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CANADIAN EXPLORATION SERVICES LTD

PO Box 219, 14579 Government Road, Larder Lake, Ontario, P0K 1L0, Canada
Phone (705) 643-2345 Fax (705) 643-2191 www.cxsltd.com

ASHLEY GOLD MINES LIMITED

Magnetometer Survey Over the

POWELL PROPERTY
Powell Township, Ontario

C Jason Ploeger, B.Sc, P.Geo
September 12, 2016

TABLE OF CONTENTS

LIST OF APPENDICES

LIST OF TABLES AND FIGURES

1. SURVEY DETAILS

1.1 PROJECT NAME

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

1.2 CLIENT

Ashley Gold Mines Limited.

14579 Government Rd.
Larder Lake, Ontario
P0K1L0

1.3 LOCATION

The Powell Property is located in Powell Township approximately 7 km north-northwest of Matachewan, Ontario. The survey area covers a portion of mining claims 4225519, 4225518, 4225517 and 4259498 in Powell Township, within the Larder Lake Mining Division.

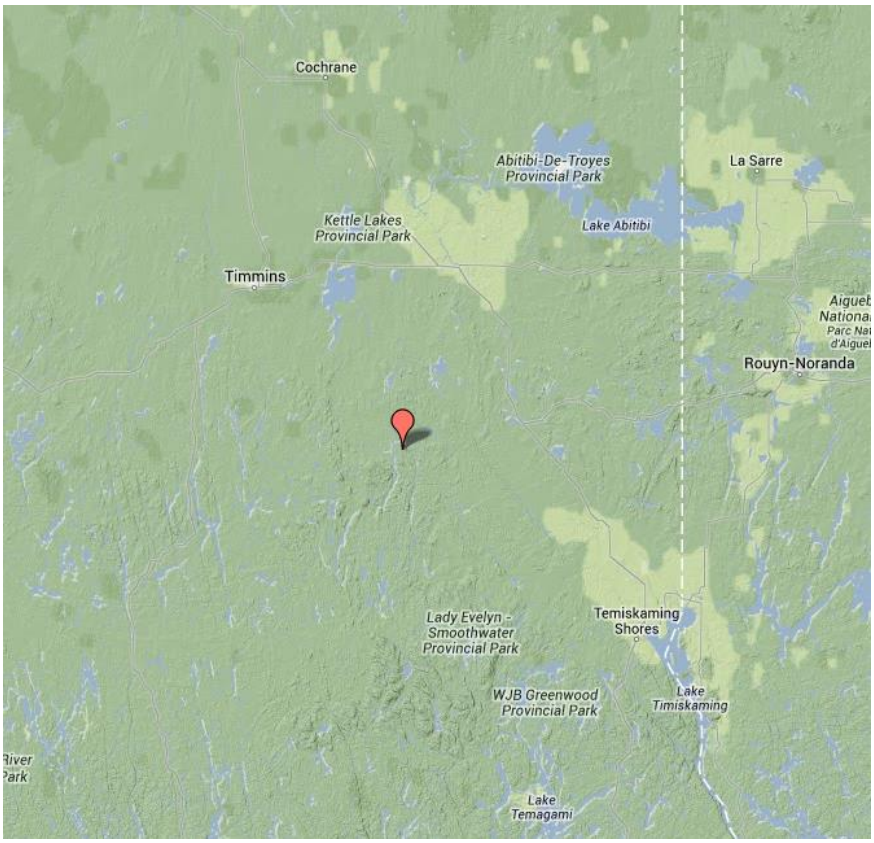


Figure 1: Location of the Powell Property

1.4 ACCESS

Access to the property was attained with a 4x4 truck via highway 66 approximately 3km west of Matachewan, continuing by highway 566 approximately 6km north. At this point, an access road heads northwest, where the survey area can be found.

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.

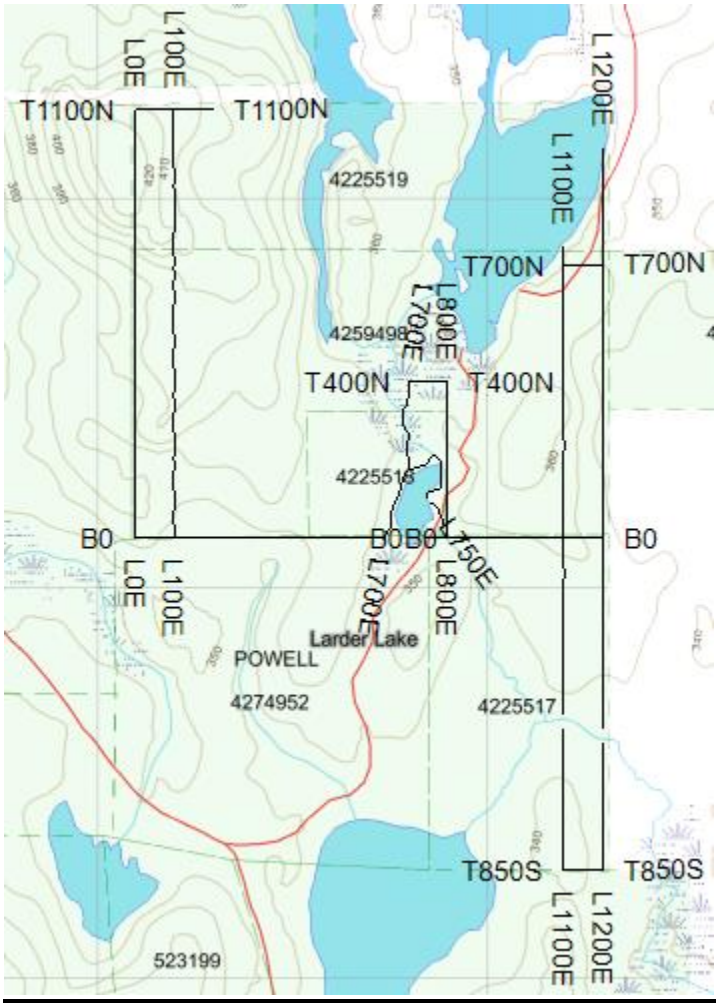


Figure 2: Claim Map with Traverse Area

2. SURVEY WORK UNDERTAKEN

2.1 SURVEY LOG

Date	Description	Line	Min Extent	Max Extent	Total Survey (m)
July 8, 2016	Locate survey area and begin magnetometer survey.	0	0	1100N	1100
		100E	0	1100N	1100
		700E	0	400N	400
		750E	0	300N	300
		800E	0	400N	400
		1100N	0	200E	200
		400N	700E	800E	100
		0	0	637.5E	637.5
July 10, 2016	Complete magnetic survey.	1100E	850S	750N	1600
		1200E	850S	1000N	1850
		700N	1100E	1200E	100
		0	737.5E	1200E	462.5
		850S	1100E	1200E	100

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 8.350 line kilometers of no grid mag was performed between July 8th and July 10th, 2016. This consisted of 668 magnetometer samples taken at 12.5m intervals.

3. OVERVIEW OF SURVEY RESULTS

3.1 SUMMARY INTERPRETATION

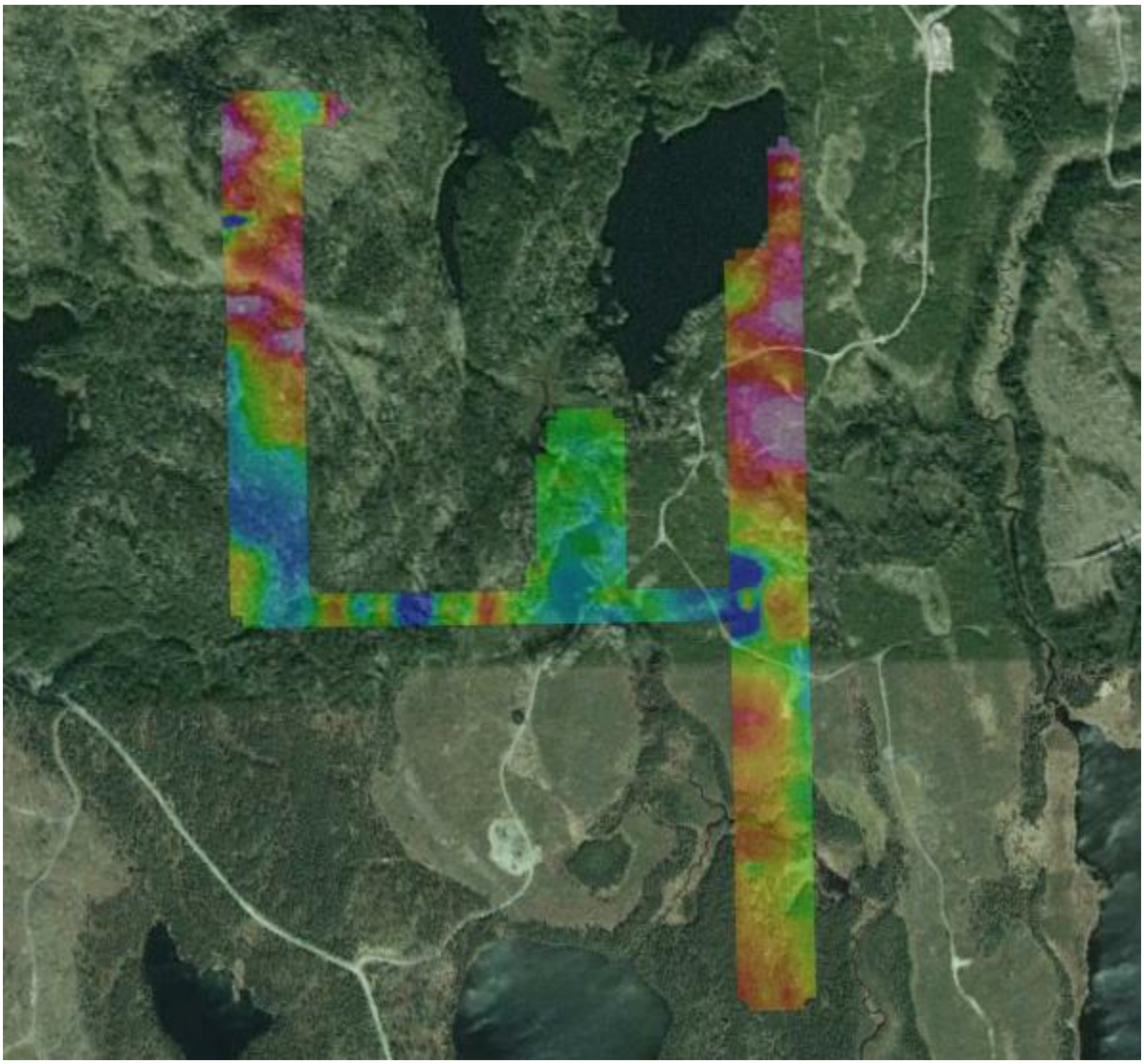


Figure 3: Magnetic Plan overlaying Google Satellite Image

The northern regions of the survey area appear to exhibit a much more intense magnetic signature. This signature appears to strike across the property at approximately 100 degrees. This trend is similar to the general trend of volcanic flows in the region. The intensity of this trend appears to be similar to that expected from an ultramafic. The magnetic high may indicate the presence of an ultramafic unit within the volcanic pile.

The southern part of the survey area appears to represent a more uniform magnetic signature. This signature appears to be constrained and does not appear to strike with the northern magnetic signature. This may indicate the presence of an intrusive

unit. More work needs to be performed to fully determine this.

Between these two units appears an intense magnetic low. The intensity of the low indicates a possible alteration pattern with magnetite enrichment. This can be determined with prospecting in the vicinity of BL0 and 1075E.

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.**

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
September 12, 2016

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)

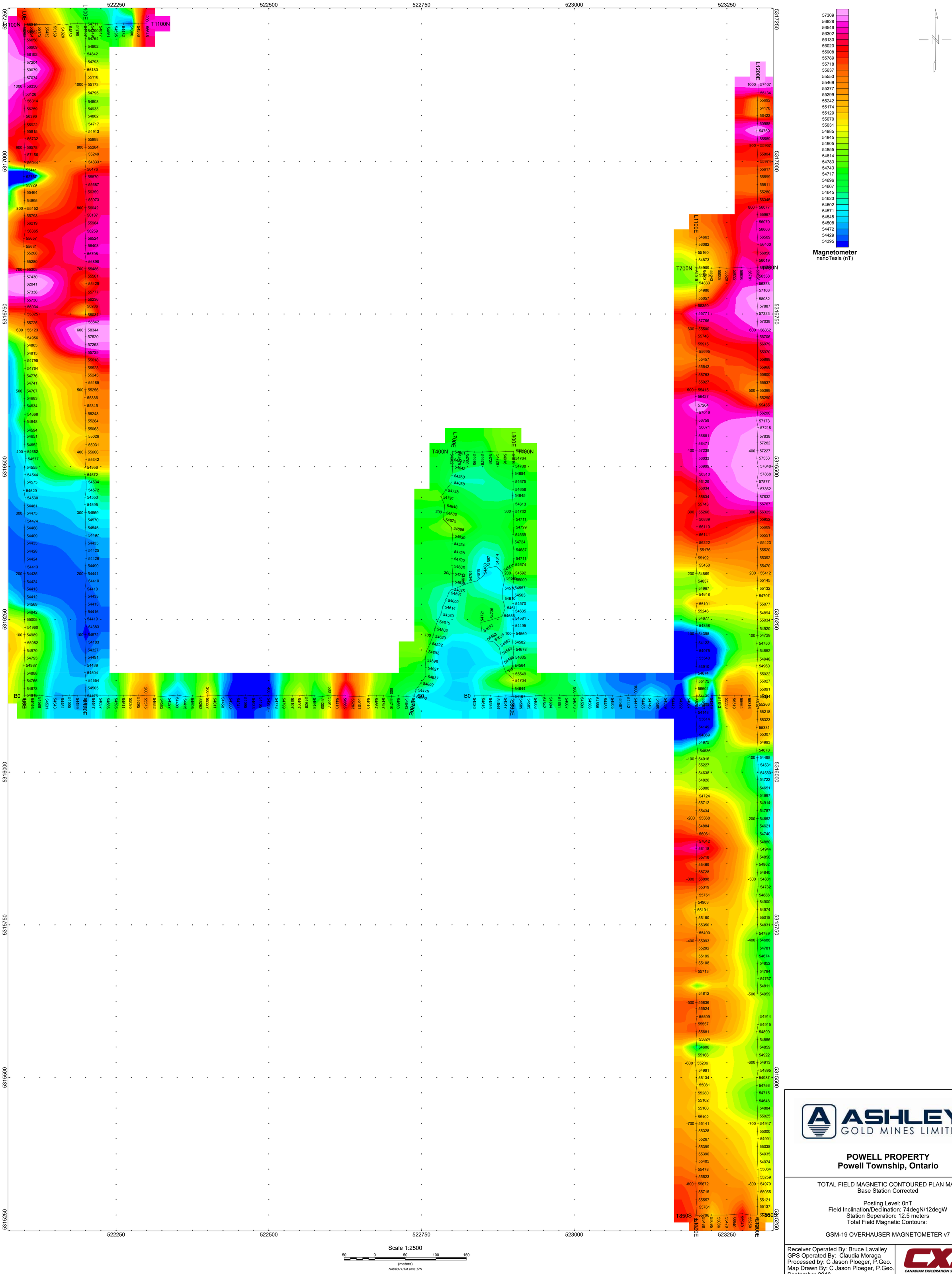
Posted Contoured TFM Plan Map (1:2500)

1) Q2225-AGM-POWELL-MAG-CONT

Grid Sketch on Claim Map (1:20000)

2) Q2225-AGM-POWELL-TRAVERSE

TOTAL MAPS = 2



ASHLEY GOLD MINES LIMITED

POWELL PROPERTY
Powell 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:

GSM-19 OVERHAUSER MAGNETOMETER 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.
September 2016

CANADIAN EXPLORATION SERVICES LTD

Drawing : Q2225-AGM-POWELL-MAG-CONT

ONTARIO CANADA

MINISTRY OF NORTHERN DEVELOPMENT AND MINES

PROVINCIAL MINING RECORDER'S OFFICE

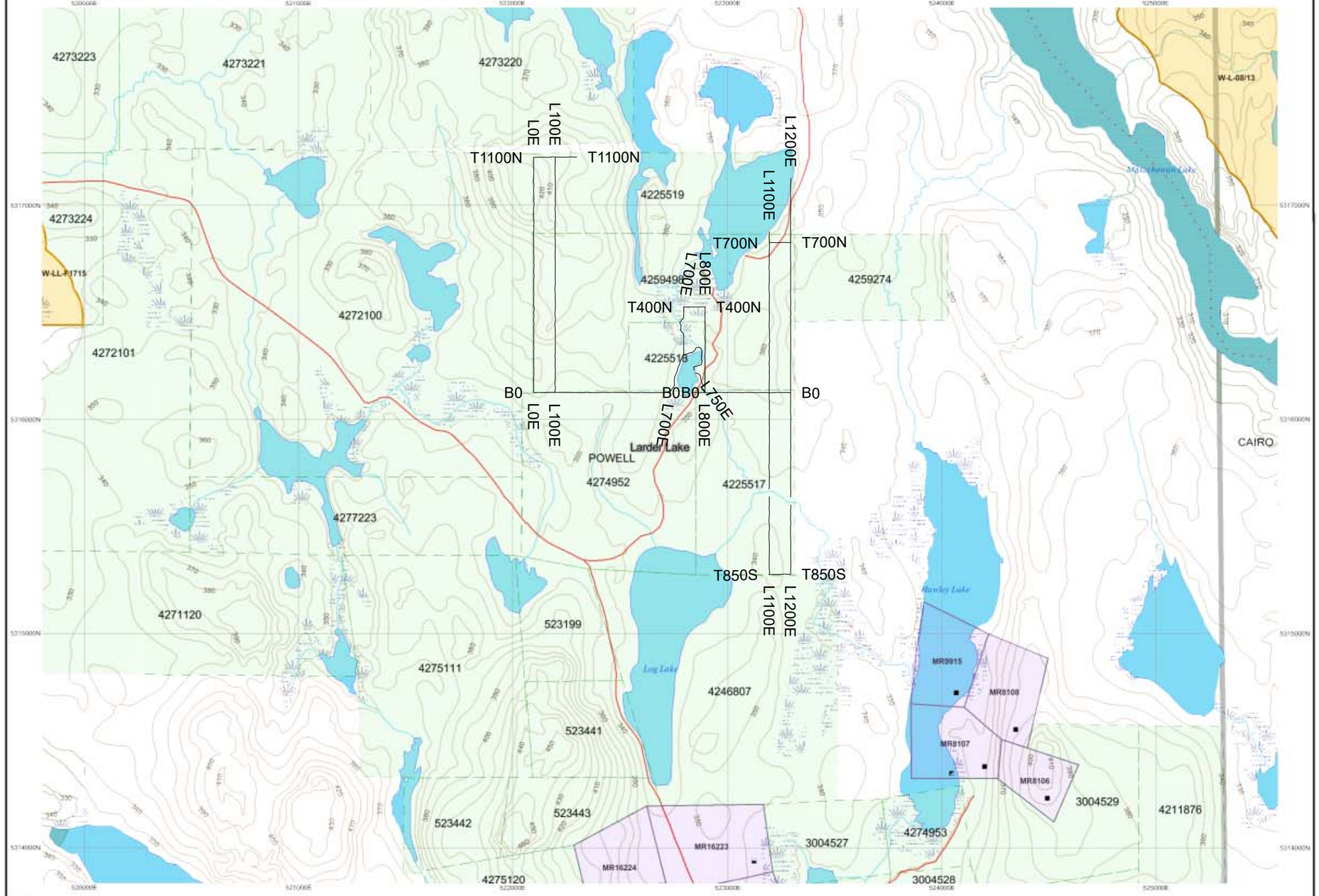
Mining Land Tenure Map

Date / Time of Issue Thu Sep 25 14:02:16 EDT 2014

TOWNSHIP / AREA	PLAN
POWELL	G-3218

ADMINISTRATIVE DISTRICTS / DIVISIONS

Mining Division	Larder Lake
Land Titles/Registry Division	TIMISKAMING
Ministry of Natural Resources District	KIRKLAND LAKE



TOPOGRAPHIC

- Administrative Boundaries
  - Township
  - Concession, Lot
  - Provincial Park
  - Indian Reserve
  - Diff. 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
- License 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 Claim (1234567)
- Fee Only Mining Claims (1234567)

LAND TENURE WITHDRAWALS

1234 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

- W Sm Surface And Mining Rights Withdrawn
- W S Surface Rights Only Withdrawn
- W M Mining Rights Only Withdrawn

No. IMPORTANT NOTICES

Scale 1:20000

300m 0m 900m

LAND TENURE WITHDRAWAL DESCRIPTIONS (list may not be complete)

Identifier	Type	Date	Description
4147	Wsm	Jan 1, 2001	FLOODING ELEVATION: 870 FILE: 12290 VOL 2 L.O. 7601
W-L-08/13	Wsm	Mar 11, 2013	W-L-08/13 M&S withdrawal S 35 Mining Act RSO 1990. March 11, 2013 Click to link to withdrawal order
W-L-49/13	Wsm	Jun 18, 2013	W-L-49/13 M+S withdrawal S 35 Mining Act RSO 1990. June 18, 2013 Click to link to withdrawal order
W-LL-F1715	Wsm	Feb 12, 2002	 W-LL-F1715-02 ONT M&S withdrawal S 35 Mining Act RSO 1990. 12/02/02 Boundary generally depicts area withdrawn Click to view actual area withdrawn
W-LL-F1715	Wsm	Feb 12, 2002	 W-LL-F1715-02 ONT M&S withdrawal S 35 Mining Act RSO 1990. 12/02/02 Boundary generally depicts area withdrawn Click to view actual area withdrawn

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/MNDMMINES/LANDS/mlsmrpge.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.