CANADIAN EXPLORATION SERVICES LTD

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ASHLEY GOLD MINES LIMITED

SKEAD HOLDINGS LTD.

Magnetometer Survey Over the MacMURCHY PROPERTY MacMurchy Township, Ontario

C Jason Ploeger, B.Sc, P.Geo
December 9, 2014

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1. SURVEY DETAILS

1.1 PROJECT NAME

This project is known as the **MacMurchy Property**.

1.2 CLIENT

Ashley Gold Mines Limited
P.O. Box 219
Larder Lake, Ontario
P0K 1L0

Skead Holdings Ltd.
28 Ford St.
Sault St. Marie, ON
P6A 4N4

1.3 LOCATION

The MacMurchy Property is located approximately 100km south of Timmins, Ontario. The magnetic traverse area is located in MacMurchy Township and covers a portion of mining claims 4258163 and 4225508, within the Larder Lake Mining Division.

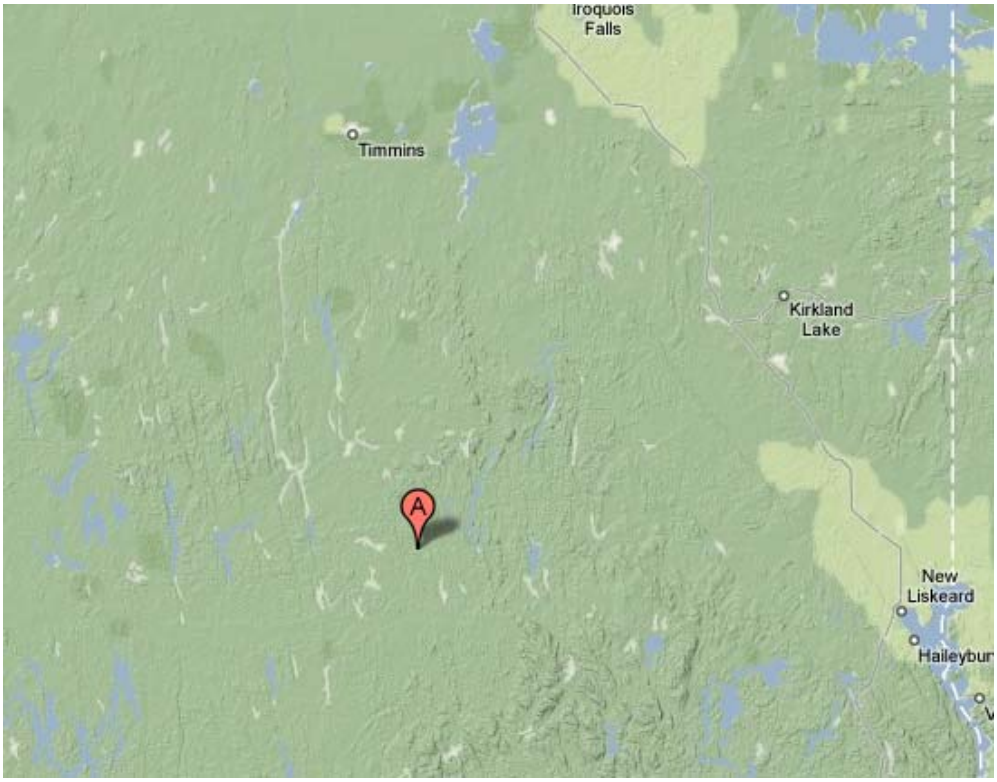


Figure 1: Location of the MacMurchy Property

1.4 ACCESS

Access to the property was attained with a 4x4 truck via highway 560, 34km west of Gowganda, Ontario. From here the Bay Lumber Road was followed southward by snowmachine, for 5km to Jerry Lake, where the survey area is located.

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, magnetic samples were taken every 12.5m along these controlled traverses. The GPS used was a Garmin GPS Map 62S.

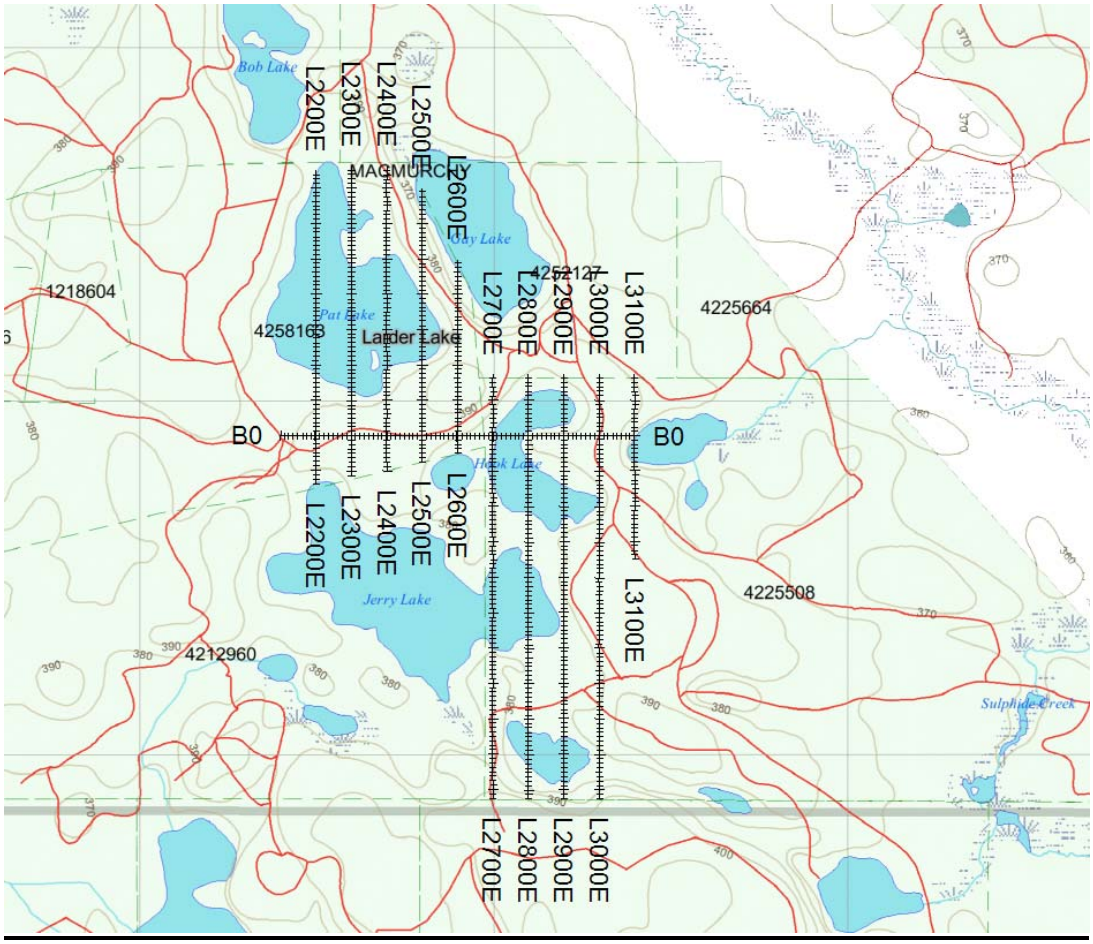


Figure 2: Claim Map with Traverse Area

2. SURVEY WORK UNDERTAKEN

2.1 SURVEY LOG

Date	Description	Line	Min Extent	Max Extent	Total Survey (m)
December 5, 2014	Locate survey area and begin survey.	2200E	137.5S	750N	887.5
		2300E	112.5S	762.5N	875
		2400E	100S	762.5N	862.5
		2500E	75S	700N	775
		2600E	50S	75N	125
December 6, 2014	Complete magnetic survey.	2600E	75N	500N	425
		2700E	1025S	175N	1200
		2800E	1025S	175N	1200
		2900E	1025S	175N	1200
		3000E	1025S	175N	1200
		3100E	350S	175N	525
		BL0N	2100E	3100E	1000

Table 1: Survey Log

2.2 PERSONNEL

Claudia Moraga of Britt, Ontario conducted the magnetic data collection while Bruce Lavalley of Britt, Ontario was 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 for a base station mode for diurnal correction.

A total of 10.275 line kilometers of no grid mag was performed between December 5th and December 6th, 2014. This consisted of 822 magnetometer samples taken at 12.5m intervals.

3. OVERVIEW OF SURVEY RESULTS

3.1 SUMMARY INTERPRETATION

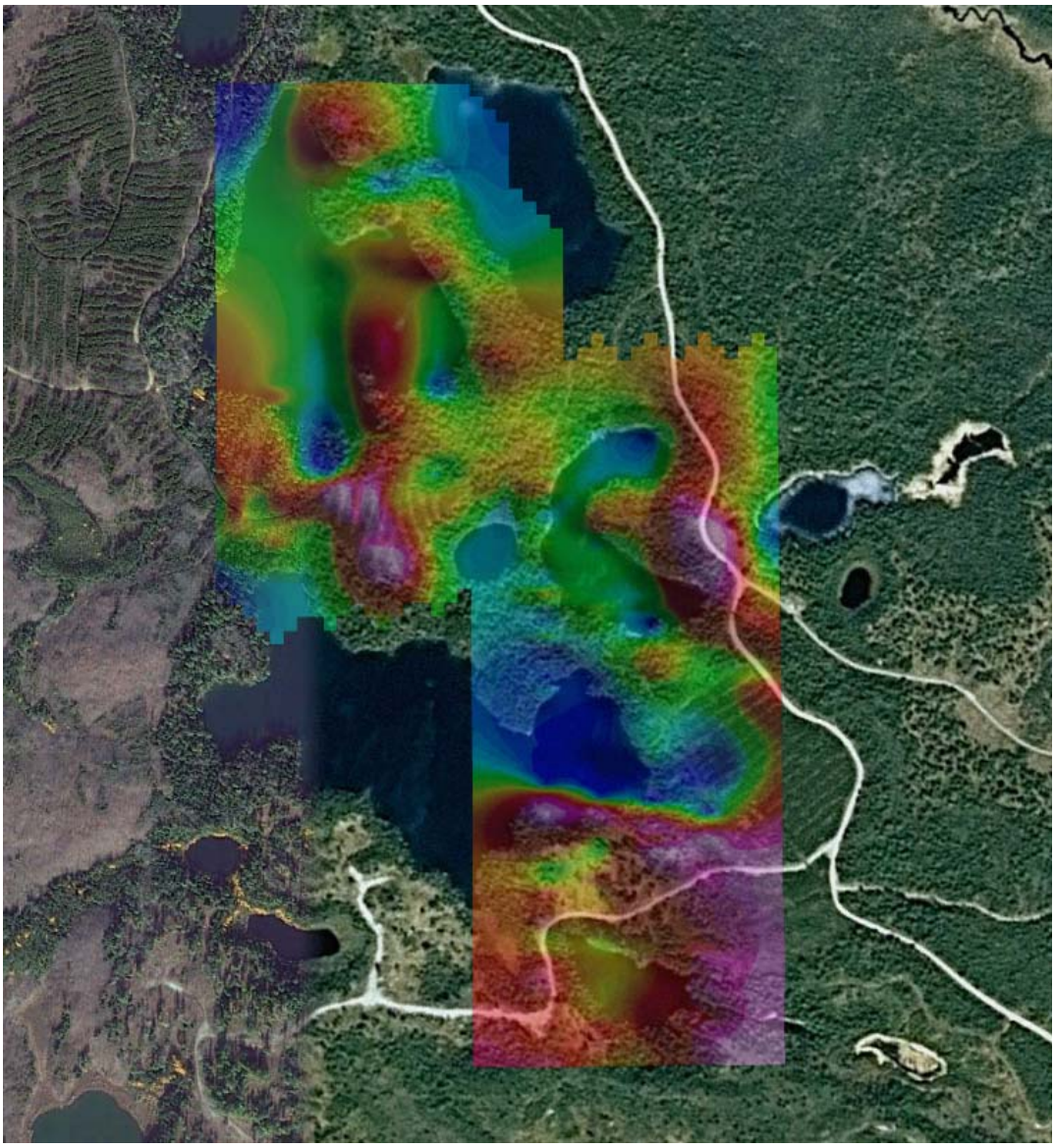


Figure 3: Magnetic Plan overlaying Google Satellite Image

The magnetic survey indicates the presence of two possible magnetic regimes. Through both of these regimes, two linear magnetically high anomalies cross the property in a north-south direction. These linear features most likely represent regional dikes.

The northern region exhibits a slightly weaker magnetic signature than the southern region. This may indicate a probable change in geology from a magnetic to non-magnetic volcanic unit.

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 Practicing 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 **Ashley Gold Mines Ltd and 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
December 9, 2014

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 sferic) 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.

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 ±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 ±10° 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

GARMIN GPS MAP 62S

Physical & Performance:	
Unit dimensions, WxHxD:	2.4" x 6.3" x 1.4" (6.1 x 16.0 x 3.6 cm)
Display size, WxH:	1.43" x 2.15" (3.6 x 5.5 cm); 2.6" diag (6.6 cm)
Display resolution, WxH:	160 x 240 pixels
Display type:	transflective, 65-K color TFT
Weight:	9.2 oz (260.1 g) with batteries
Battery:	2 AA batteries (not included); NiMH or Lithium recommended
Battery life:	20 hours
Waterproof:	yes (IPX7)
Floats:	no
High-sensitivity receiver:	yes
Interface:	high-speed USB and NMEA 0183 compatible

Maps & Memory:	
Basemap:	yes
Preloaded maps:	no
Ability to add maps:	yes
Built-in memory:	1.7 GB
Accepts data cards:	microSD™ card (not included)
Waypoints/favorites/locations:	2000
Routes:	200
Track log:	10,000 points, 200 saved tracks

Features & Benefits:	
Automatic routing (turn by turn routing on roads):	yes (with optional mapping for detailed roads)
Electronic compass:	yes (tilt-compensated, 3-axis)
Touchscreen:	no
Barometric altimeter:	yes
Camera:	no
Geocaching-friendly:	yes (paperless)
Custom maps compatible:	yes
Photo navigation (navigate to geotagged photos):	yes
Outdoor GPS games:	no
Hunt/fish calendar:	yes
Sun and moon information:	yes
Tide tables:	yes

Area calculation:	yes
Custom POIs (ability to add additional points of interest):	yes
Unit-to-unit transfer (shares data wire-lessly with similar units):	yes
Picture viewer:	yes
Garmin Connect™ compatible (online community where you analyze, catego-rize and share data):	yes

- *Specifications obtained from www.garmin.com*

APPENDIX D

LIST OF MAPS (IN MAP POCKET)

Posted Contoured TFM Plan Map (1:5000)

1) ASHLEY/SKEAD-MacMURCHY-MAG-CONT

Grid Sketch on Claim Map (1:20000)

2) ASHLEY/SKEAD- MacMURCHY-GRID

TOTAL MAPS = 2

ONTARIO CANADA

MINISTRY OF NORTHERN DEVELOPMENT AND MINES

PROVINCIAL MINING RECORDER'S OFFICE

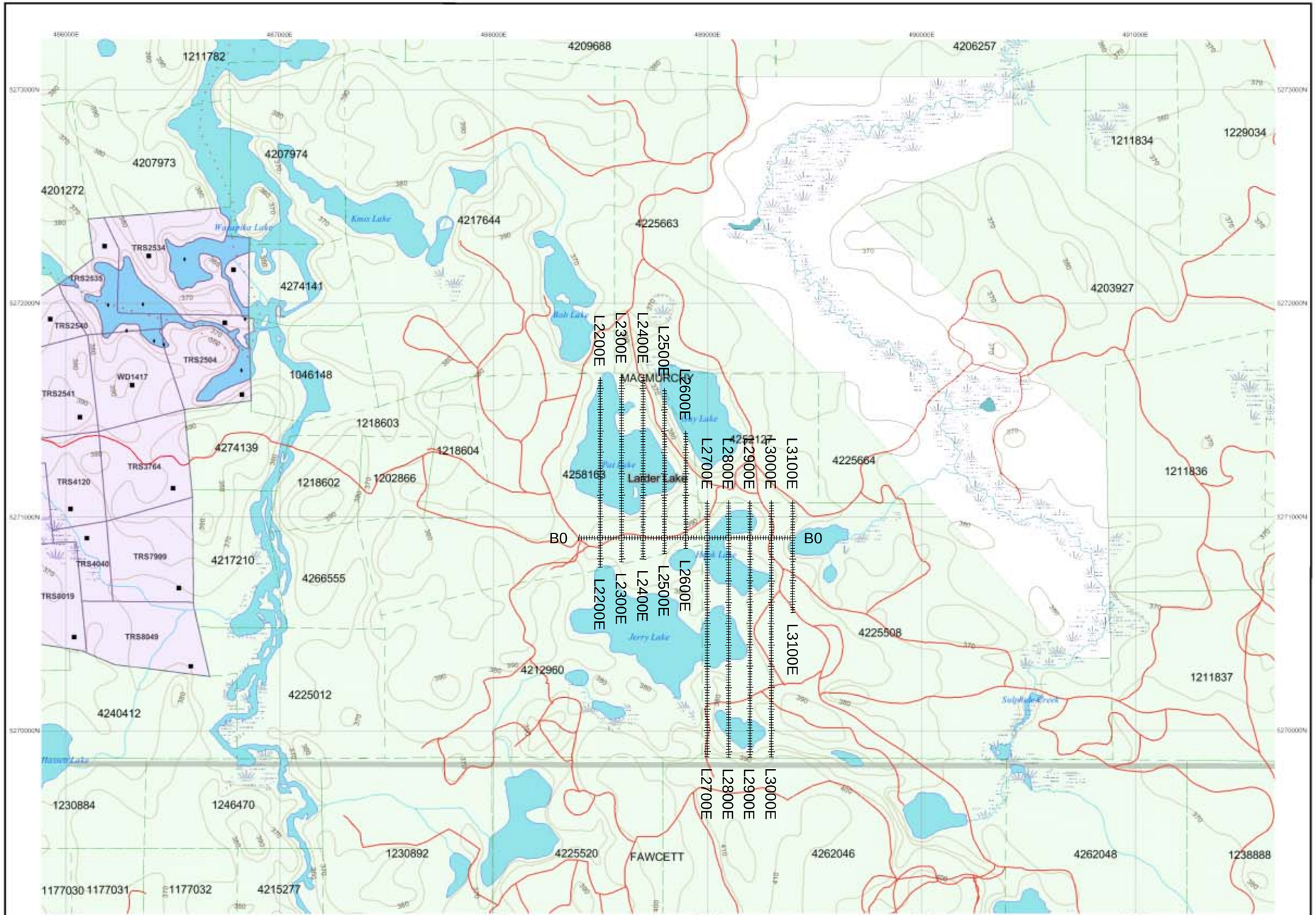
Mining Land Tenure Map

Date / Time of Issue: Tue Dec 09 14:53:46 EST 2014

TOWNSHIP / AREA	PLAN
MACMURCHY	G-0988

ADMINISTRATIVE DISTRICTS / DIVISIONS

Mining Division	Larder Lake
Land Titles/Registry Division	SUDBURY
Ministry of Natural Resources District	TIMMINS



TOPOGRAPHIC

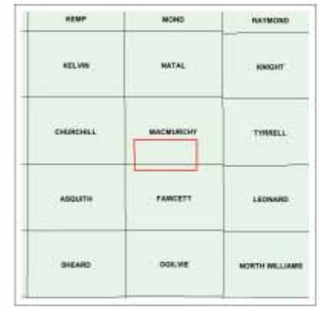
Administrative Boundaries
- Township
- Concession, Lot
- Provincial Park
- Indian Reserve
- Cliff, Pit & Pile
- Contour
- Mine Shafts
- Mine Headframe
- Railway
- Road
- Trail
- Natural Gas Pipeline
- Utilities
- Tower

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
- 1234567 Mining Claim
- 1234567 Filed Only Mining Claims



LAND TENURE WITHDRAWALS

1234 Areas Withdrawn from Disposition

Mining Acts Withdrawal Types
- Wam Surface And Mining Rights Withdrawn
- Ws Surface Rights Only Withdrawn
- Wm Mining Rights Only Withdrawn

Order In Council Withdrawal Types
- W'sm Surface And Mining Rights Withdrawn
- W's Surface Rights Only Withdrawn
- W'm Mining Rights Only Withdrawn

NIs

IMPORTANT NOTICES

Scale 1:20000

300m 0m 900m

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.

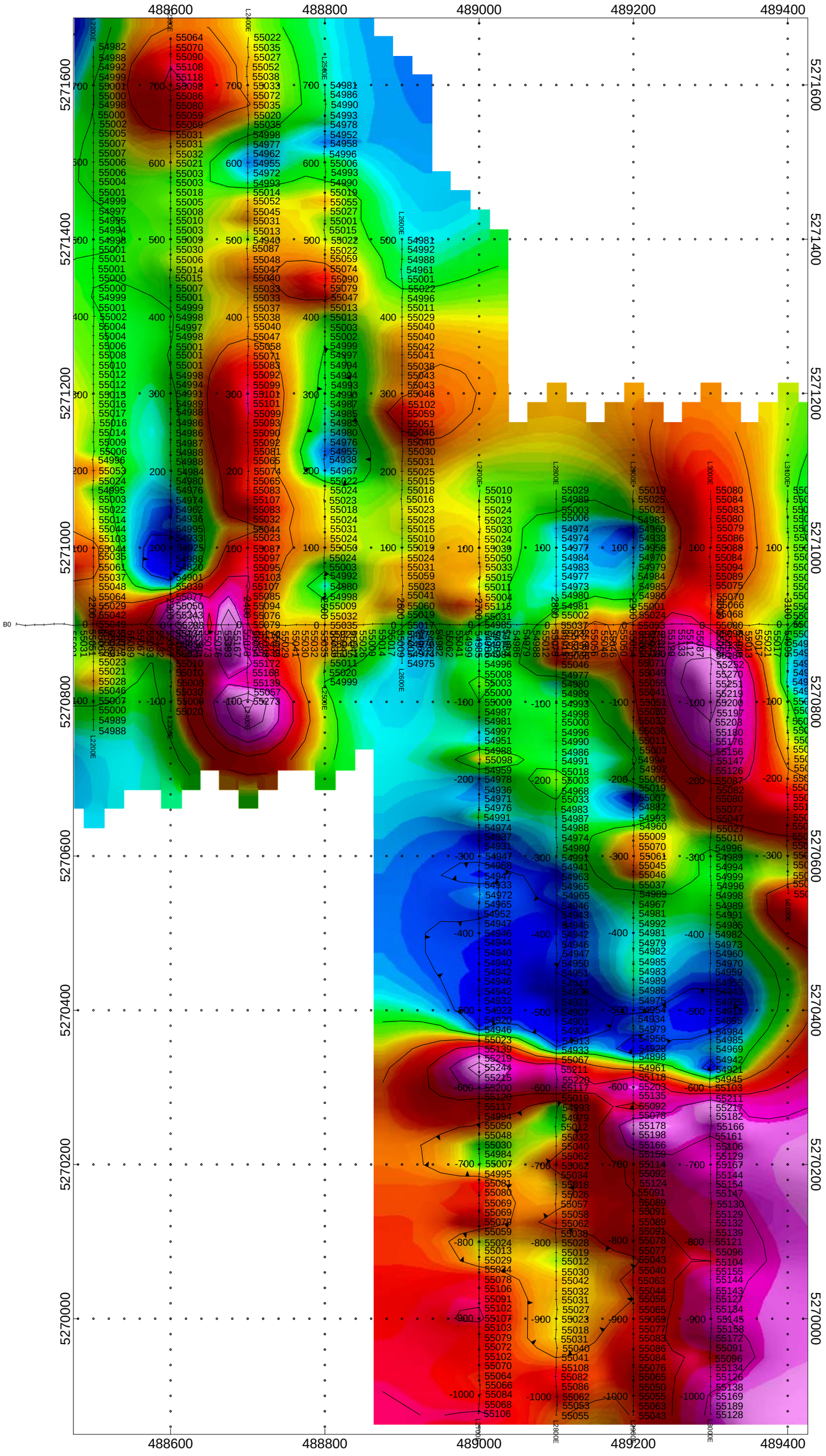
General Information and Limitations

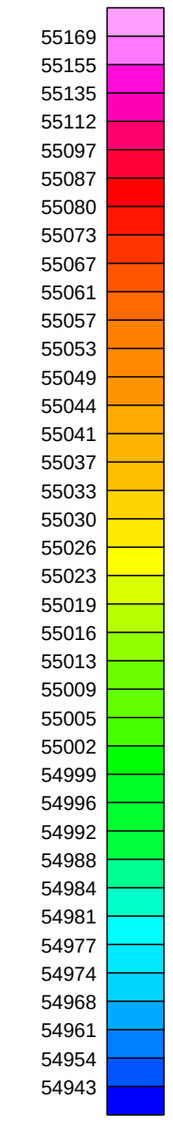
Contact Information
Provincial Mining Recorders' Office
Willet Green Miller Centre 933 Ramsey Lake Road
Sudbury ON P3E 6B5
Home Page: www.mndm.gov.on.ca/MNDM/MINES/LANDS/mlermpge.htm

Toll Free:
Tel: 1 (888) 415-9845 ext 5742
Fax: 1 (877) 670-1444

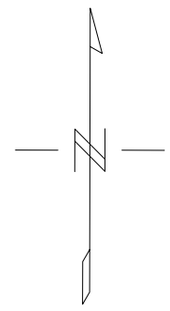
Map Datum: NAD 83
Projection: UTM (6 degree)
Topographic Data Source: Land Information Ontario
Mining Land Tenure Source: Provincial Mining Recorders' Office

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.





Magnetometer
nanoTesla(nT)



Scale 1:5000

50 0 50 100 150 200 250 300

(meters)

NAD83 / UTM zone 17N

ASHLEY GOLD MINES LIMITED

SKEAD HOLDINGS LTD.

MacMURCHY PROPERTY
MacMurchy Township, Ontario

TOTAL FIELD MAGNETIC CONTOURED PLAN MAP
Base Station Corrected

Posting Level: 0nT
Field Inclination/Declination: 74degN/12degW
Station Seperation: 12.5 meters
Total Field Magnetic Contours: 50nT

GSM-19 OVERHAUSER MAGNETOMETER/VLF v7

Receiver Operated By: Bruce Lavalley
GPS Operated By: Claudia Moraga
Processed by: C Jason Ploeger, P.Geo.
Map Drawn By: C Jason Ploeger, P.Geo.
December 2014

CANADIAN EXPLORATION SERVICES LTD

Drawing : ASHLEY/SKEAD-MacMURCHY-MAG-CONT