We are committed to providing accessible customer service.
If you need accessible formats or communications supports, please contact us.

Nous tenons à améliorer l’accessibilité des services à la clientèle.
Si vous avez besoin de formats accessibles ou d’aide à la communication, veuillez nous contacter.

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 ANVIL PROPERTY Whitson and Van Nostrand Townships, Ontario

C Jason Ploeger, B.Sc, P.Geo
August 19, 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 **Anvil Property**.

1.2 CLIENT

Ashley Gold Mines Limited

14579 Government Rd.
Larder Lake, Ontario
P0K1L0

1.3 LOCATION

The Anvil Property is located approximately 32km south of Elk Lake, Ontario. The survey area is located on mining claim 4220227, located in Whitson and Van Nostrand Townships, within the Larder Lake Mining Division.

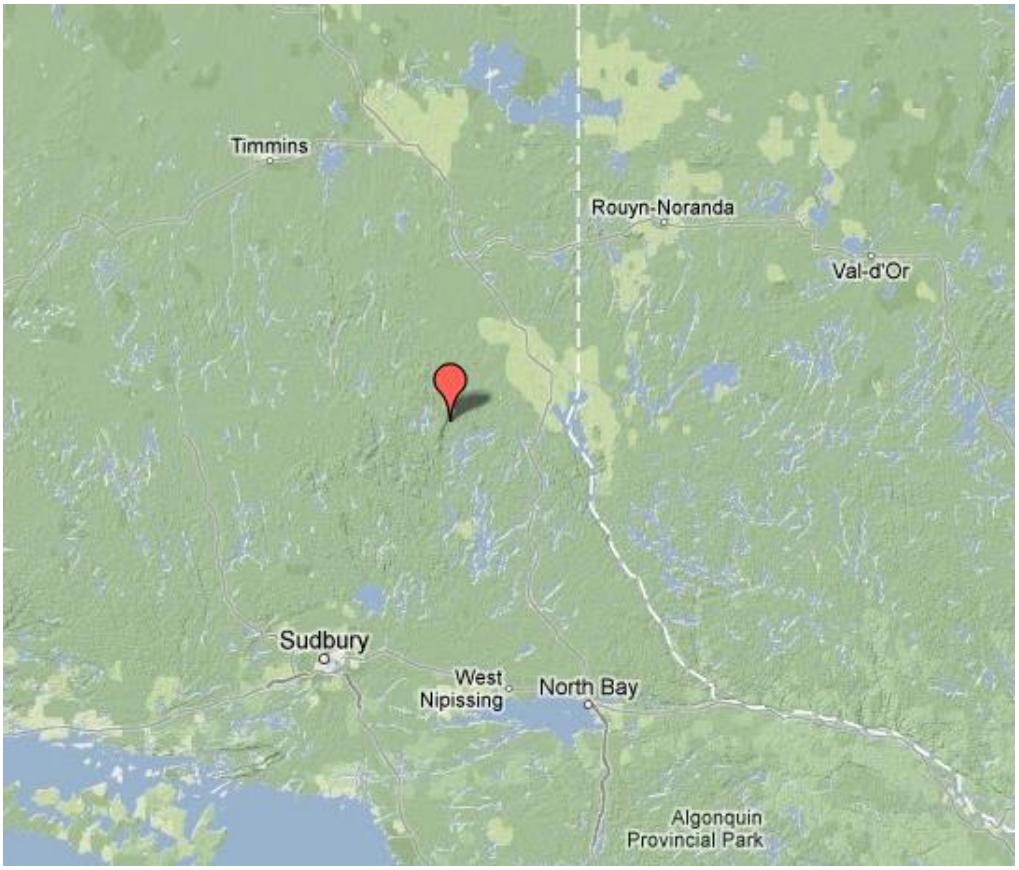


Figure 1: Location of the Anvil Property

1.4 ACCESS

Access to the property was attained with a 4x4 truck via the Town of Elk Lake, Ontario. From Elk Lake, the Cooke Lake Road extends southward. The Cooke Lake Road along with the Anvil Lake road was travelled for approximately 41 kilometers to access the survey area.

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.

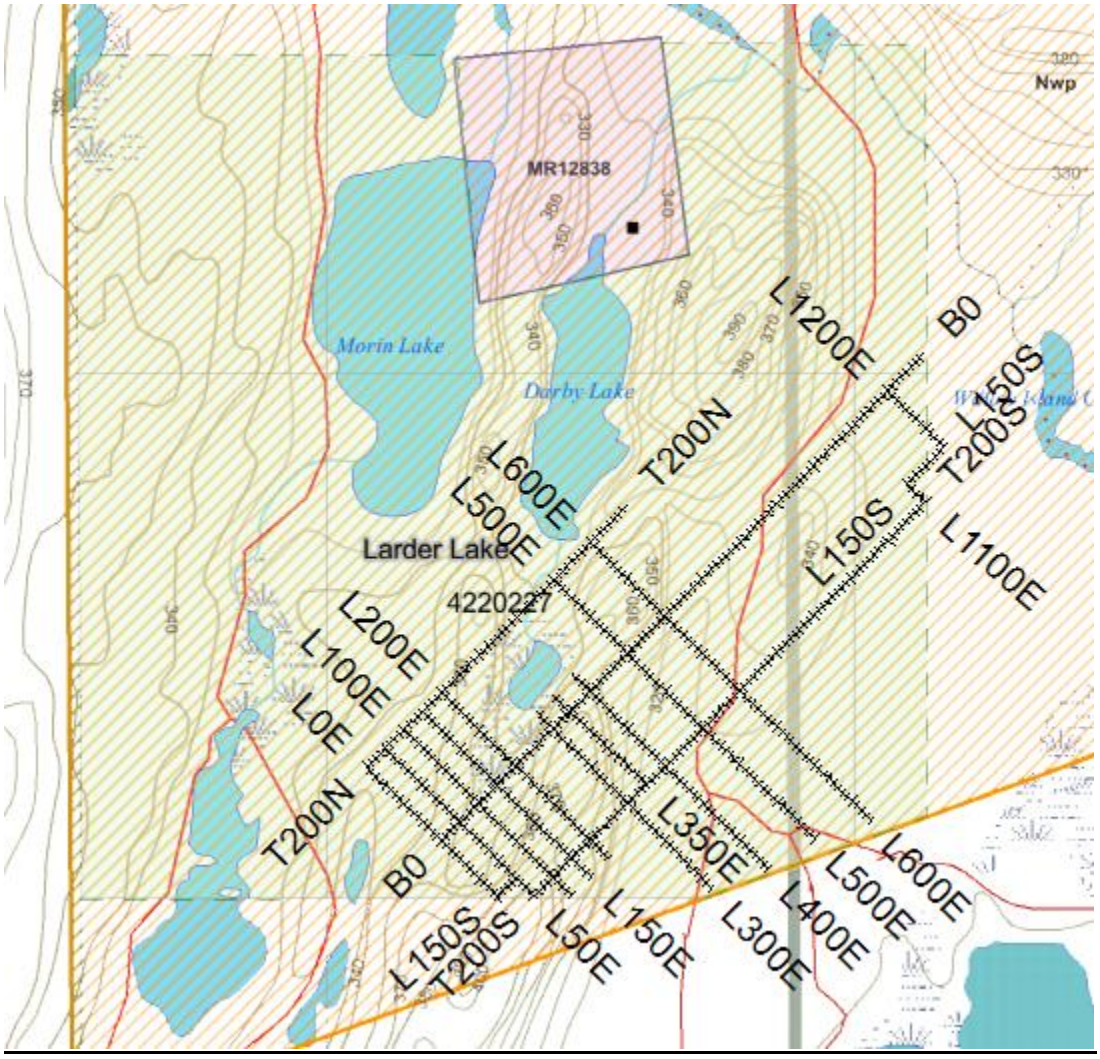


Figure 2: Magnetic Reconnaissance Route on Claim Map

2. SURVEY WORK UNDERTAKEN

2.1 SURVEY LOG

Date	Description	Line	Min Extent	Max Extent	Total Survey (km)
July 11, 2016	Locate survey area and begin magnetic survey. Extreme terrain.	0E	150S	200N	350
		50E	0	100N	100
		1100E	200S	150S	50
		1200E	150S	0	150
		BL0N	0E	1300E	1300
		150S	1100E	1200E	100
		200S	50E	1100E	1050
July 12, 2016	Continue magnetic survey. Extreme terrain.	50E	100N	200N	100
		500E	500S	200N	700
		600E	550S	200N	750
		200N	0	700N	700
July 13, 2016	Complete scheduled magnetic survey. Extreme terrain.	50E	200S	0	200
		100E	250S	200N	450
		150E	250S	200N	450
		200E	250S	200N	450
		300E	425S	50N	475
		350E	200S	50N	250
		400E	475S	50N	525
		150S	0	50E	50

Table 1: Survey Log

2.2 PERSONNEL

Claudia Moraga of Britt, Ontario operated the Magnetometer with Bruce Lavalley also of Britt, Ontario being 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 8.2 line kilometers of Magnetometer was read over the Anvil Property on July 11 and July 13, 2016. This consisted of 656 magnetometer samples taken at a 12.5 meter sample interval.

3. OVERVIEW OF SURVEY RESULTS

3.1 SUMMARY

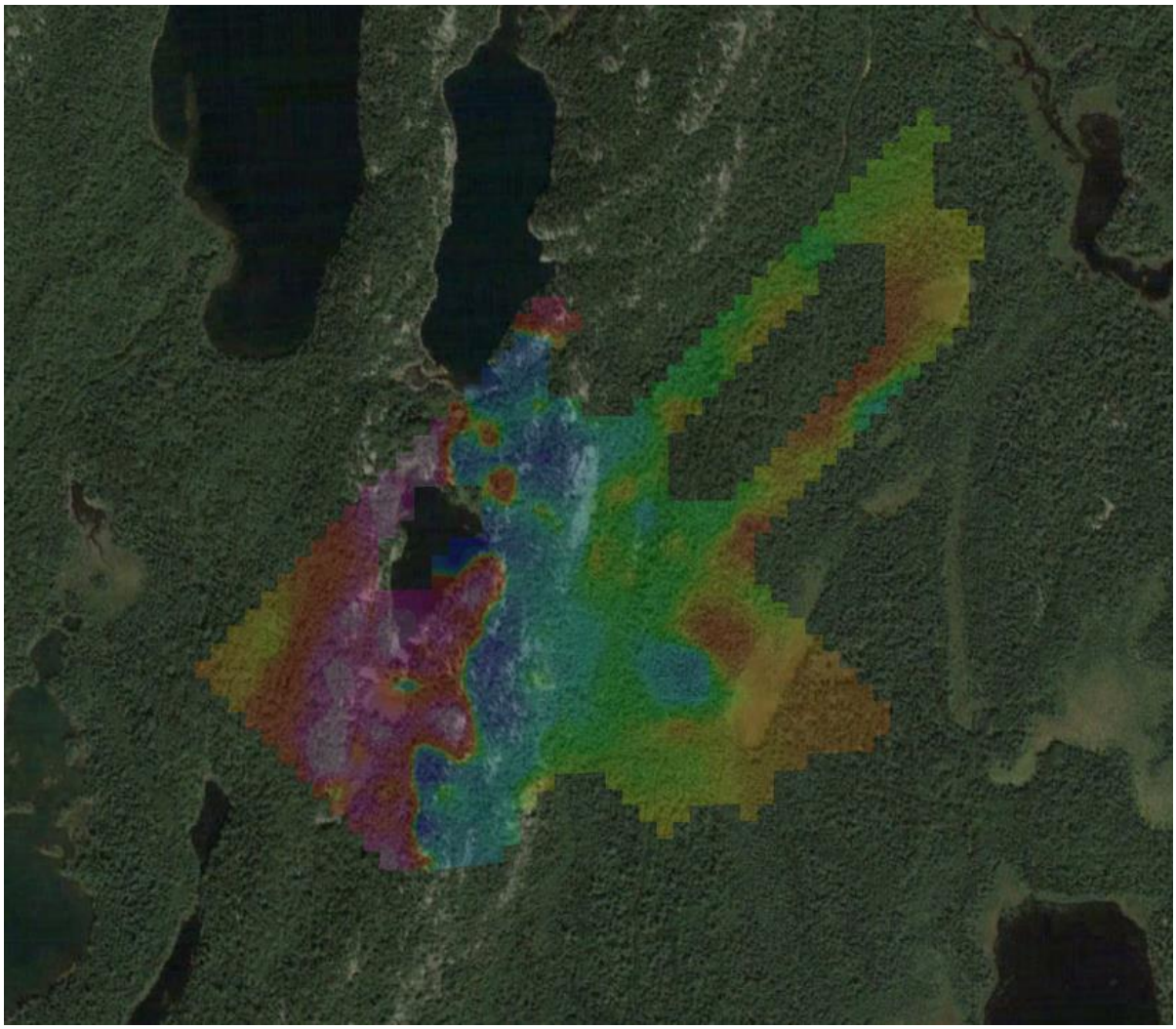


Figure 3: Magnetometer Plan Map on Google

The Anvil Property is located in Van Nostrand and Whitson Township. The survey was designed to expand on a reconnaissance survey of a historic silver mine which is located in the vicinity of the baseline and 150E-200E.

The magnetic survey indicates the presence of a strongly magnetic north south feature. This feature appears to correlate with a topographically elevated portion of the property. This feature most likely represents a diabase intrusive such as the Nipissing Diabase.

Locally in the region of the historic silver mine appears some linear magnetically depressed features within the magnetic high. These most likely represent alteration patterns and may represent a pathfinder to locating other potential silver bearing structures.

Outside of the magnetic high feature appears a generally uniform neutral magnetic fabric. This most likely represents the regional country rock or sedimentary unit.

I would recommend continuing the survey over the entire property to help identify the track of the magnetic anomaly. Performing the survey at a 50 meter line interval will also assist in locating the narrower alteration zones that may provide economic mineralization.

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 Limited.**

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
August 19, 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 ge-otagged 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 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*

APPENDIX D

LIST OF MAPS (IN MAP POCKET)

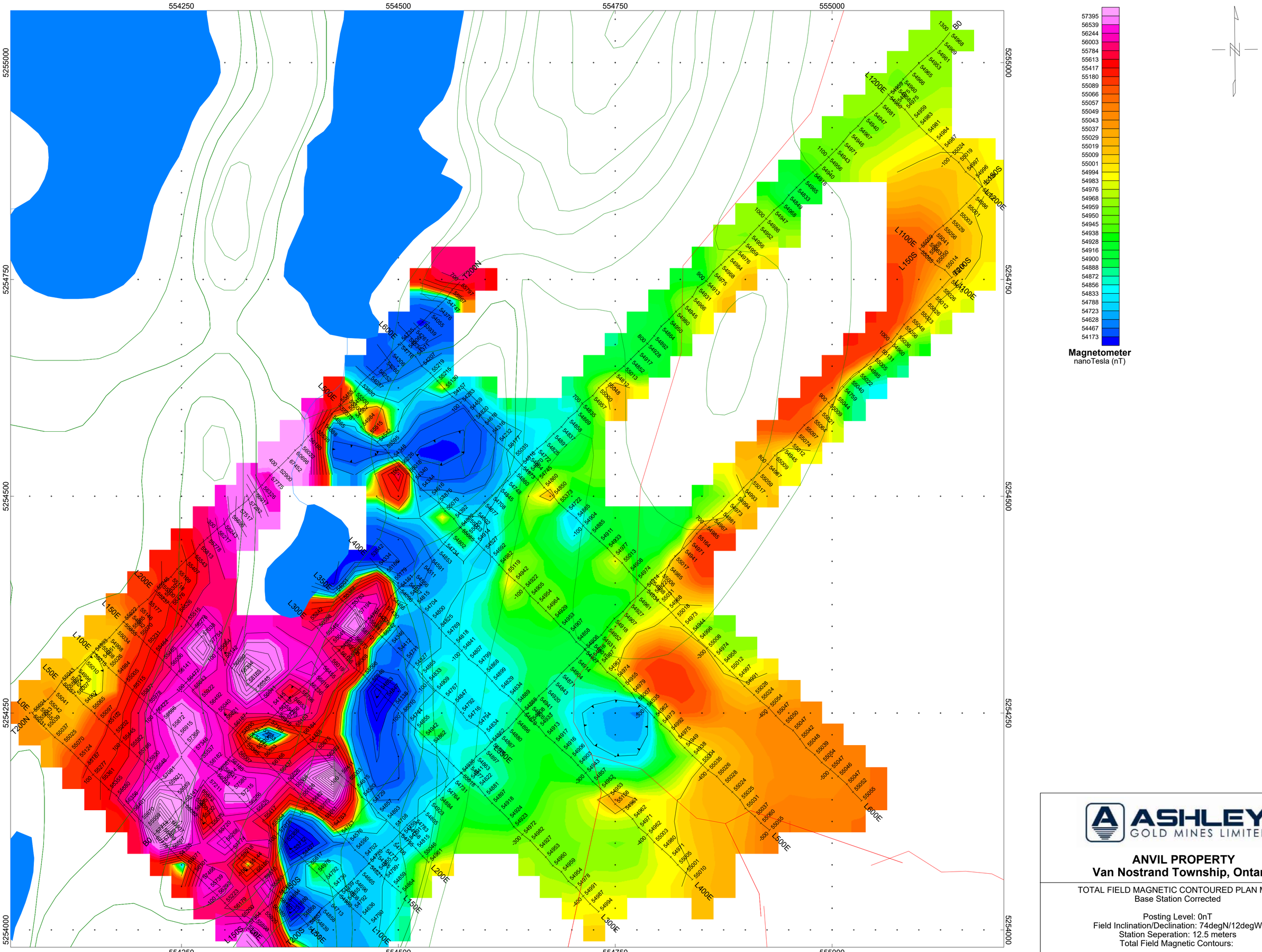
Posted profiled TFM plan map (1:2500)

1) Q2228-ASHLEY-ANVIL-MAG-CONT

Grid Sketch on Claim Map (1:20000)

2) Q2228-ASHLEY-ANVIL-TRAVERSE

TOTAL MAPS=2



ANVIL PROPERTY
Van Nostrand Township, Ontario

TOTAL FIELD MAGNETIC CONTOURED PLAN MAP
Base Station Corrected

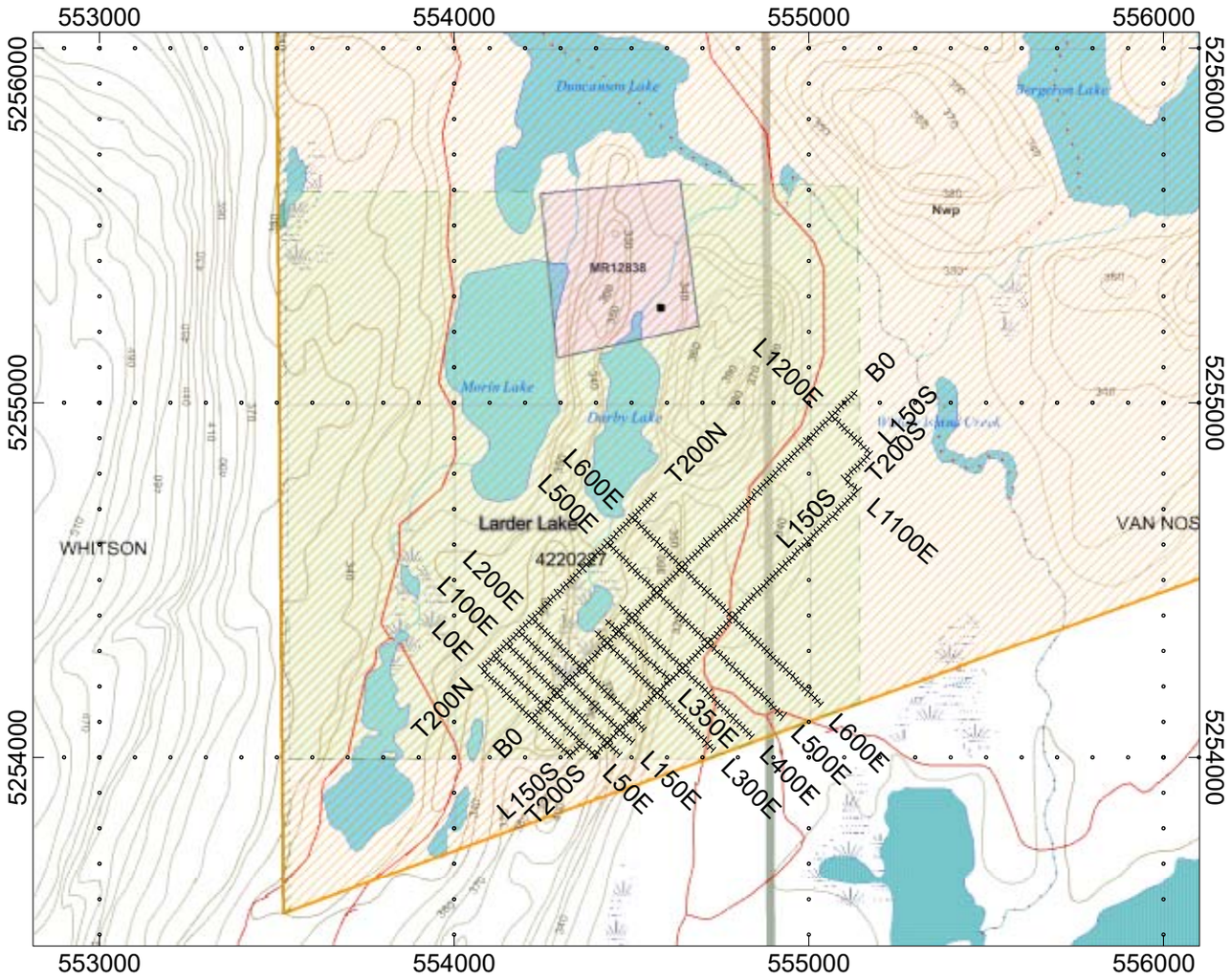
Posting Level: 0nT
Field Inclination/Declination: 74degN/12degW
Station Seperation: 12.5 meters
Total Field Magnetic Contours:

GSM-19 OVERHAUSER MAGNETOMETER/VLF v7

Receiver Operated By: Claudia Moraga
GPS Operated By: Bruce Lavalley
Processed by: Jason Ploeger
Map Drawn By: C Jason Ploeger, B.Sc.
August 2016

CANADIAN EXPLORATION SERVICES LTD

Drawing: Q2228-ASHLEY-ANVIL-MAG-CONT



Scale 1:20000

250 0 250 500 750 1000

(meters)

NAD83 / UTM zone 17N

ANVIL PROPERTY
Van Nostrand Township, Ontario

MAGNETIC TRAVERSES
on CLAIM MAP

GSM-19 OVERHAUSER MAGNETOMETER/VLF v7

Receiver Operated By: Claudia Moraga
GPS Operated By: Bruce Lavalley
Processed by: Jason Ploeger
Map Drawn By: C Jason Ploeger, B.Sc.
August 2016

CANADIAN EXPLORATION SERVICES LTD

Drawing: Q2228-ASHLEY-ANVIL-TRAVERSE