



**CANADIAN EXPLORATION SERVICES LTD**

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# **SKEAD HOLDINGS LTD.**

## **Magnetometer Survey Over the Cunningham-E Property Cunningham Township, Ontario**

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## 1. SURVEY DETAILS

### 1.1 PROJECT NAME

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

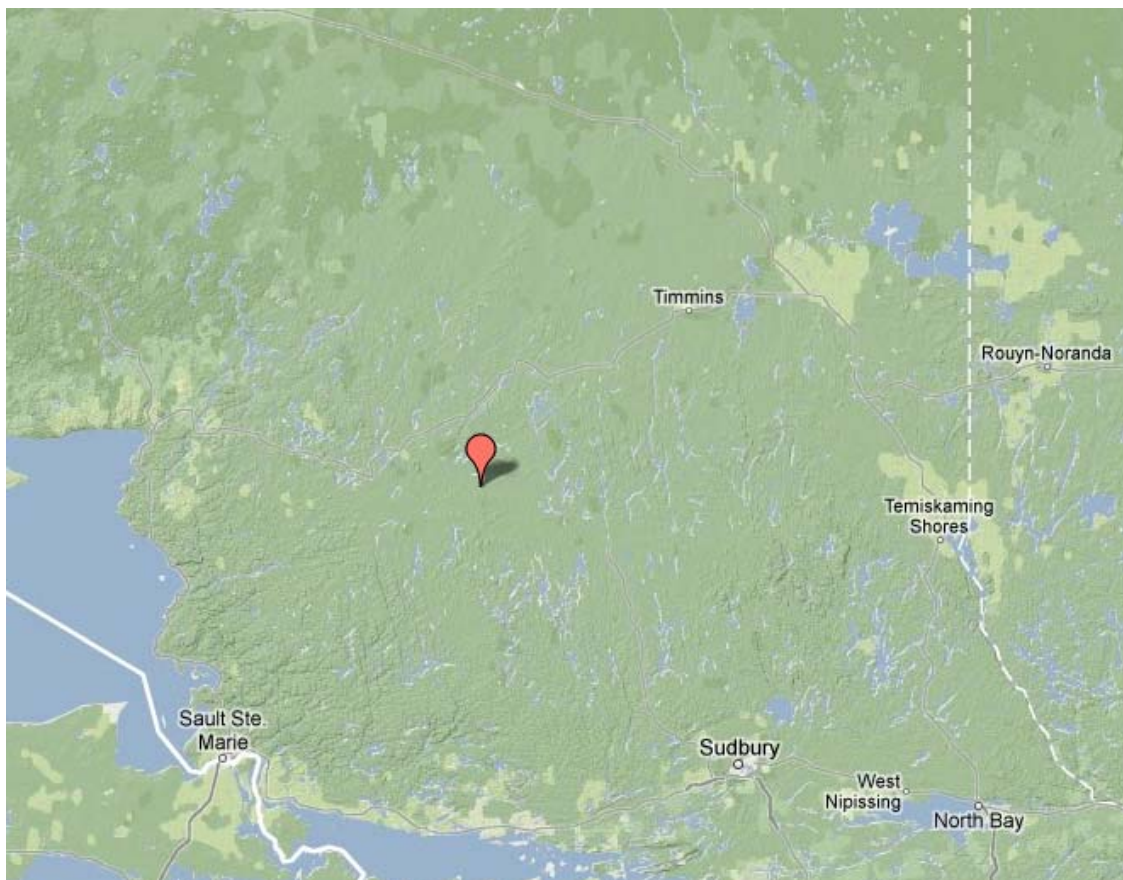
### 1.2 CLIENT

SKEAD HOLDINGS LTD.

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

### 1.3 LOCATION

The Cunningham-E Property is located in Cunningham Township approximately 10km northeast of Sultán, Ontario. The survey area covers claim numbered 4259262, located in Cunningham Township, within the Porcupine Mining Division.



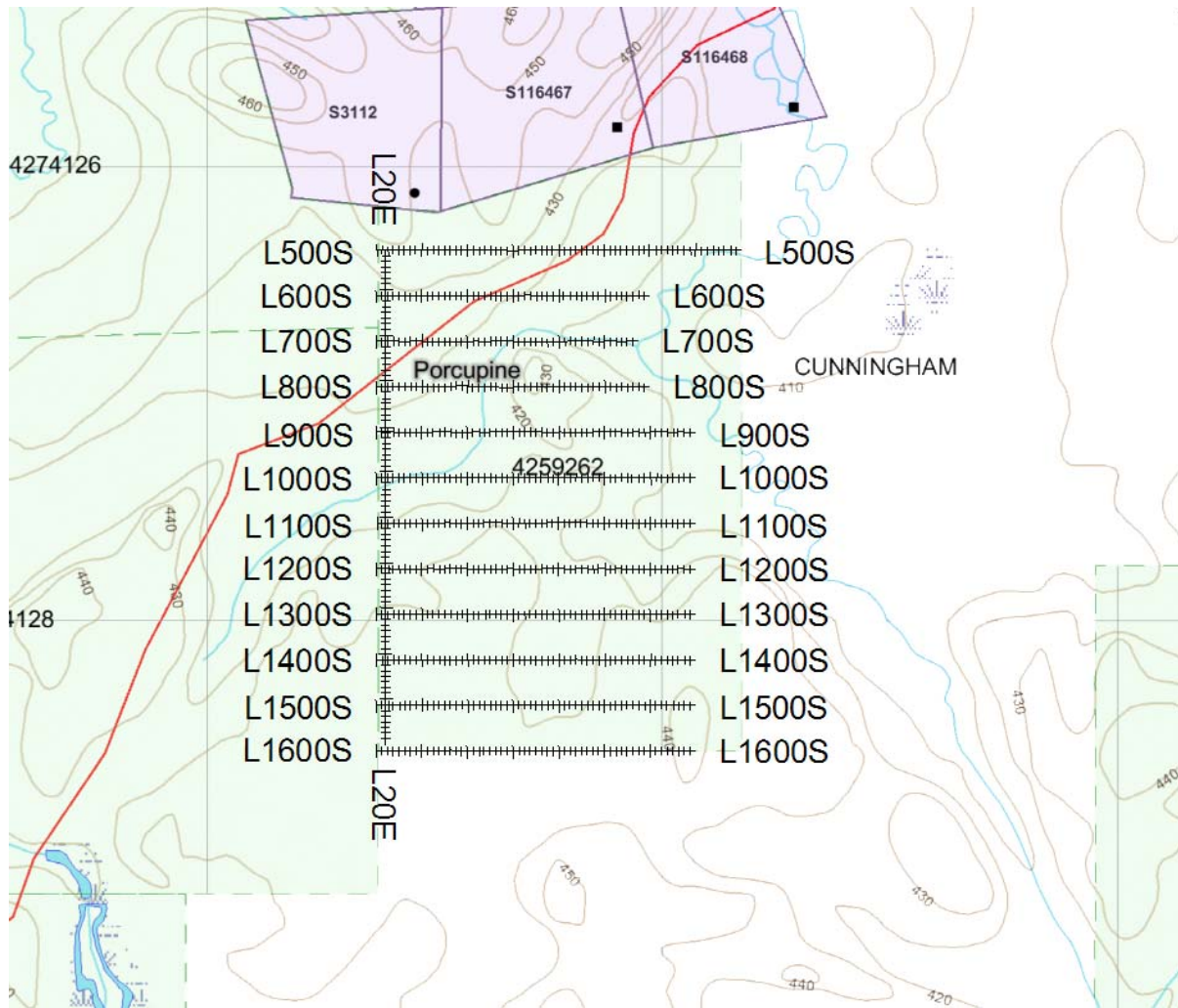
**Figure 1: Location of the Cunningham-E Property**

**1.4 ACCESS**

Access to the property was attained with a 4x4 truck on Highway 129 for approximately 28 km southeast from the Town of Chapleau to Regional Rd 667 for approximately 47km east. From that point, snowmachines were used to travel for an additional 20km north on an old logging road to the beginning of the property.

**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 GPSMAP 62s with an external antenna for added accuracy.



**Figure 2: Claim Map with Cunningham-E Property Traverses**

## 2. SURVEY WORK UNDERTAKEN

### 2.1 SURVEY LOG

Date	Description	Line	Min Extent	Max Extent	Total Survey (m)
December 12, 2014	Locate access and survey area and begin survey.	1600S	0	700E	700
		1500S	0	700E	700
		1400S	0	700E	700
		1300S	0	700E	700
		20E	1600S	1200S	400
December 13, 2014	Continue magnetic survey.	1200S	0	700E	700
		1100S	0	700E	700
		1000S	0	700E	700
		900S	0	700E	700
		20E	1200S	700S	500
December 14, 2014	Complete magnetic survey as outlined.	800S	0	700E	700
		700S	0	700E	700
		600S	0	700E	700
		500S	0	700E	700
		20E	700S	500S	200

**Table 1: Survey Log**

### 2.2 PERSONNEL

Claudia Moraga of Britt, Ontario, conducted all the magnetic data collection with Bruce Lavalley also of Britt, Ontario responsible for GPS control and waypoint collection.

### 2.3 SURVEY SPECIFICATIONS

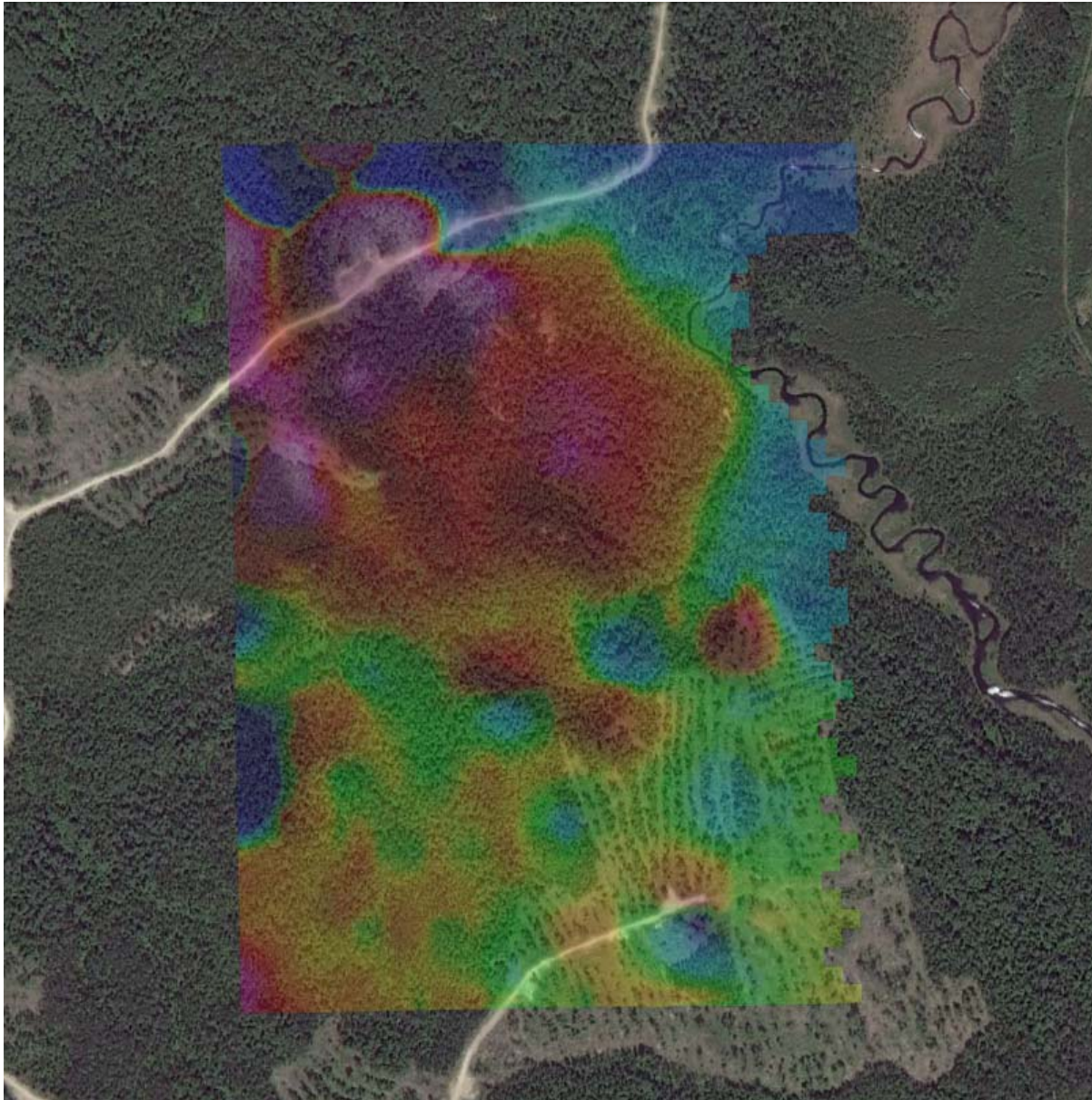
The survey was conducted with a GSM-19 v7 Overhauser magnetometer with a second GSM-19 magnetometer for a base station mode for diurnal correction.

A total of 9.5 line kilometers of magnetometer was read over the Cunningham-E Property between December 12<sup>th</sup> and 14<sup>th</sup>, 2014. This consisted of 760 magnetometer samples taken at a 12.5m sample interval.



### 3. OVERVIEW OF SURVEY RESULTS

#### 3.1 SUMMARY INTERPRETATION



**Figure 3: Google Image with Magnetic Overlay**

An intense magnetic signature occurs within the survey area. The intensity of the magnetic signature indicates a probable iron formation. This anomaly appears to be constrained to the south and east and open to the north and west. The survey area should be extended to the northwest to better constrain this anomaly.

This magnetic anomaly should be further investigated. There is a strong potential of mineralization within this unit. I would recommend cutting a grid and performing a followup program. This program should include, geology, MMI Survey and an IP Survey.

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## 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  
December 17, 2014

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## 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.



## 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.

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## 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

### 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
<u>Geocaching-friendly:</u>	yes (paperless)
<u>Custom maps compatible:</u>	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



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

- *Specifications obtained from [www.garmin.com](http://www.garmin.com)*

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## **APPENDIX D**

### **LIST OF MAPS (IN MAP POCKET)**

Posted contoured TFM plan map (1:2500)

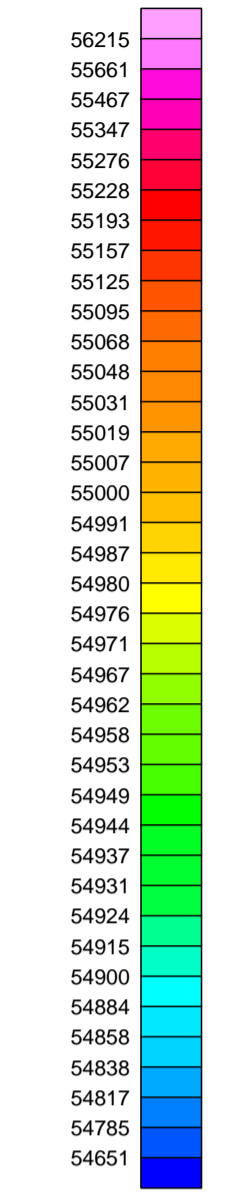
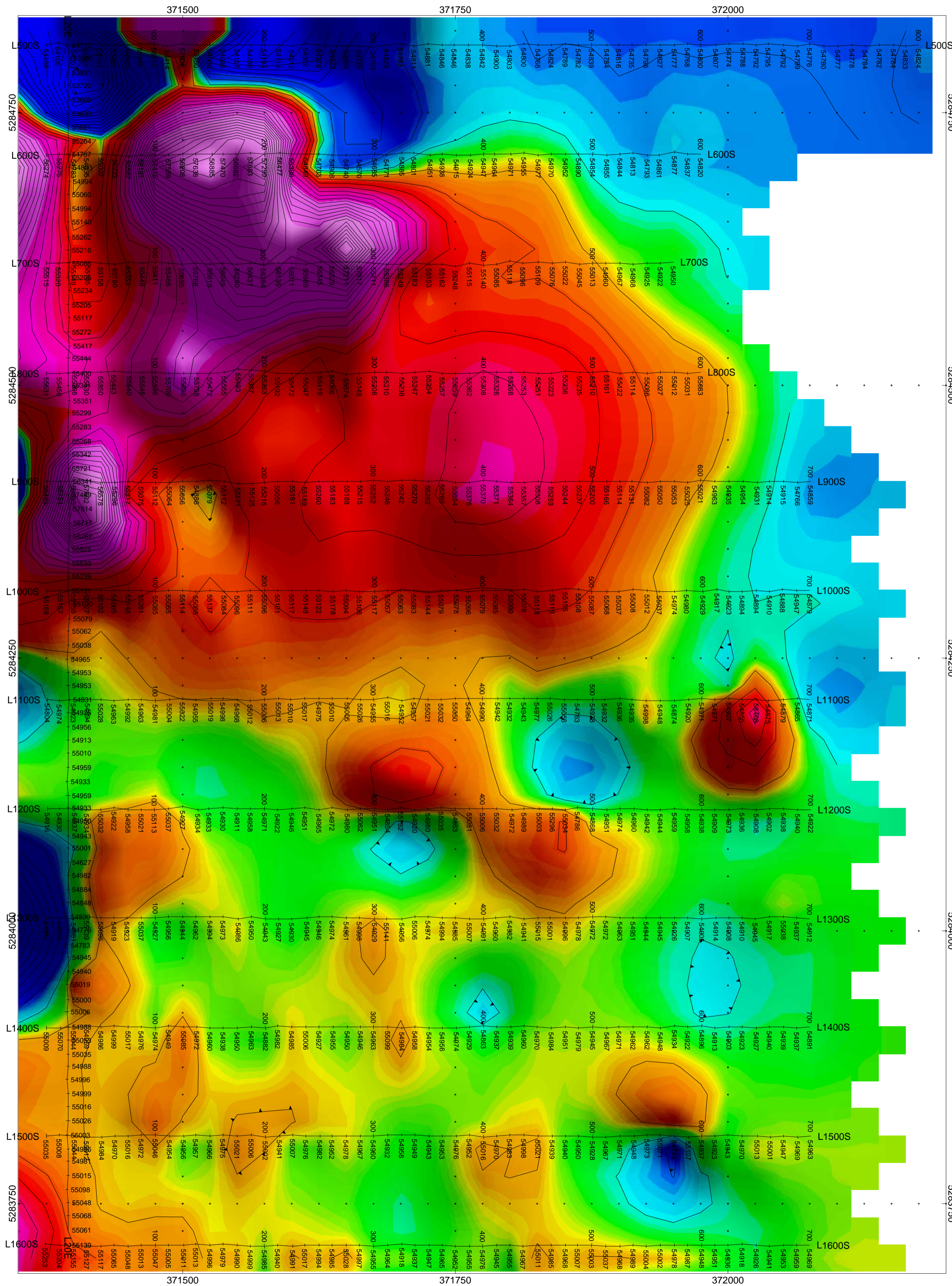
1) SKEAD-CUNNINGHAM-E-MAG-CONT

Claim Map with Magnetic Traverses (1:20000)

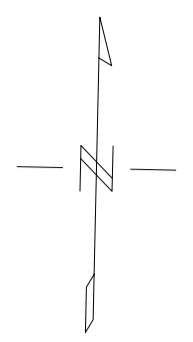
2) SKEAD-CUNNINGHAM-E-GRID

**TOTAL MAPS = 2**





Magnetometer  
nanoTesla (nT)



**SKEAD HOLDINGS LTD.**  
**CUNNINGHAM-E PROPERTY**  
Cunningham Township, Ontario

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TOTAL FIELD MAGNETIC CONTOURED PLAN MAP  
Base Station Corrected

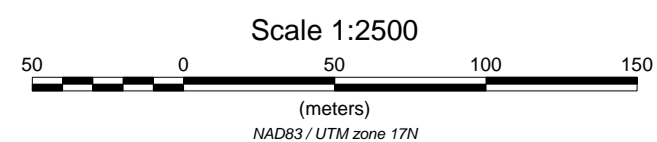
Posting Level: 0nT  
Field Inclination/Declination: 74degN/12degW  
Station Separation: 12.5 meters  
Total Field Magnetic Contours: 100nT

GSM-19 OVERHAUSER MAGNETOMETER/VLF v7

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

Drawing: SKEAD-CUNNINGHAM E-MAG-CONT





Date / Time of Issue: Wed Dec 17 15:08:35 EST 2014

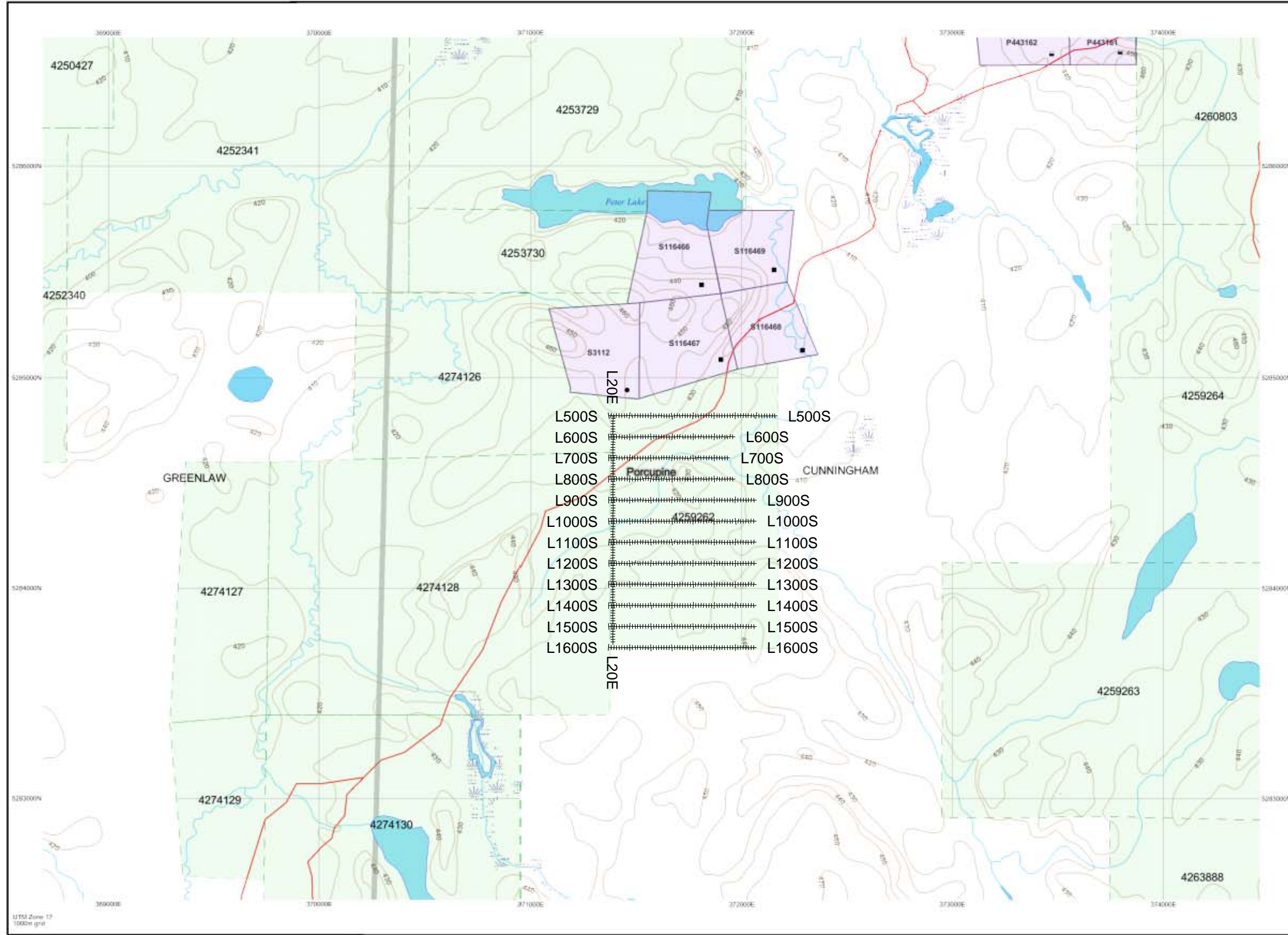
TOWNSHIP / AREA  
CUNNINGHAM

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
- Cult. Pl. & Pk.
- Contour
- Mine Shafts
- Mine Headframe
- Railway
- Road
- Trail
- Natural Gas Pipeline
- Utilities
- Tower

Land Tenure

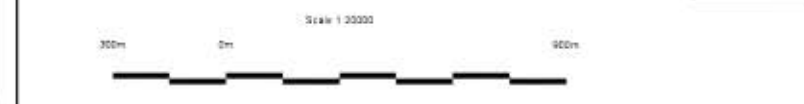
- Freehold Pattern
  - Surface And Mining Rights
  - Surface Rights Only
  - Mining Rights Only
- Leasehold Pattern
  - Surface And Mining Rights
  - Surface Rights Only
  - Mining Rights Only
- License of Occupier
  - None Not Specified
  - Surface And Mining Rights
  - Surface Rights Only
  - Mining Rights Only
  - Land Use Permit
  - Order In Council (Not open for staking)
  - Water Power Lease Agreement

CROCKETT	BAWBY	RODLO	COPELL
HALLOW	DOHES	BRAYCE	DORR
TOOMI	GREENLAW	CUNNINGHAM	GARNET
EISENHOWER	KAPLAN	BLANEY	FANN
MELANDE	WAKAR	EMPLEY	HONG KONG

1234567 Mining Claim  
1234567 Fled Only Mining Claims

1234 Areas Withdrawn from Disposition  
Mining Acts Withdrawal Types  
W/m Surface And Mining Rights Withdrawn  
W/s Surface Rights Only Withdrawn  
W/m Mining Rights Only Withdrawn  
Order In Council Withdrawal Types  
W/m Surface And Mining Rights Withdrawn  
W/s Surface Rights Only Withdrawn  
W/m Mining Rights Only Withdrawn

No IMPORTANT NOTICES



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, 333 Ramsey Lake Road, Sudbury ON P3E 6B5, Home Page: www.mdm.gov.on.ca/MNDM/MINES/LANDS/linmappe.htm  
Toll Free: 1 (888) 415-9845 ext 5743  
Tel: 1 (877) 670-1444  
Fax: 1 (877) 670-1444  
Map Datum: NAD 83  
Projection: UTM (8 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, floating 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.