



CANADIAN EXPLORATION SERVICES LTD

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SKEAD HOLDINGS LTD.

Magnetometer and VLF EM Surveys Over the

Cunningham-A Property Cunningham Township, Ontario

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1. SURVEY DETAILS

1.1 PROJECT NAME

This project is known as the **Cunningham-A Property**.

1.2 CLIENT

SKEAD HOLDINGS LTD.
28 Ford St.
Sault Ste. Marie, Ontario
P6A 4N4

1.3 LOCATION

The Cunningham-A Property is located in Cunningham Townships approximately 10km northeast of Sault, Ontario. The survey area covers claims numbered 4259263 and 4259264, located in Cunningham Township, within the Porcupine Mining Division.

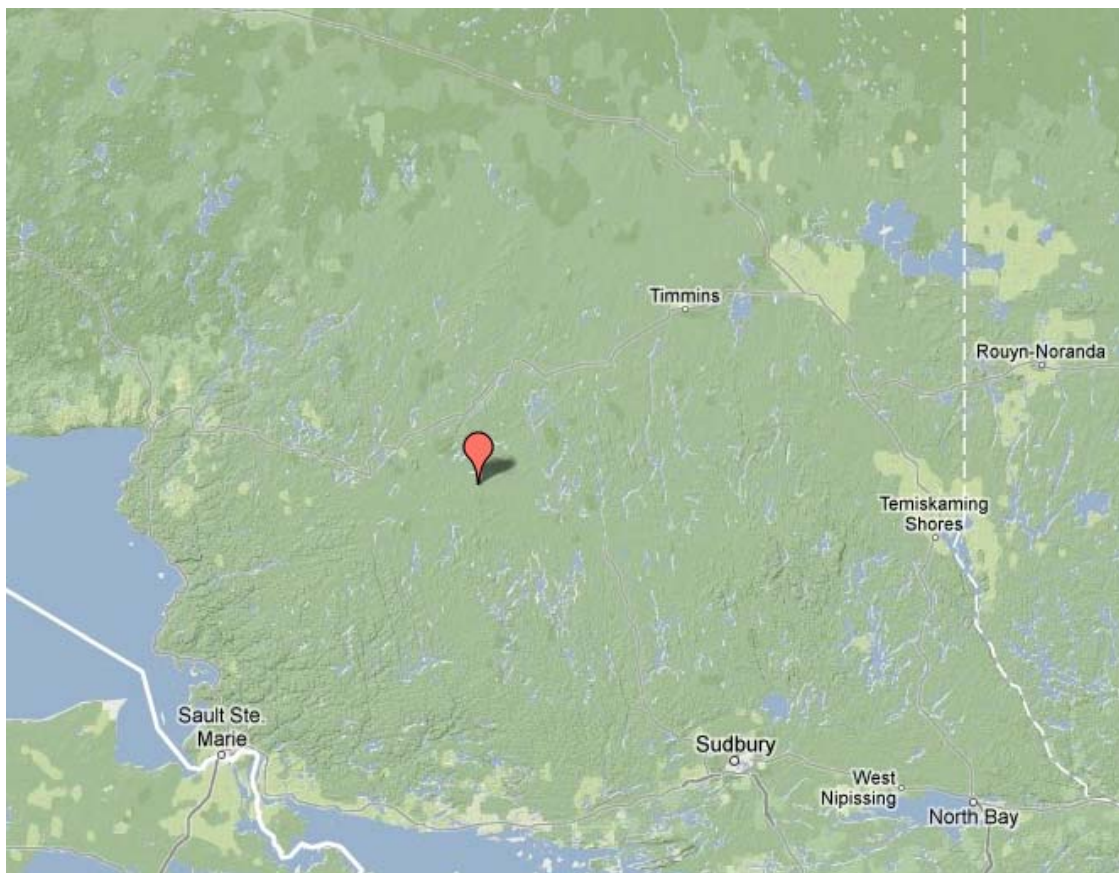


Figure 1: Location of the Cunningham Property

1.4 ACCESS

Access to the property was attained with a 4x4 truck on Highway 129 for approximately 28 km south-east from the Town of Chapleau to Regional Rd 667 for approximately 47km east. From that point, ATVs were used to travel for an additional 10km north on an old logging road to the beginning of the property. The rest of the property was then accessed by ATVs trails and on foot.

1.5 SURVEY GRID

The traversed lines were established using a GPS in conjunction with the execution of the survey. The GPS operator would establish sample locations while remaining approximately 12.5m in front of the magnetometer operator. GPS waypoints and magnetic samples were taken every 25m along these controlled traverses. The GPS used was a Garmin GPSMAP 62s with an external antenna for added accuracy.

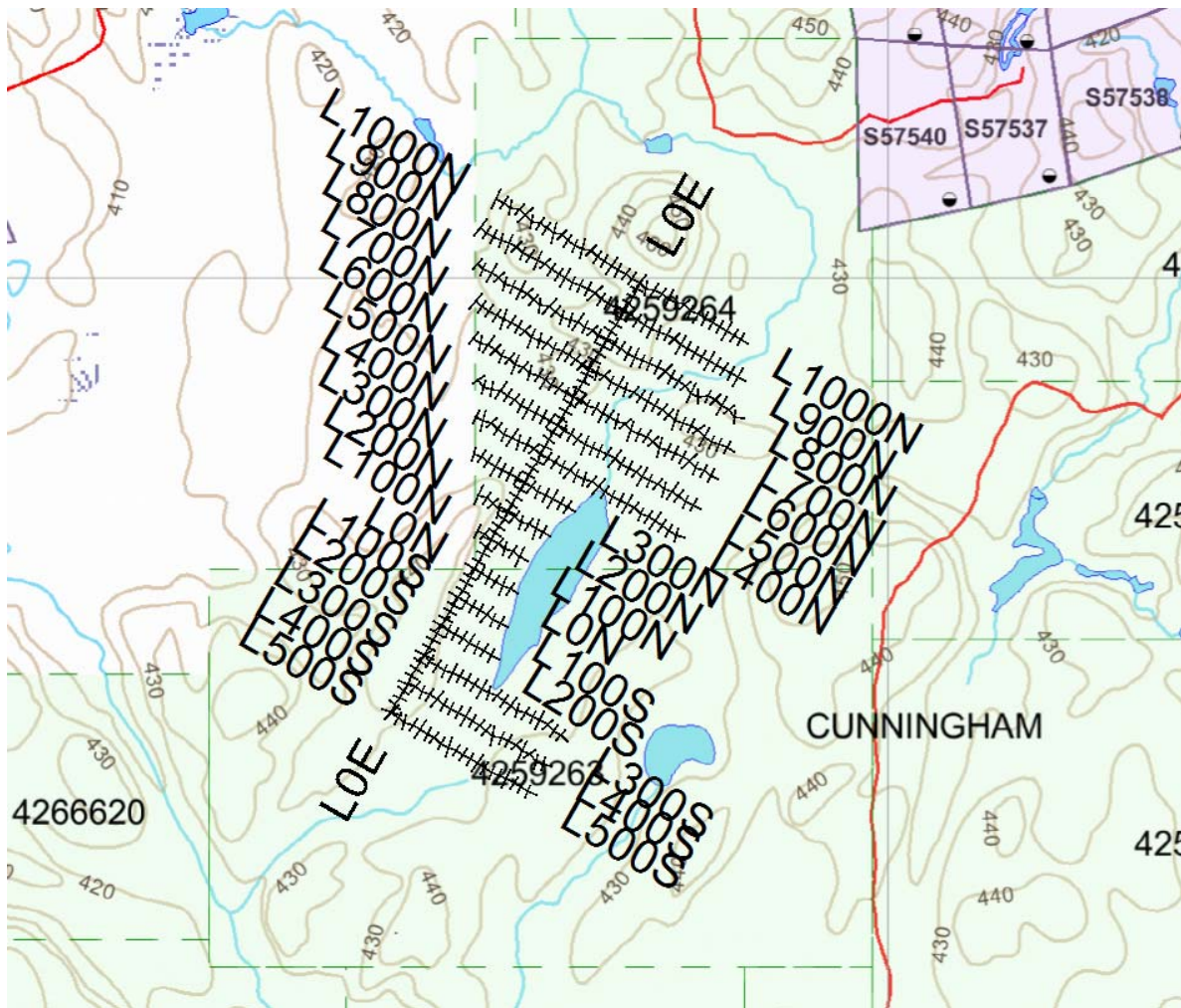


Figure 2: Claim Map with Cunningham Property Traverses

2. SURVEY WORK UNDERTAKEN

2.1 SURVEY LOG

Date	Description	Line	Min Extent	Max Extent	Total Survey (m)
March 26, 2013	Conduct magnetometer and VLF EM surveys	400N	225W	500E	725
		500N	275W	500E	775
		600N	350W	500E	850
		700N	400W	500E	900
		800N	450W	475E	925
		900N	500W	425E	925
		1000N	500W	375E	875
March 27, 2013	Complete magnetometer and VLF EM surveys	500S	0E	500E	500
		400S	0E	500E	500
		300S	0E	500E	500
		200S	0E	200E	200
		100S	0E	175E	175
		0N	0E	150E	150
		100N	50W	125E	175
		200N	100W	150E	250
		300N	175W	175E	350
		BLOE	500S	1000N	1500

Table 1: Survey Log

2.2 PERSONNEL

Maxime Jacques of Sudbury, Ontario conducted all the magnetic and VLF EM data collection with Bill Bonney of Kirkland Lake, Ontario responsible for the GPS control and GPS waypoint collection.

2.3 SURVEY SPECIFICATIONS

The survey was conducted with a GSM-19 v7 Overhauser magnetometer with a second GSM-19 magnetometer in base station mode for diurnal correction.

A total of 10,275 line kilometers of magnetometer and VLF EM was read over the Cunningham Property between March 26th and 27th, 2013. This consisted of 795 magnetometer samples taken at a 25m sample interval.

3. OVERVIEW OF SURVEY RESULTS

3.1 SUMMARY INTERPRETATION

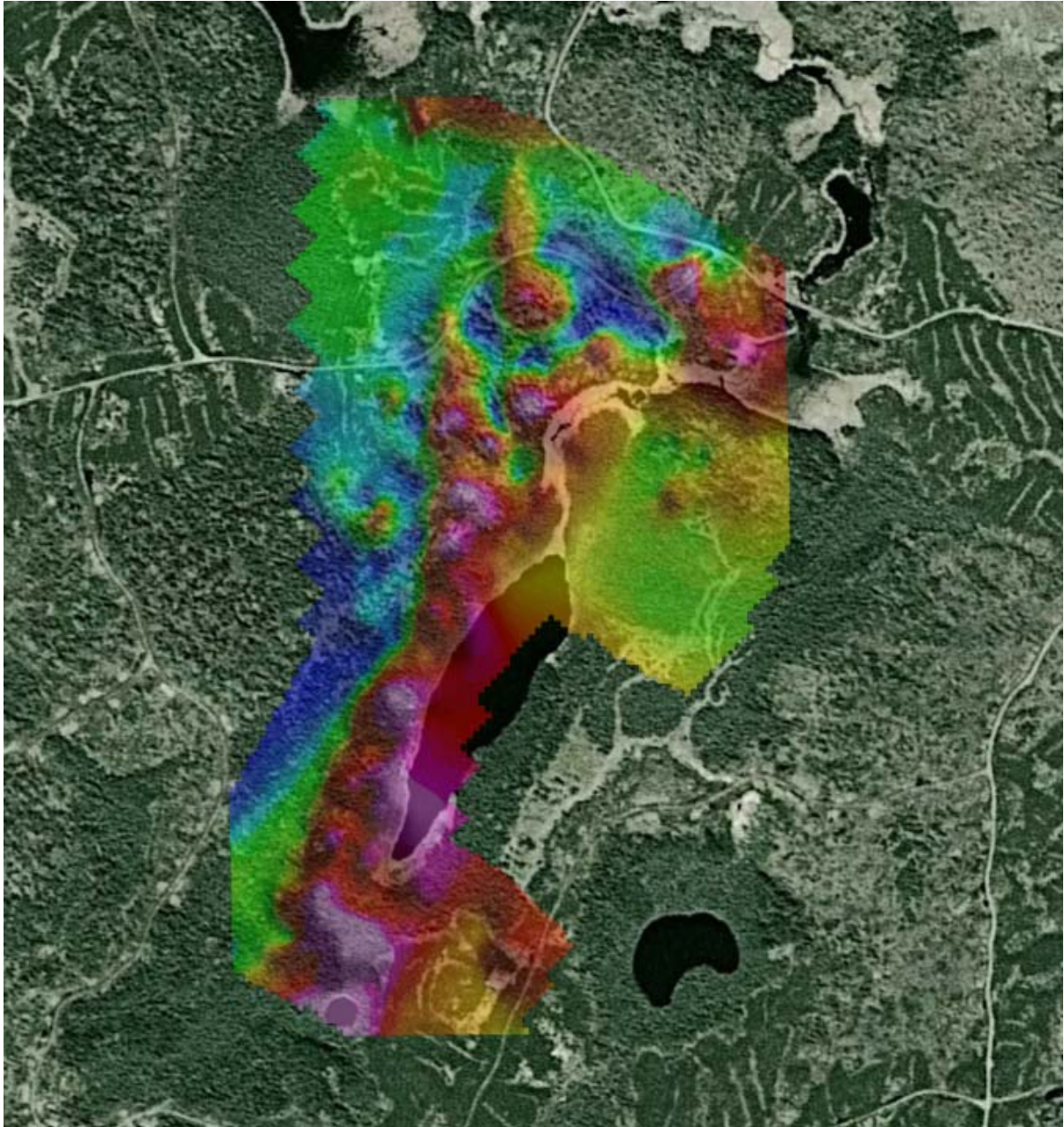


Figure 3: Google Image with Magnetic Overlay

An intense magnetic feature can be seen bisecting the survey area in a north-south direction. Near the north end there are a series of offsets within the magnet data. These may represent folding or a series of structural features. Flanking the east side of this magnetic anomaly is a series of VLF axis. This axis appears to be bedrock in origin and may indicate mineralization.

The intensity of this magnetic anomaly was to the point where the magnetometer lost tune, which indicates the magnetic field changed more than 15% over 25 meters. This intensity indicates a large concentration of magnetite which points to the source being most likely an iron formation.

From the magnitude of the signal, it would almost appear that the source is near surface therefore I would recommend following up with prospecting. This would most likely present an indication of the source of the anomaly. If no outcrop is present, select traverses of soil sampling would be warranted.

APPENDIX A

STATEMENT OF QUALIFICATIONS

I, C. Jason Ploeger, hereby declare that:

1. I am a professional geophysicist with residence in Larder Lake, Ontario and am presently employed as a Geophysicist and Geophysical Manager of Canadian Exploration Services Ltd. of Larder Lake, Ontario.
2. I am a Practising Member of the Association of Professional Geoscientists, with membership number 2172.
3. I graduated with a Bachelor of Science degree in geophysics from the University of Western Ontario, in London Ontario, in 1999.
4. I have practiced my profession continuously since graduation in Africa, Bulgaria, Canada, Mexico and Mongolia.
5. I am a member of the Ontario Prospectors Association, a Director of the Northern Prospectors Association and a member of the Society of Exploration Geophysicists.
6. I do not have nor expect an interest in the properties and securities of **Skead Holdings Ltd.**
7. I am responsible for the final processing and validation of the survey results 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.



C. Jason Ploeger, P.Geo., B.Sc.
Geophysical Manager
Canadian Exploration Services Ltd.

Larder Lake, ON
June 25, 2013

APPENDIX B

THEORETICAL BASIS AND SURVEY PROCEDURES

TOTAL FIELD MAGNETIC SURVEY

Base station corrected Total Field Magnetic surveying is conducted using at least two synchronized magnetometers of identical type. One magnetometer unit is set in a fixed position in a region of stable geomagnetic gradient, and away from possible cultural effects (i.e. moving vehicles) to monitor and correct for daily diurnal drift. This magnetometer, given the term 'base station', stores the time, date and total field measurement at fixed time intervals over the survey day. The second, remote mobile unit stores the coordinates, time, date, and the total field measurements simultaneously. The procedure consists of taking total magnetic measurements of the Earth's field at stations, along individual profiles, including Tie and Base lines. A 2 meter staff is used to mount the sensor, in order to optimally minimize localized near-surface geologic noise. At the end of a survey day, the mobile and base-station units are linked, via RS-232 ports, for diurnal drift and other magnetic activity (ionospheric and spheric) corrections using internal software.

For the gradiometer application, two identical sensors are mounted vertically at the ends of a rigid fiberglass tube. The centers of the coils are spaced a fixed distance apart (0.5 to 1.0m). The two coils are then read simultaneously, which alleviates the need to correct the gradient readings for diurnal variations, to measure the gradient of the total magnetic field.

VLF Electromagnetic

The frequency domain VLF electromagnetic survey is designed to measure both the vertical and horizontal in-phase (IP) and Quadrature (OP) components of the anomalous field from electrically conductive zones. The sources for VLF EM surveys are several powerful radio transmitters located around the world which generate EM radiation in the low frequency band of 15-25kHz. The signals created by these long-range communications and navigational systems may be used for surveying up to several thousand kilometers away from the transmitter. The quality of the incoming VLF signal can be monitored using the field strength. A field strength above 5pT will produce excellent quality results. Anything lower indicates a weak signal strength, and possibly lower data quality. A very low signal strength (<1pT) may indicate the radio station is down.

The EM field is planar and horizontal at large distances from the EM source. The two components, electric (E) and magnetic (H), created by the source field are orthogonal to each other. E lies in a vertical plane while H lies at right angles to the direction of propagation in a horizontal plane. In order to ensure good coupling, the strike of possible conductors should lie in the direction of the transmitter to allow the H vector to pass through the anomaly, in turn, creating a secondary EM field.

The VLF EM receiver has two orthogonal aeriels which are tuned to the frequency of the transmitting station. The direction of the source station is located by rotating the sensor around a vertical axis until a null position is found. The VLF EM survey procedure consists of taking measurements at stations along each line on the grid. The receiver is rotated about a horizontal axis, right angles to the traverse and the tilt recorded at the null position.

APPENDIX C**GSM 19****Specifications**

Overhauser Performance

Resolution: 0.01 nT
Relative Sensitivity: 0.02 nT
Absolute Accuracy: 0.2nT
Range: 20,000 to 120,000 nT
Gradient Tolerance: Over 10,000nT/m
Operating Temperature: -40°C to +60°C

Operation Modes

Manual: Coordinates, time, date and reading stored automatically at min. 3 second interval.
Base Station: Time, date and reading stored at 3 to 60 second intervals.
Walking Mag: Time, date and reading stored at coordinates of fiducial.
Remote Control: Optional remote control using RS-232 interface.
Input/Output: RS-232 or analog (optional) output using 6-pin weatherproof connector.

Operating Parameters

Power Consumption: Only 2Ws per reading. Operates continuously for 45 hours on standby.
Power Source: 12V 2.6Ah sealed lead acid battery standard, other batteries available
Operating Temperature: -50°C to +60°C

Storage Capacity

Manual Operation: 29,000 readings standard, with up to 116,000 optional. With 3 VLF stations: 12,000 standard and up to 48,000 optional.

Base Station: 105,000 readings standard, with up to 419,000 optional (88 hours or 14 days uninterrupted operation with 3 sec. intervals)

Gradiometer: 25,000 readings standard, with up to 100,000 optional. With 3 VLF stations: 12,000, with up to 45,000 optional.

Omnidirectional VLF

Performance Parameters: Resolution 0.5% and range to $\pm 200\%$ of total field. Frequency 15 to 30 kHz.

Measured Parameters: Vertical in-phase & out-of-phase, 2 horizontal components, total field coordinates, date, and time.

Features: Up to 3 stations measured automatically, in-field data review, displays station field strength continuously, and tilt correction for up to $\pm 10^\circ$ tilts.

Dimensions and Weights: 93 x 143 x 150mm and weighs only 1.0kg.

Dimensions and Weights

Dimensions:
Console: 223 x 69 x 240mm

Sensor: 170 x 71mm diameter cylinder
Weight:
Console: 2.1kg
Sensor and Staff Assembly: 2.0kg

Standard Components

GSM-19 magnetometer console, harness, battery charger, shipping case, sensor with cable, staff, instruction manual, data transfer cable and software.

Taking Advantage of a “Quirk” of Physics

Overhauser effect magnetometers are essentially proton precession devices except that they produce an order-of magnitude greater sensitivity. These "supercharged" quantum magnetometers also deliver high absolute accuracy, rapid cycling (up to 5 readings / second), and exceptionally low power consumption.

The Overhauser effect occurs when a special liquid (with unpaired electrons) is combined with hydrogen atoms and then exposed to secondary polarization from a radio frequency (RF) magnetic field. The unpaired electrons transfer their stronger polarization to hydrogen atoms, thereby generating a strong precession signal-- that is ideal for very high-sensitivity total field measurement. In comparison with proton precession methods, RF signal generation also keeps power consumption to an absolute minimum and reduces noise (i.e. generating RF frequencies are well out of the bandwidth of the precession signal).

In addition, polarization and signal measurement can occur simultaneously - which enables faster, sequential measurements. This, in turn, facilitates advanced statistical averaging over the sampling period and/or increased cycling rates (i.e. sampling speeds).

- The unique Overhauser unit blends physics, data quality, operational efficiency, system design and options into an instrumentation package that ... exceeds proton precession and matches costlier optically pumped cesium capabilities

APPENDIX C

APPENDIX D

LIST OF MAPS (IN MAP POCKET)

Posted contoured TFM plan map (1:2500)

- 1) SKEAD-CUNNINGHAM-CUNNINGHAM A-MAG-CONT

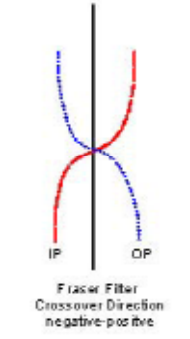
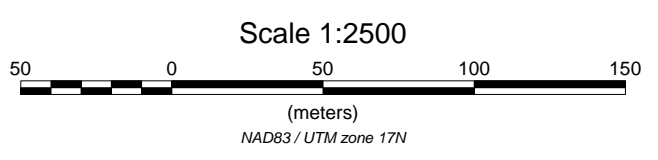
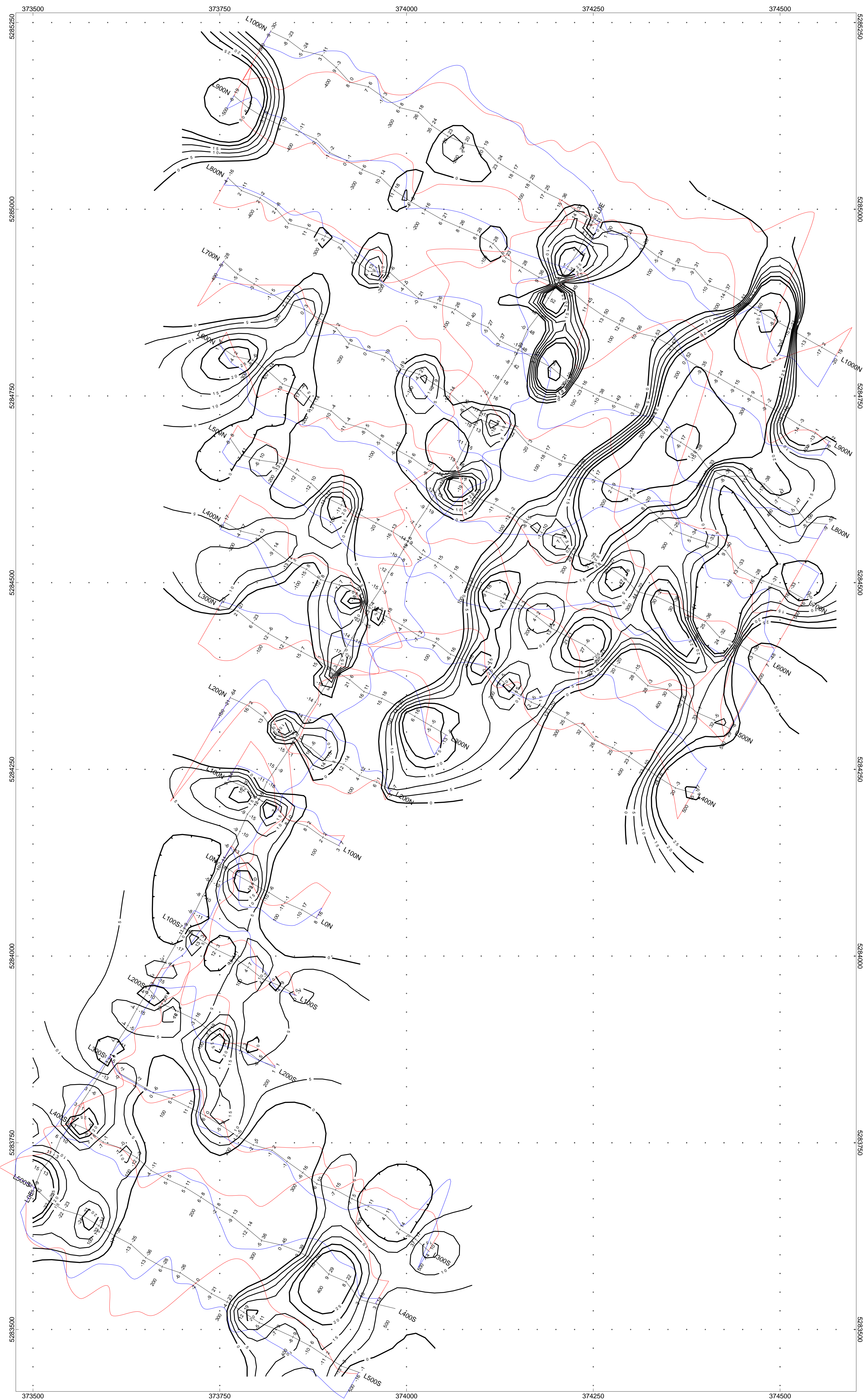
Posted VLF EM profiles with contoured fraser filter plan map (1:2500)

- 2) SKEAD- CUNNINGHAM-CUNNINGHAM A-VLF-NAA

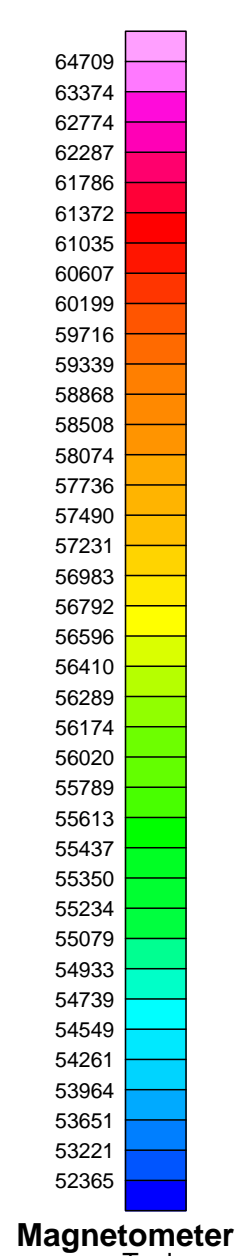
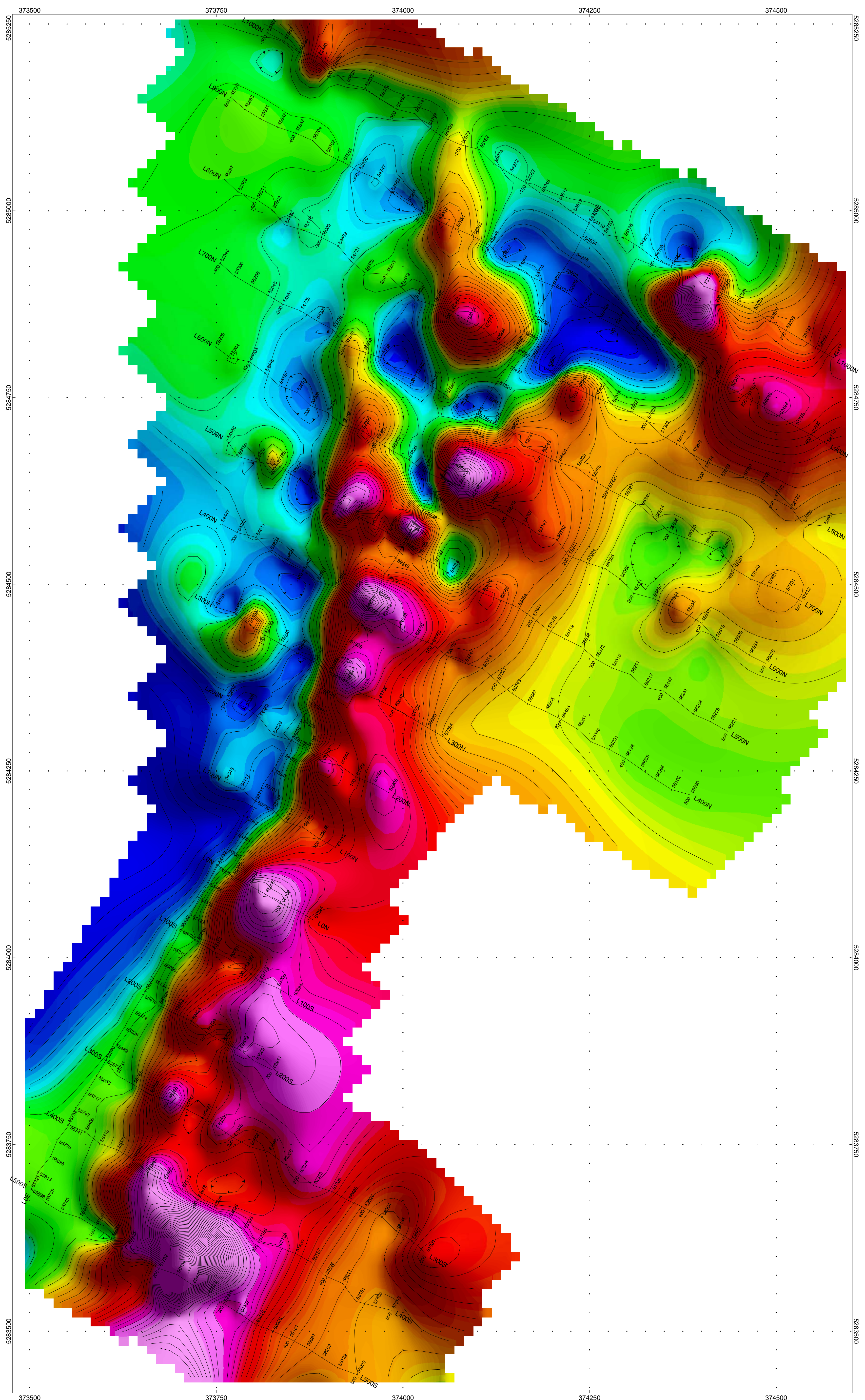
Claim Map with Survey Traverses (1:40000)

- 3) SKEAD- CUNNINGHAM-CUNNINGHAM A-GRID

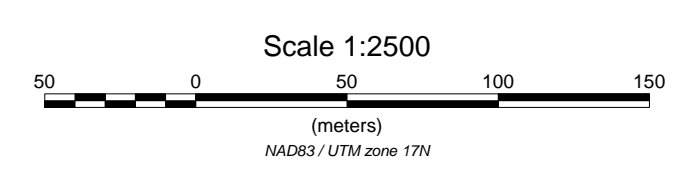
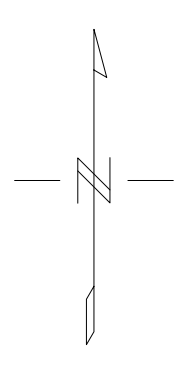
TOTAL MAPS=3



SKEAD HOLDINGS LTD. CUNNINGHAM-A PROPERTY Cunningham Township, Ontario	
VLF IN PHASE/OUT PHASE PROFILE VLF FRASER FILTERED CONTOURED PLAN MAP 24.0kHz NAA - CUTLER USA	
In Phase: Posted Right/Bottom (Red) Out Phase: Posted Left/Top (Blue)	
Vertical Profile Scales: 2 %/mm Contour Interval: 0, 5, 10, 15, 20, 25, 50, 100	
Station Separation: 25 meters Posting Level: 0	
GSM-19 OVERHAUSER MAGNETOMETER/VLF v7	
Receiver Operated By: Max Jacques GPS Operated By: Bill Bonney Processed by: Claudia Moraga Map Drawn By: C Jason Ploeger June 2013	
Drawing: SKEAD-CUNNINGHAM-CUNNINGHAM A-VLF-NAA	



Magnetometer
nanoTesla



SKED HOLDINGS LTD. CUNNINGHAM-A PROPERTY Cunningham Township, Ontario	
TOTAL FIELD MAGNETIC CONTOURED PLAN MAP Base Station Corrected Posting Level: 0nT Field Inclination/Declination: 74degN/12degW Station Separation: 25 meters Total Field Magnetic Contours: 500nT GSM-19 OVERHAUSER MAGNETOMETER/VLF v7	
Receiver Operated By: Max Jacques GPS Operated By: Bill Bonney Processed by: Claudia Moraga Map Drawn By: C Jason Ploeger June 2013	
Drawing: SKED-CUNNINGHAM-CUNNINGHAM A-MAG-CONT	

Date / Time of Issue: Thu May 23 11:36:36 EDT 2013

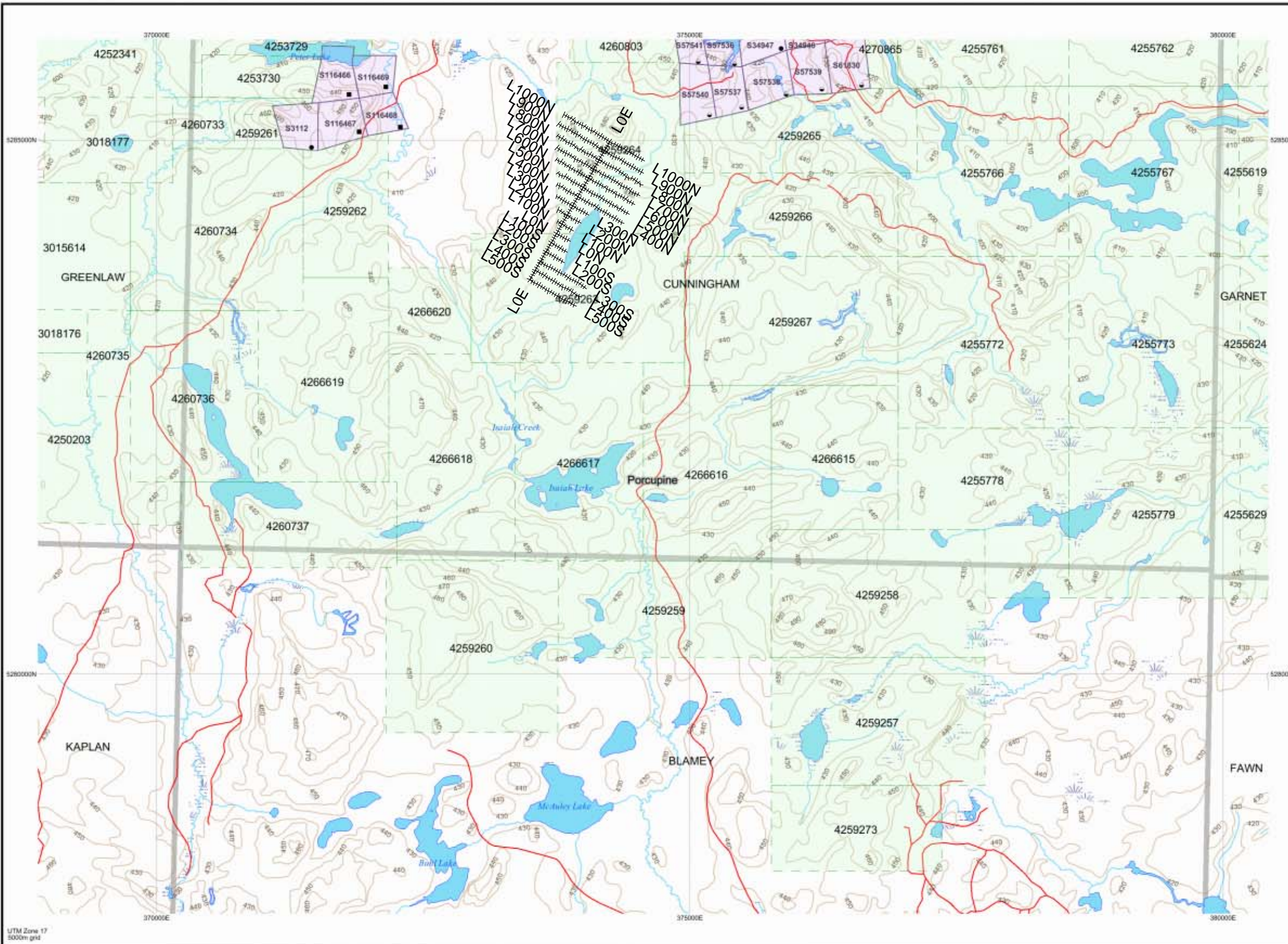
TOWNSHIP / AREA
CUNNINGHAM

PLAN
G-1095

ADMINISTRATIVE DISTRICTS / DIVISIONS

Mining Division
Land Titles/Registry Division
Ministry of Natural Resources District

Porcupine
SUDBURY
CHAPLEAU



TOPOGRAPHIC

- Administrative Boundaries
- Township
- Concession Lot
- Provincial Park
- Indian Reserve
- Cliff, Pit & Pile
- Contour
- Mine Shafts
- Mine Headframes
- Railway
- Road
- Trail
- Natural Gas Pipeline
- Utilities
- Tower

Land Tenure

- Freehold Patent**
 - Surface And Mining Rights
 - Surface Rights Only
 - Mining Rights Only
- Leasehold Patent**
 - Surface And Mining Rights
 - Surface Rights Only
 - Mining Rights Only
- Licence of Occupation**
 - Uses Not Specified
 - Surface And Mining Rights
 - Surface Rights Only
 - Mining Rights Only
 - Land Use Permit
 - Order In Council (Not open for staking)
 - Water Power Lease Agreement
- Mining Claims**
 - Mining Claims
 - Filled Only Mining Claims

KANEY	ROLLO	COPPELL (A.E.R.)
SEYMOUR	SWAYZE	DOUG
GREENLAW	CUNNINGHAM	GARNET
KAPLAN	BLAMEY	FAWN
WAKAMI	SHIPLEY	HONG KONG
BYWINGTON	SINGAPORE	CEYLON

- LAND TENURE WITHDRAWALS**
- Areas Withdrawn from Disposition
 - Mining Acts Withdrawal Types**
 - Wsm Surface And Mining Rights Withdrawn
 - Ws Surface Rights Only Withdrawn
 - Wm Mining Rights Only Withdrawn
 - Order In Council Withdrawal Types**
 - Wsm Surface And Mining Rights Withdrawn
 - Ws Surface Rights Only Withdrawn
 - Wm Mining Rights Only Withdrawn
 - IMPORTANT NOTICES



LAND TENURE WITHDRAWAL DESCRIPTIONS (list may not be complete)

Identifier	Type	Date	Description
4350	Wsm	Jan 1, 2001	CROWN RESERVE
4434	Wsm	Jan 1, 2001	400 FEET SURFACE RIGHTS RESERVATION AROUND ALL LAKES & RIVERS

Those wishing to stake mining claims should consult with the Provincial Mining Recorders' Office of the Ministry of Northern Development and Mines for additional information on the status of the lands shown hereon. This map is not intended for navigational, survey, or land title determination purposes as the information shown on this map is compiled from various sources. Completeness and accuracy are not guaranteed. Additional information may also be obtained through the local Land Titles or Registry Office, or the Ministry of Natural Resources.

The information shown is derived from digital data available in the Provincial Mining Recorders' Office at the time of downloading from the Ministry of Northern Development and Mines web site.

General Information and Limitations
 Contact Information:
 Provincial Mining Recorders' Office
 Willet Green Mill Centre 803 Ramsey Lake Road
 Sudbury ON P3E 8B5
 Home Page: www.mdm.gov.on.ca/MNDMMINES/LANDS/mtsmrpg.htm

Toll Free
 Tel: 1 (888) 415-9845 ext 574
 Fax: 1 (877) 670-1444

Map Datum: NAD 83
 Projection: UTM (6 degree)
 Topographic Data Source: Land Information Ontario
 Mining Land Tenure Source: Provincial Mining Recorders' Office

This map may not show unregistered land tenure and interests in land including certain patents, leases, easements, right of ways, flooding rights, licences, or other forms of disposition of rights and interest from the Crown. Also certain land tenure and land uses that restrict or prohibit free entry to stake mining claims may not be illustrated.