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ASHLEY
GOLD MINES LIMITED

**Magnetometer
Survey
Over the
DONOVAN PROPERTY
Donovan Township, Ontario**

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1. SURVEY DETAILS

1.1 PROJECT NAME

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

1.2 CLIENT

Ashley Gold Mines Limited
14579 Government Rd.
Larder Lake, Ontario
P0K1L0

1.3 LOCATION

The Donovan Property is located approximately 20 km SSE of Gowganda, Ontario. The surveyed area covers parts of claims 4271099 and 4273069 located in Donovan Township, within the Larder Lake Mining Division.

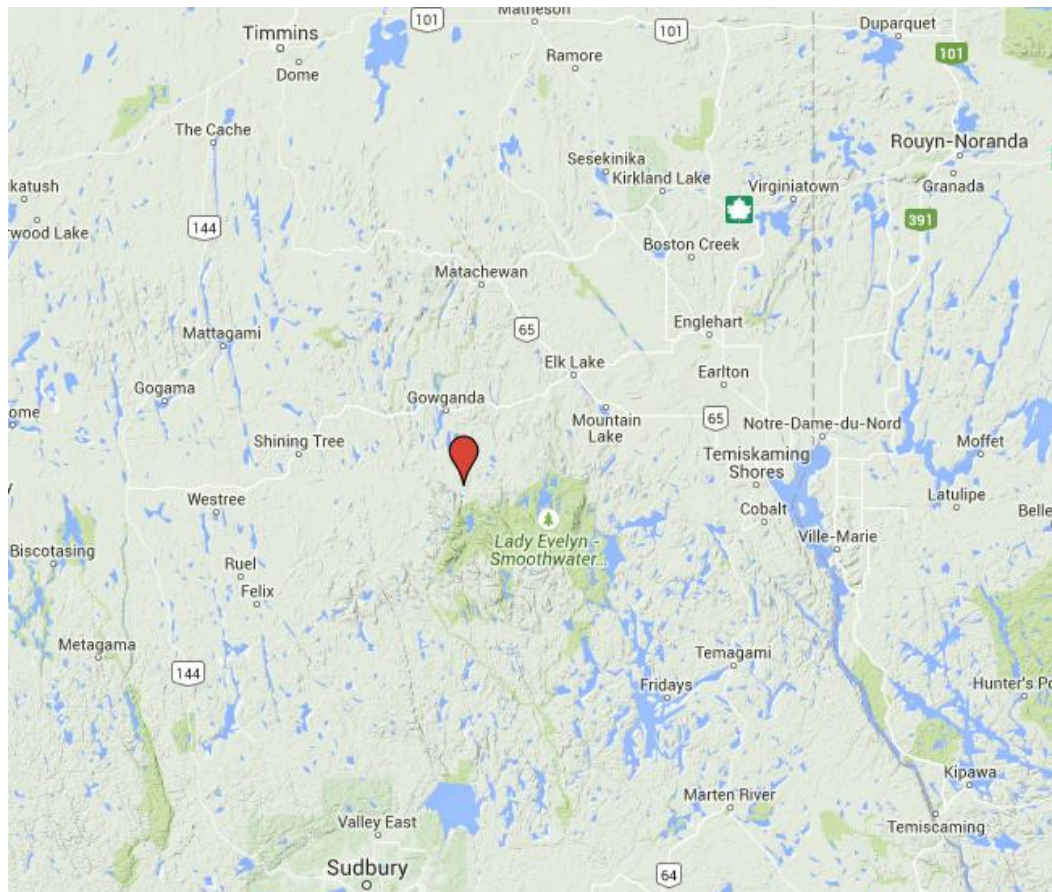


Figure 1: Location of the Donovan Property

1.4 ACCESS

Access to the property was attained with a 4x4 truck via highway 560 approximately 33km west of Elk Lake Ontario. One would then take the Beauty Lake road south from highway 560 for approximately 22km to the OFSC trail just before the bridge on the Montreal River. From the Beauty Lake road, one takes the OFSC trail south for approximately 3km to the Gowganda-Duggan site. From here one takes the Thompson Silver access trail east for 1km to arrive on the claim.

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.

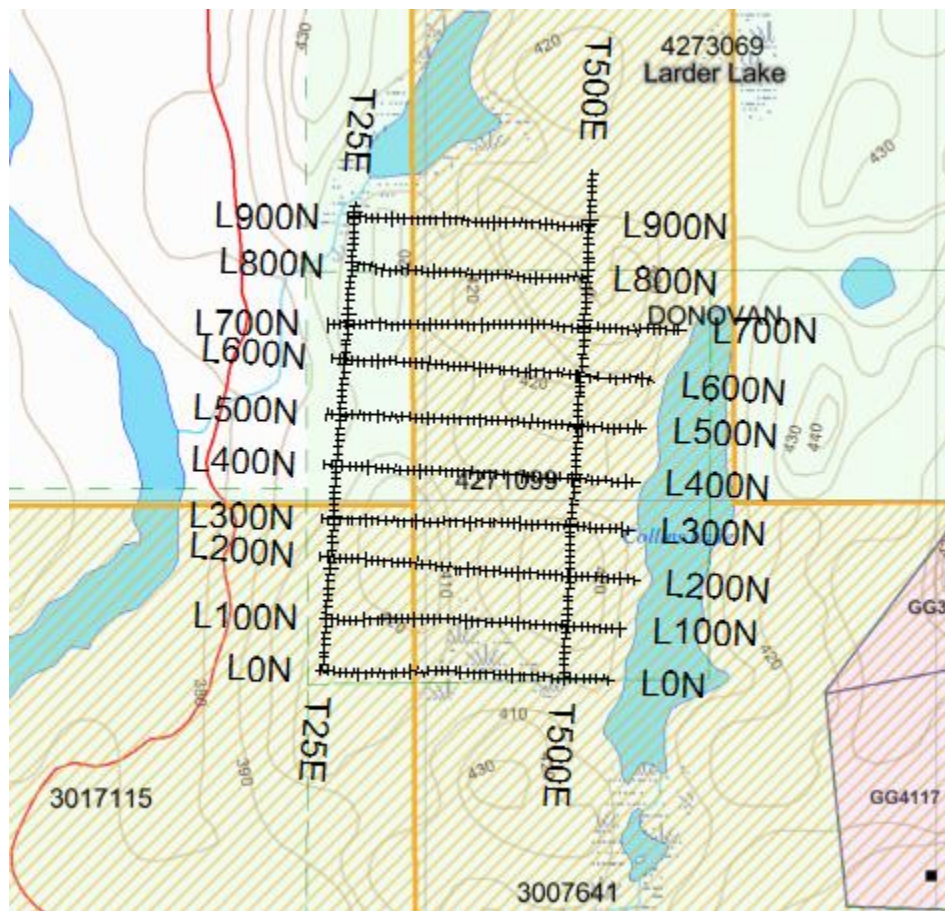


Figure 2: Magnetic Traverses on Claim Map

2. SURVEY WORK UNDERTAKEN

2.1 SURVEY LOG

| Date | Description | Line | Min Extent | Max Extent | Total Survey (km) |
|--------------|-----------------------------------------------|------|------------|------------|-------------------|
| July 6, 2016 | Locate survey area and begin magnetic survey. | 0 | 25E | 600E | 575 |
| | | 100N | 25E | 612.5E | 587.5 |
| | | 200N | 12.5E | 637.5E | 625 |
| | | 300N | 12.5E | 625E | 612.5 |
| | | 400N | 12.5E | 625E | 612.5 |
| | | 500N | 0 | 625E | 625 |
| | | 25E | 0 | 500N | 500 |
| | | 500E | 0 | 600N | 500 |
| July 7, 2016 | Complete magnetic survey. | 600N | 12.5E | 625E | 612.5 |
| | | 700N | 0 | 700E | 700 |
| | | 800N | 37.5E | 500E | 462.5 |
| | | 900N | 12.5E | 500E | 487.5 |
| | | 25E | 500N | 925N | 425 |
| | | 500E | 600N | 1000N | 400 |

Table 1: Survey Log

2.2 PERSONNEL

Bruce Lavalley operated the Magnetometer and Claudia Moraga navigated and collecting the GPS waypoints. Both are from Britt, Ontario.

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 7.825 line kilometers of Magnetometer was read over the Donovan Property between July 6th and 7th, 2016. This consisted of 626 magnetometer samples taken at a 12.5m sample interval.

3. OVERVIEW OF SURVEY RESULTS

3.1 SUMMARY

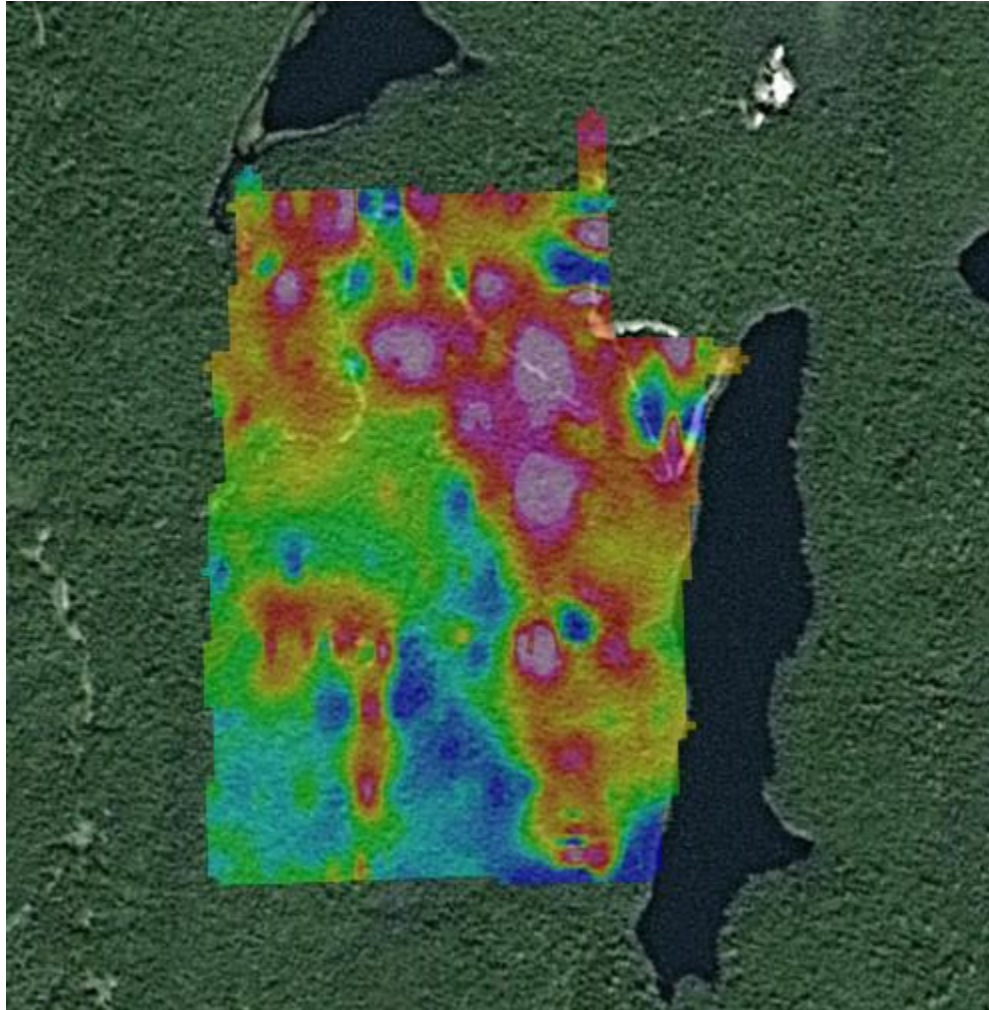


Figure 3: Magnetometer Plan Map on Google

The magnetic survey indicates the probable existence of multiple magnetic units.

The most intense magnetic signature originates in an area in the north-east part of the survey area. This may be associated with a historically indicated iron formation within a greenstone. This unit appears to exhibit a depressed magnetic signature which when super-imposed on the satellite imagery follows the access trail. This most likely indicates structural features. The magnetic depletion most likely indicates the presence of an alteration zone. These features should be investigated further.

The low magnetic variation over the south-west portion of the survey area, may indicate the presence of some sedimentary layers.

In the northern portion of the survey area, a strong magnetic signature appears to be forming. This signature may represent the Nipissing Diabase sill.

I would recommend covering the entire property with a magnetic survey. The area should also be prospected and the geology be mapped. A more detailed prospecting focus should be performed along the trail corridor and the north-east corner of this survey region.

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 **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
September 9, 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 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.

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 |
| 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)

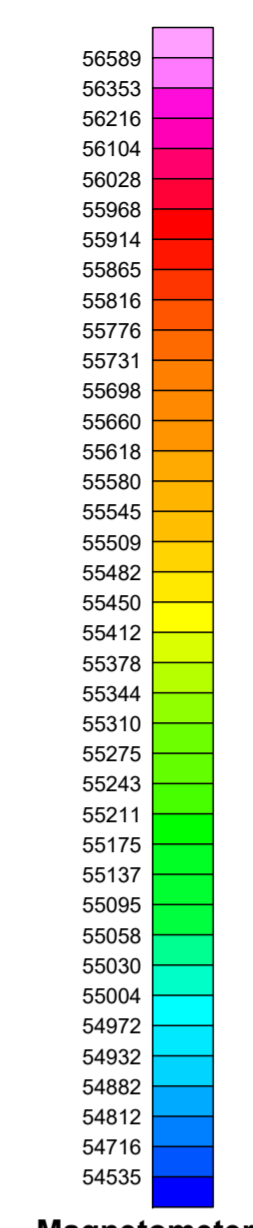
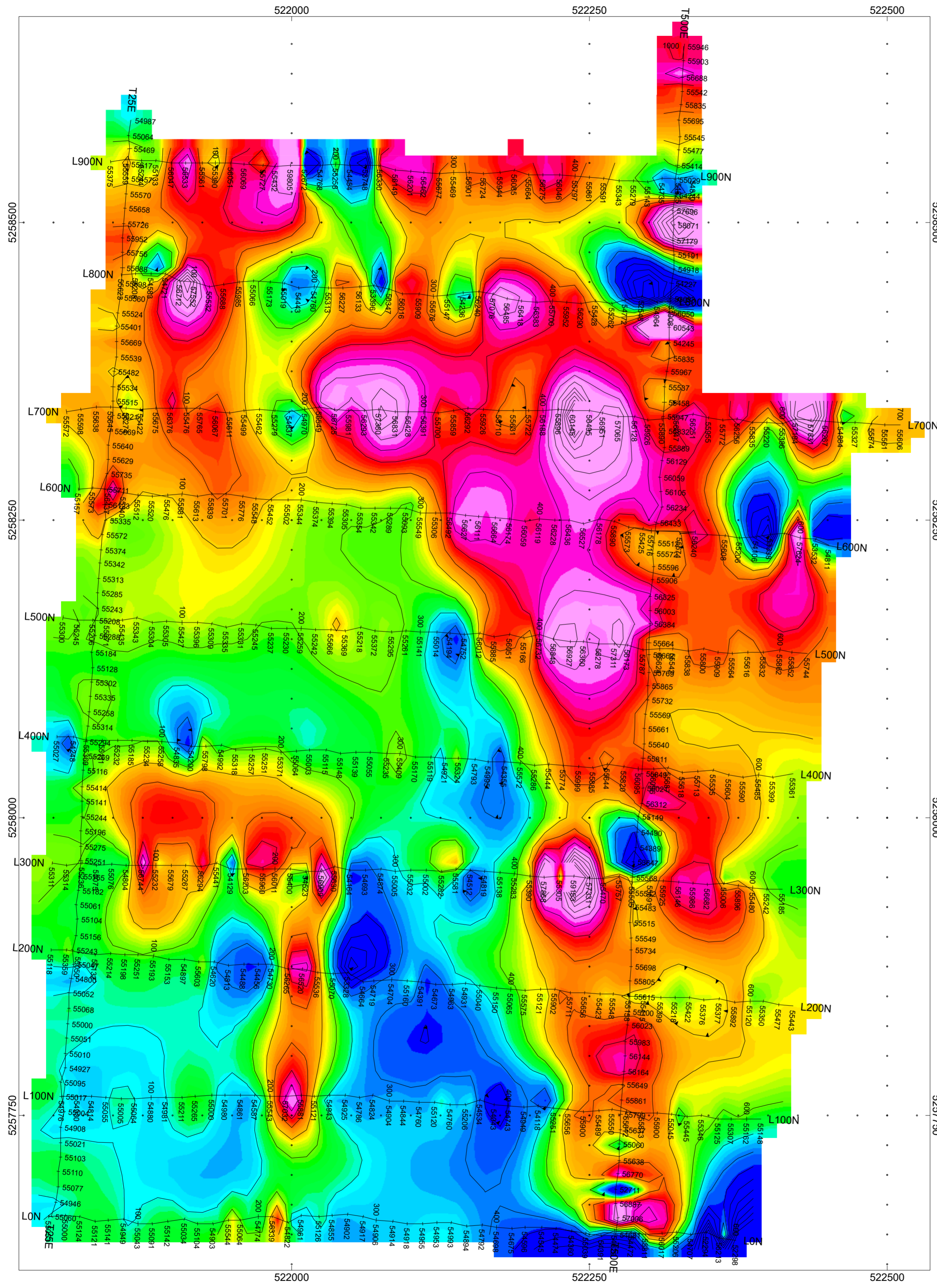
Posted profiled TFM plan map (1:2500)

1) Q2221-ASHLEY-DONOVAN-MAG-CONT

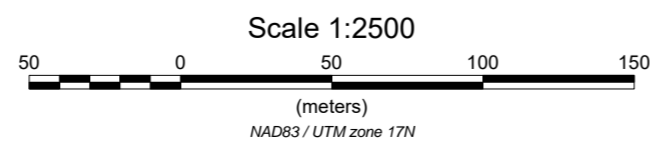
Grid Sketch on Claim Map (1:20000)

2) Q2221-ASHLEY-DONOVAN-TRAVERSE

TOTAL MAPS=2



Magnetometer
nanoTesla (nT)



DONOVAN PROPERTY
Donovan Township, Ontario

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: 250nT

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



Date / Time of Issue: Fri May 23 14:46:21 EDT 2014

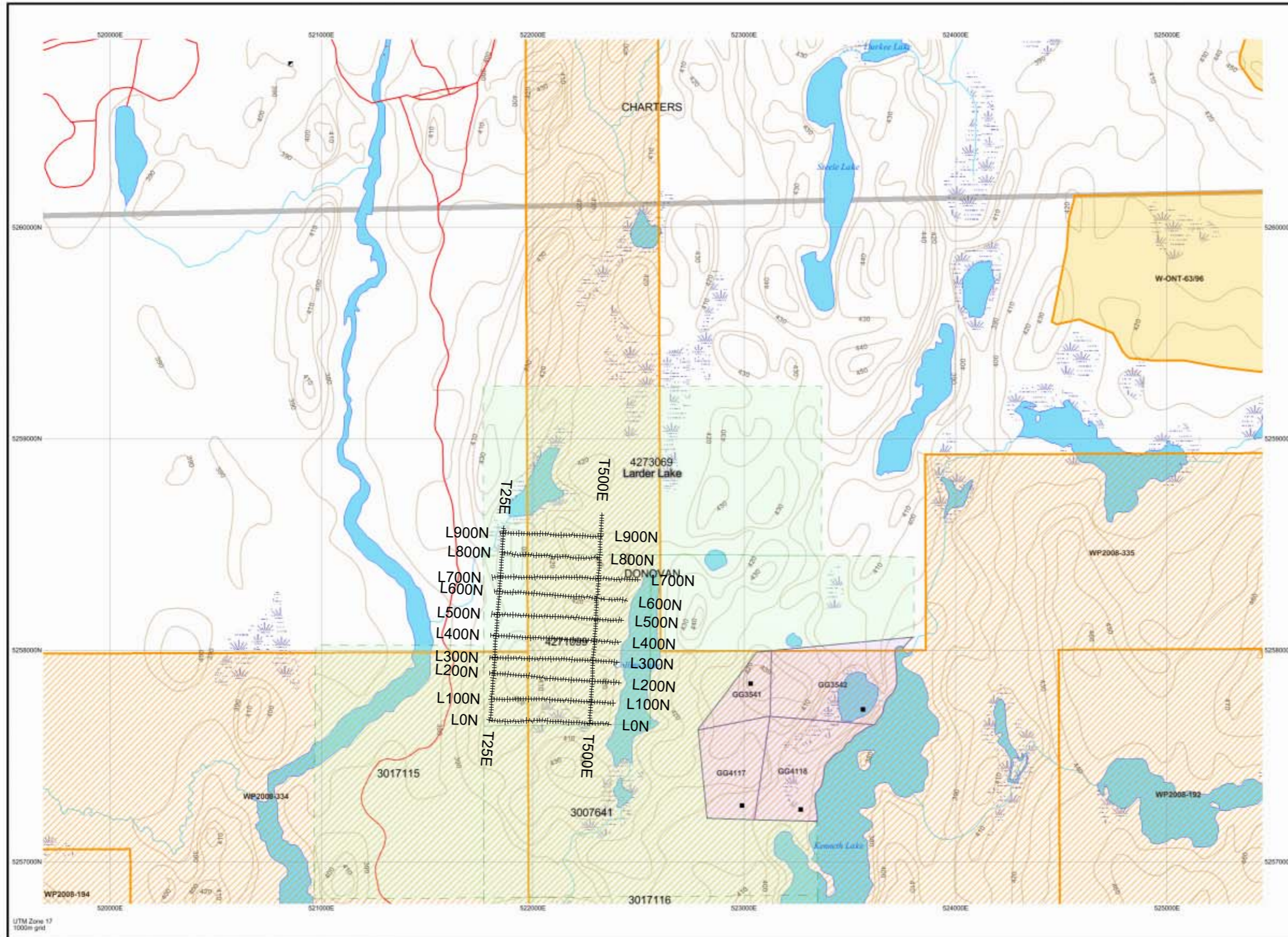
TOWNSHIP / AREA
DONOVAN

PLAN
G-3424

ADMINISTRATIVE DISTRICTS / DIVISIONS

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

Larder Lake
TIMISKAMING
KIRKLAND LAKE



TOPOGRAPHIC

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

| | | |
|--------|----------|----------|
| MILNER | NICOL | LARSON |
| LETH | CHARTERS | CORROLL |
| RAY | DONOVAN | BREWSTER |
| LECKER | CODLEY | GAMBELL |
| MELROD | BILLS | PARKER |

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
 - W'sm Surface And Mining Rights Withdrawn
 - W's Surface Rights Only Withdrawn
 - W'm Mining Rights Only Withdrawn

IMPORTANT NOTICES

No IMPORTANT NOTICES



LAND TENURE WITHDRAWAL DESCRIPTIONS (list may not be complete)

| Identifier | Type | Date | Description |
|-------------|------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| W-ONT-63/96 | Wsm | Sep 17, 1996 | SEC 35/50 W-ONT-63/96 SEPT 17/96 M+S COMPREHENSIVE PLANNING COUNCIL. Notice. This withdrawal area is under the MNR North Lady Evelyn River Head Waters - G1865 (Special Management Area) |

IMPORTANT NOTICES

Areas under which special regulation, limitations or conditions exist that affect normal prospecting, staking and mineral development activities

| Type | Description |
|------|-------------|
| None | |

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
Wilket Green Miller Centre 933 Ramsey Lake Road
Sudbury ON P3E 6B5
Home Page: www.mdm.gov.on.ca/MNDM/MINES/LANDS/Inlsmrppgs.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.