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**CANADIAN EXPLORATION SERVICES LTD**

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**ASHLEY**  
GOLD MINES LIMITED

**Magnetometer  
Survey  
Over the  
LUCKY STRIKE PROPERTY  
Monocle Area  
McVittie Township, Ontario**

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C Jason Ploeger, B.Sc, P.Geo  
May 9, 2016

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## 1. SURVEY DETAILS

### 1.1 PROJECT NAME

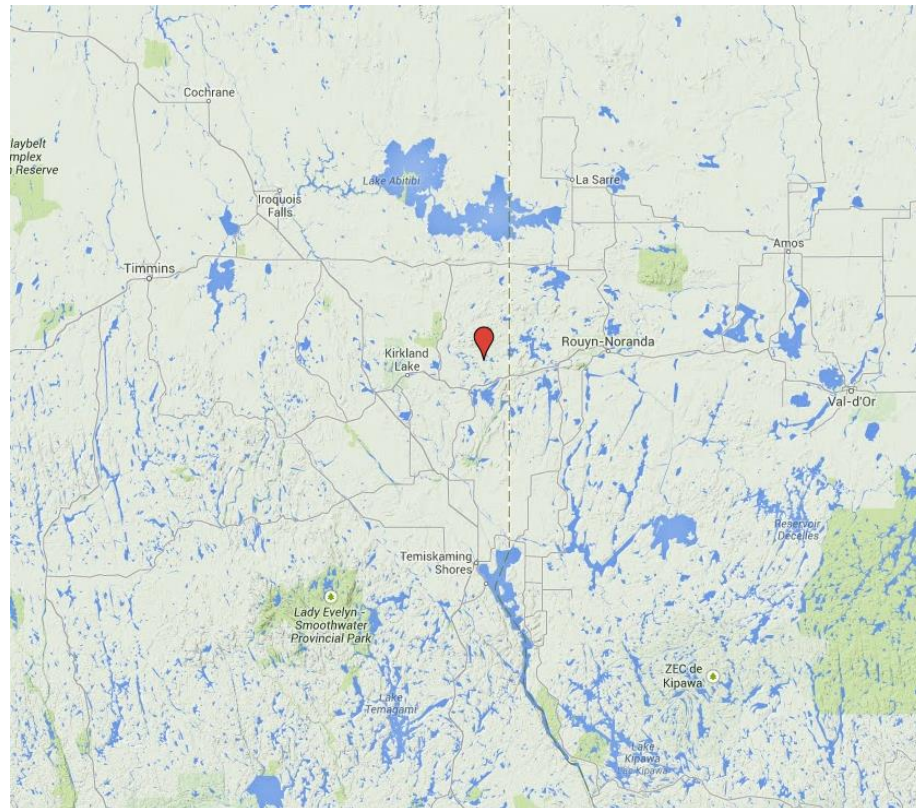
This project is known as the **Lucky Strike Property**.

### 1.2 CLIENT

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

### 1.3 LOCATION

The Lucky Strike Property is located approximately 9km north-east of Larder Lake, Ontario. The survey area is located on a portion of mining claim 4284061 and 4225514, located in McVittie Township, within the Larder Lake Mining Division.



**Figure 1: Location of the Lucky Strike Property – Monocle Area**

## 1.4 ACCESS

Access to the property was attained with a 4x4 truck via the Larder Station Road which is located just east of Larder Lake off of provincial highway 66. The Larder Station Road was followed north for approximately 9.5km to a point at the traverse area crosses the road.

## 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**

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## 2. SURVEY WORK UNDERTAKEN

### 2.1 SURVEY LOG

Date	Description	Line	Min Extent	Max Extent	Total Survey (km)
May 7, 2016	Locate survey area and conduct survey.	0N	0E	775E	775
		800E	0N	175N	175

**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

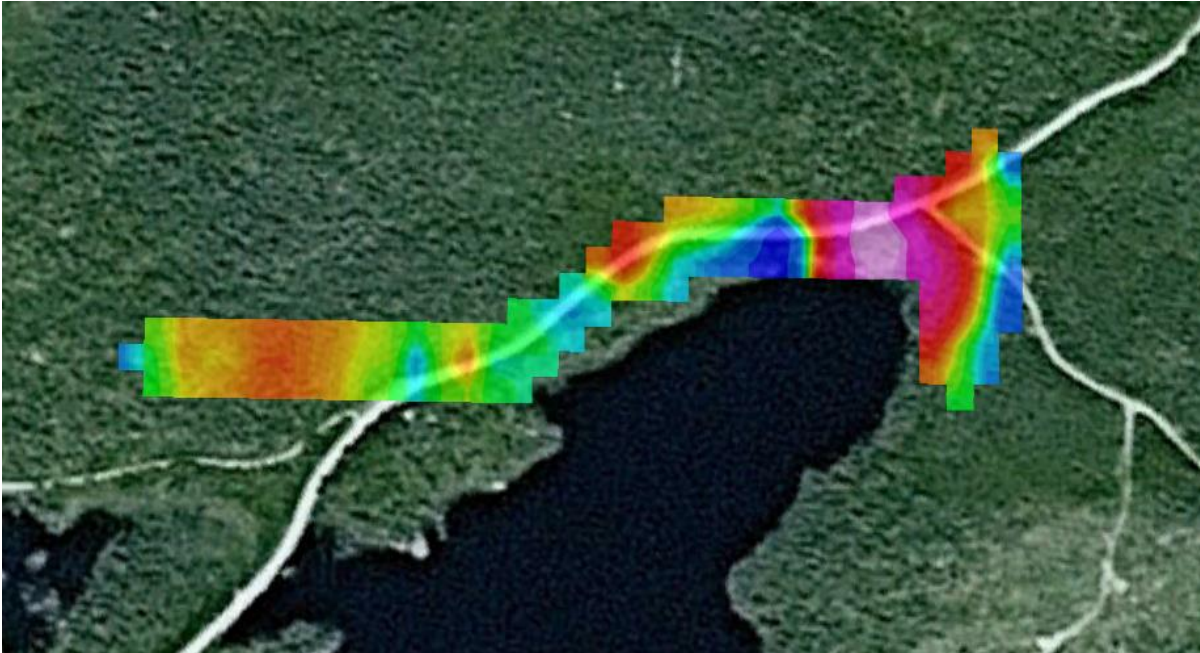
The survey was conducted with a GSM-19 v7 Overhauser magnetometer with a second GSM-19 magnetometer in base station mode for diurnal correction.

A total of 0.95 line kilometers of Magnetometer was read over the Lucky Strike Property on May 7, 2016. This consisted of 76 magnetometer samples taken at a 12.5m sample interval.



### 3. OVERVIEW OF SURVEY RESULTS

#### 3.1 SUMMARY



**Figure 3: Magnetometer Plan Map on Google**

Generally, the survey indicates the presence of a uniform magnetic area. Within this magnetic domain appears a strong north south magnetic signature near the east side of the traverse area. This signature most likely represents a regional dike crossing the area.

The west side of the traverse area indicates a marginal increase in magnetic signature. This may represent an alteration system.

This reconnaissance indicates that magnetic fabric may occur in two directions. Therefore, I would recommend covering the entire two claim blocks with a magnetic survey in the north south direction, with a tighter concentration of tielines in the east-west direction.

is

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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 **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  
May 9, 2016



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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.

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**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
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)

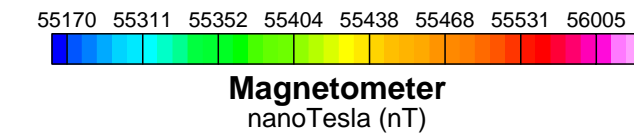
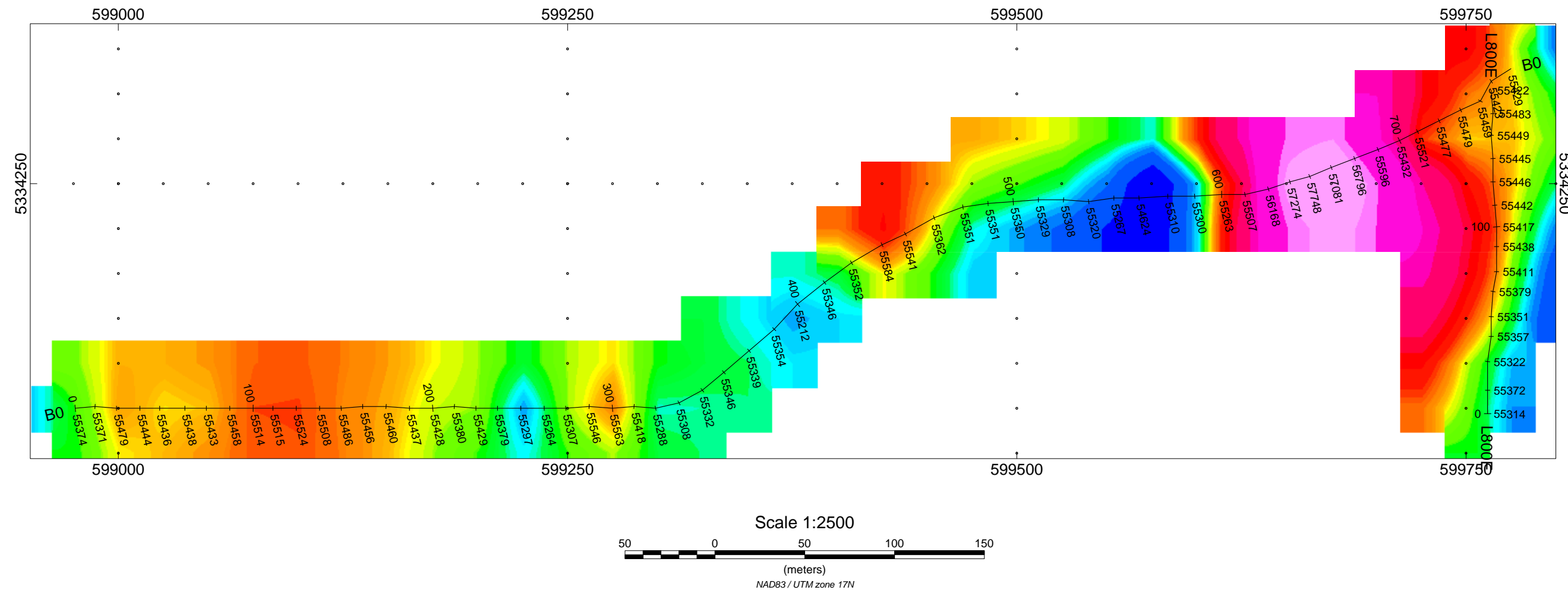
Posted profiled TFM plan map (1:2500)

1) Q2192-ASHLEY-LUCKY STRIKE-MONOCLE-MAG-CONT

Grid Sketch on Claim Map (1:20000)

2) Q2192-ASHLEY-LUCKY STRIKE- MONOCLE-TRAVERSE

**TOTAL MAPS=2**



**LUCKY STRIKE PROPERTY  
MONOCLE LAKE AREA  
McVittie 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:

GSM-19 OVERHAUSER MAGNETOMETER/VLF v7

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



Drawing: Q2192-ASHLEY-LUCKY STRIKE-MONOCLE-MAG-CONT



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