady state

WAAS accuracy

Position:	< 3 meters, 95% typical*
Velocity:	0.05 meter/sec steady state

Power

Source:	Rechargeable 2-cell lithium ion pack
Battery Life:	Up to 16 hours

Physical

Size:	2.3"W x 5.1"H x 1.8"D (13.2 x 5.8x 4.6cm)
Weight:	10.3 ounces

Display

1.3W x 1.7"H (3.3 x 4.3 cm)
176 x 220 pixels
256 level color TFT

Case:	Fully gasketed, high-impact plastic alloy, waterproof to IEC 529 IPX7 standards
Interfaces:	RS232 with NMEA 0183, RTCM 104 DGPS data format and proprietary Garmin®
Antenna:	Quad-helix
Differential:	DGPS (USCG and WAAS capable)
Temperature range:	4°F to 140°F (-20°C to 60°C)
Dynamics:	6 g's
User data storage:	up to 500 waypoints, no memory battery required

Specifications obtained from www.garmin.com

APPENDIX C

PROSPECTING TRAVERSE MAPS

August 28, 2008 Traverse Map of Beemer Twp. Property

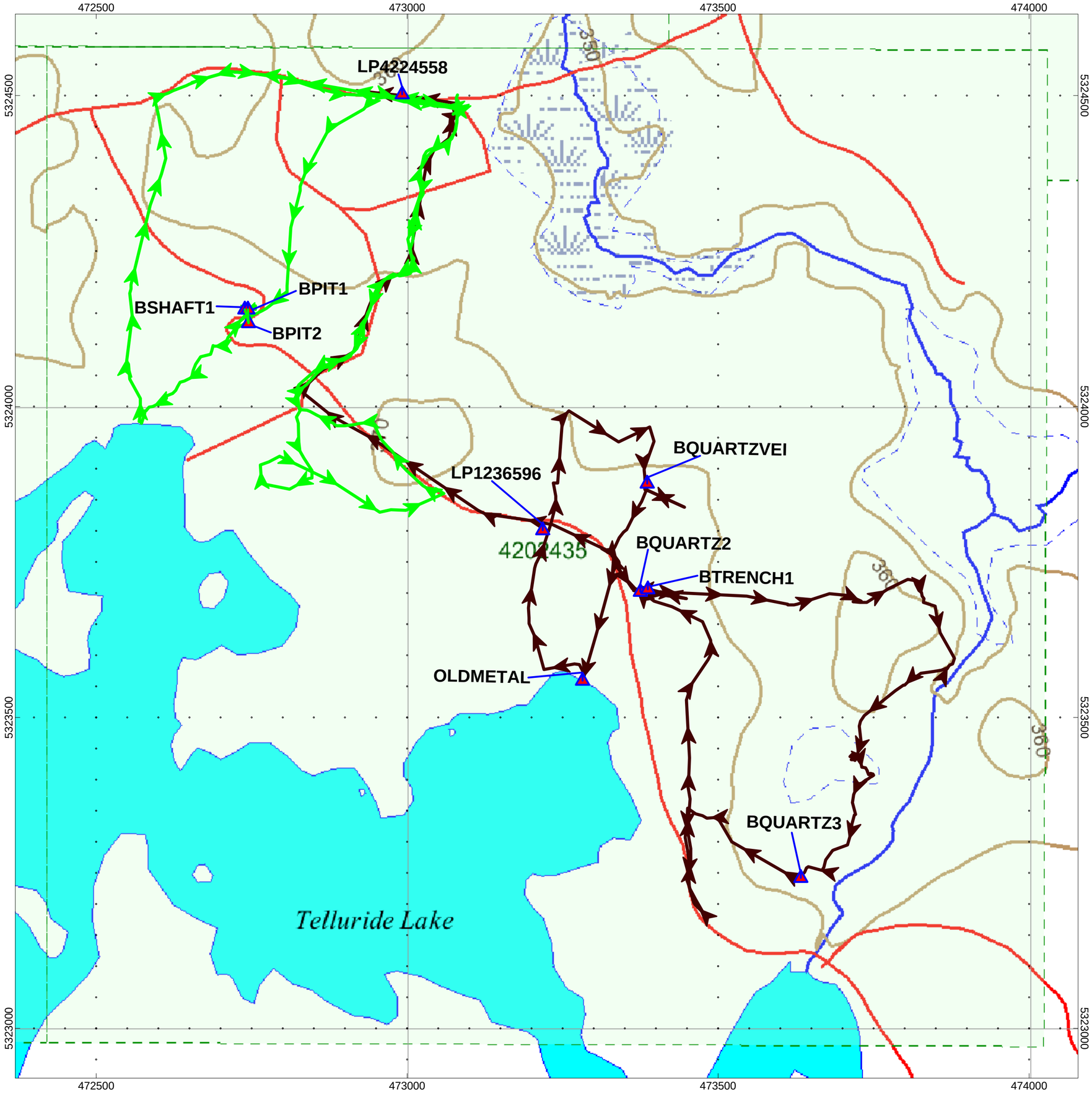
August 29, 2008 Traverse Map of Beemer Twp. Property

APPENDIX D

LIST OF MAPS (IN MAP POCKET)

Prospecting Traverse and Trench Location Maps (1: 5000)

1) ASHLEY GOLD-BEEMER PROPERTY-AUG 28-29, 2008



Scale 1:5000

100 0 100 200 300

(meters)

NAD83 / UTM zone 17N

AUGUST 28, 2008 TRAVERSE

AUGUST 29, 2008 TRAVERSE

WAYPOINTS

ASHLEY GOLD MINES LTD.

BEEMER PROPERTY
Beemer Township, Ontario

Prospecting Traverse
August 28 - 29, 2008

See prospecting diary, section 3 in report

Traverse Completed by:
Amanda Rungis and Laurie Morin
Map Drawn by: Belinda Bailey

Katrine Exploration

Drawing: ASHLEY-BEEMER-PROSPECTING-AUG 28-29-2008