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CANADIAN EXPLORATION SERVICES LTD

ASHLEY GOLD MINES LIMITED

**Q2221 – Donovan Property
VLF Survey**

C Jason Ploeger, P.Geo. – March 23, 2017



Abstract

CXS was contracted to perform VLF survey over the Donovan Property for Ashley Gold Mines Limited. This survey was performed in July 2016 and covered the southern portion of the Donovan Property. In total 7.825 kilometers of no grid VLF was read.

ASHLEY GOLD MINES LIMITED

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1. SURVEY DETAILS

1.1 PROJECT NAME

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

1.1 CLIENT

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

1.2 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.

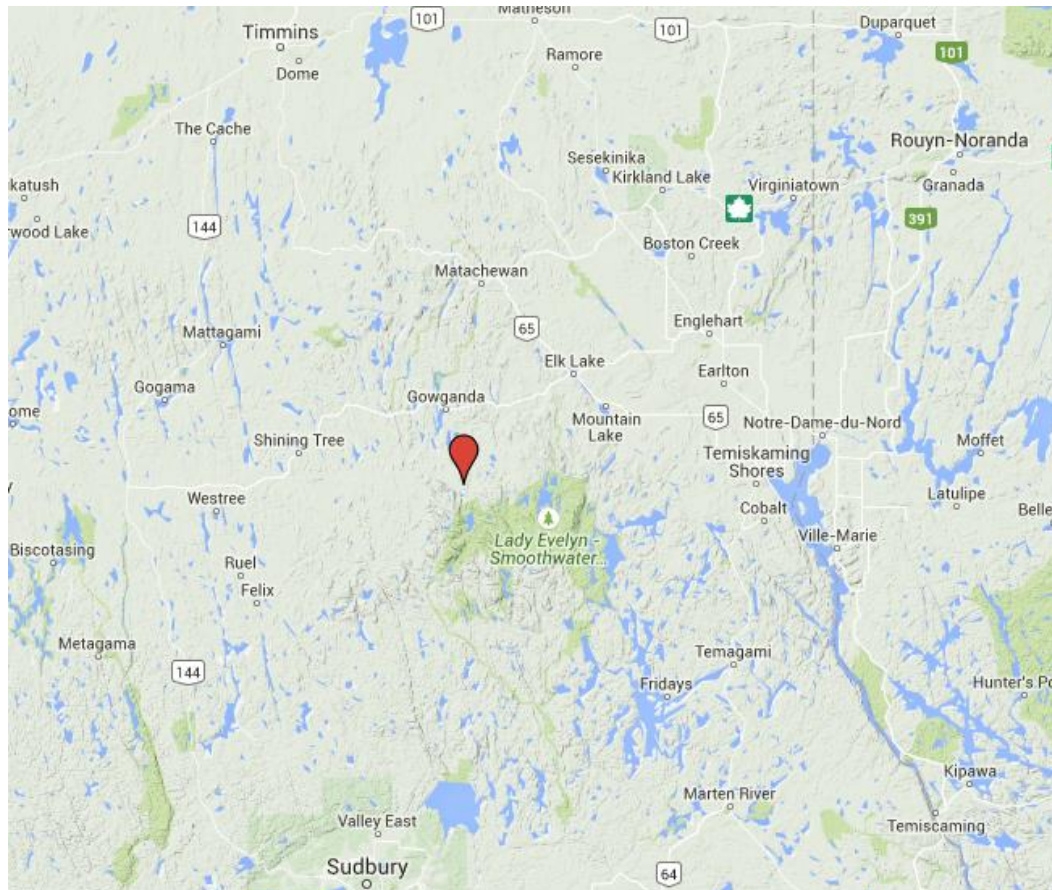


Figure 1: Location of the Donovan Property

1.3 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.

1.4 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 VLF EM operator. GPS waypoints, VLF EM 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.

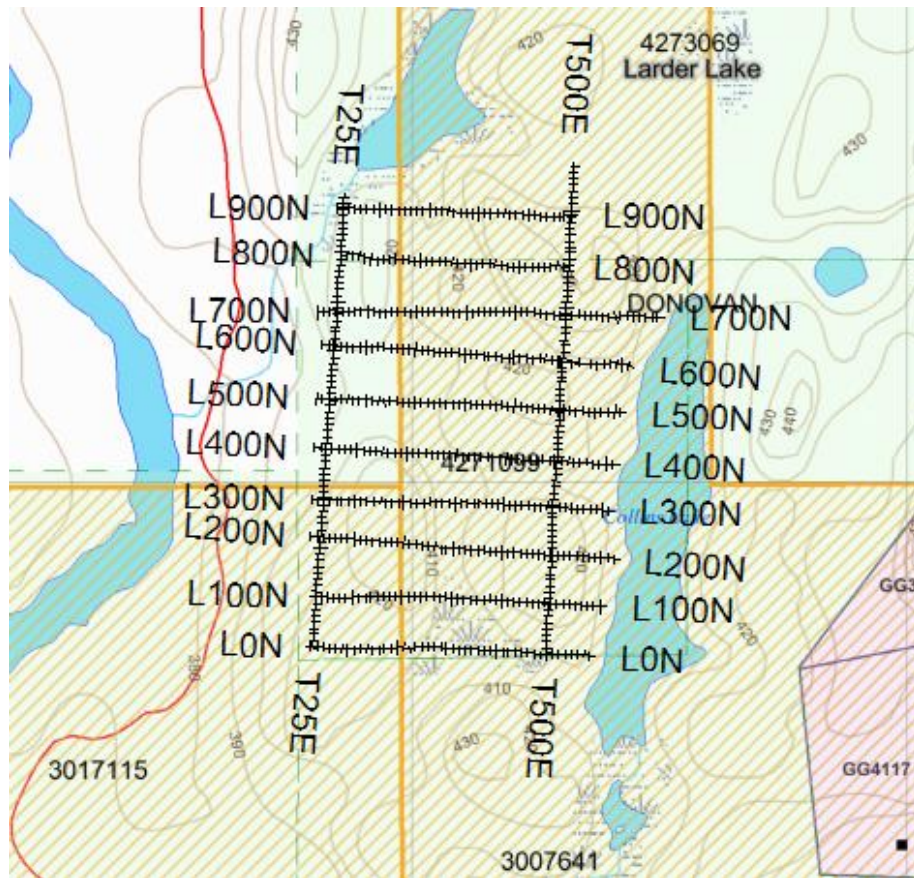


Figure 2: VLF EM Traverses on Claim Map

2. SURVEY WORK UNDERTAKEN

2.1 SURVEY LOG

3. Date	Description	Line	Min Ex- tent	Max Extent	Total Survey (meters)
July 6, 2016	Locate survey area and begin VLF EM 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	600
July 7, 2016	Complete VLF EM 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

3.1 PERSONNEL

Bruce Lavalley and Claudia Moraga both of Britt, Ontario operated the VLF EM systems along with the performing the GPS navigation.

3.2 SURVEY SPECIFICATIONS

The survey was conducted with a GSM-19 v7 VLF.

A total of 7.825 line kilometers of VLF EM was read over the Donovan Property between July 6th and 7th, 2016. This consisted of 626 VLF EM samples taken at an approximate 12.5 metre sample interval.

4. OVERVIEW OF SURVEY RESULTS

4.1 SUMMARY



Figure 3: VLF EM Axis

From the VLF EM survey one axis has been identified. This axis appears to strike at approximately 20 degrees through the property. By projecting the axis northward it would intersect some historic trenching as can be seen in Figure 3. The historic trenching revolves around what is thought to be the Thompson Showing. This may indicate a structural sequence or a projection of the mineralized system. I would recommend further work including IP and prospecting in the vicinity of UTM coordinate NAD 83, Zone 17N, 522291E and 5257981N. This may help identify the source of the anomaly.

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
March 23, 2017

APPENDIX B

THEORETICAL BASIS AND SURVEY PROCEDURES

VLF EM SURVEY

The frequency domain VLF electromagnetic survey is designed to measure both the vertical and horizontal in-phase (IP) and Quadrature (OP) components of the anomalous field from electrically conductive zones. The sources for VLF EM surveys are several powerful radio transmitters located around the world which generate EM radiation in the low frequency band of 15-25kHz. The signals created by these long-range communications and navigational systems may be used for surveying up to several thousand kilometers away from the transmitter. The quality of the incoming VLF signal can be monitored using the field strength. A field strength above 5pT will produce excellent quality results. Anything lower indicates a weak signal strength, and possibly lower data quality. A very low signal strength (<1pT) may indicate the radio station is down.

The EM field is planar and horizontal at large distances from the EM source. The two components, electric (E) and magnetic (H), created by the source field are orthogonal to each other. E lies in a vertical plane while H lies at right angles to the direction of propagation in a horizontal plane. In order to ensure good coupling, the strike of possible conductors should lie in the direction of the transmitter to allow the H vector to pass through the anomaly, in turn, creating a secondary EM field.

The VLF EM receiver has two orthogonal aeriels which are tuned to the frequency of the transmitting station. The direction of the source station is located by rotating the sensor around a vertical axis until a null position is found. The VLF EM survey procedure consists of taking measurements at stations along each line on the grid. The receiver is rotated about a horizontal axis, right angles to the traverse and the tilt recorded at the null position.

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)

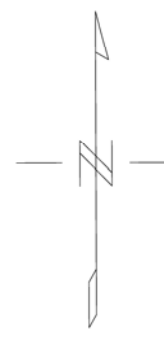
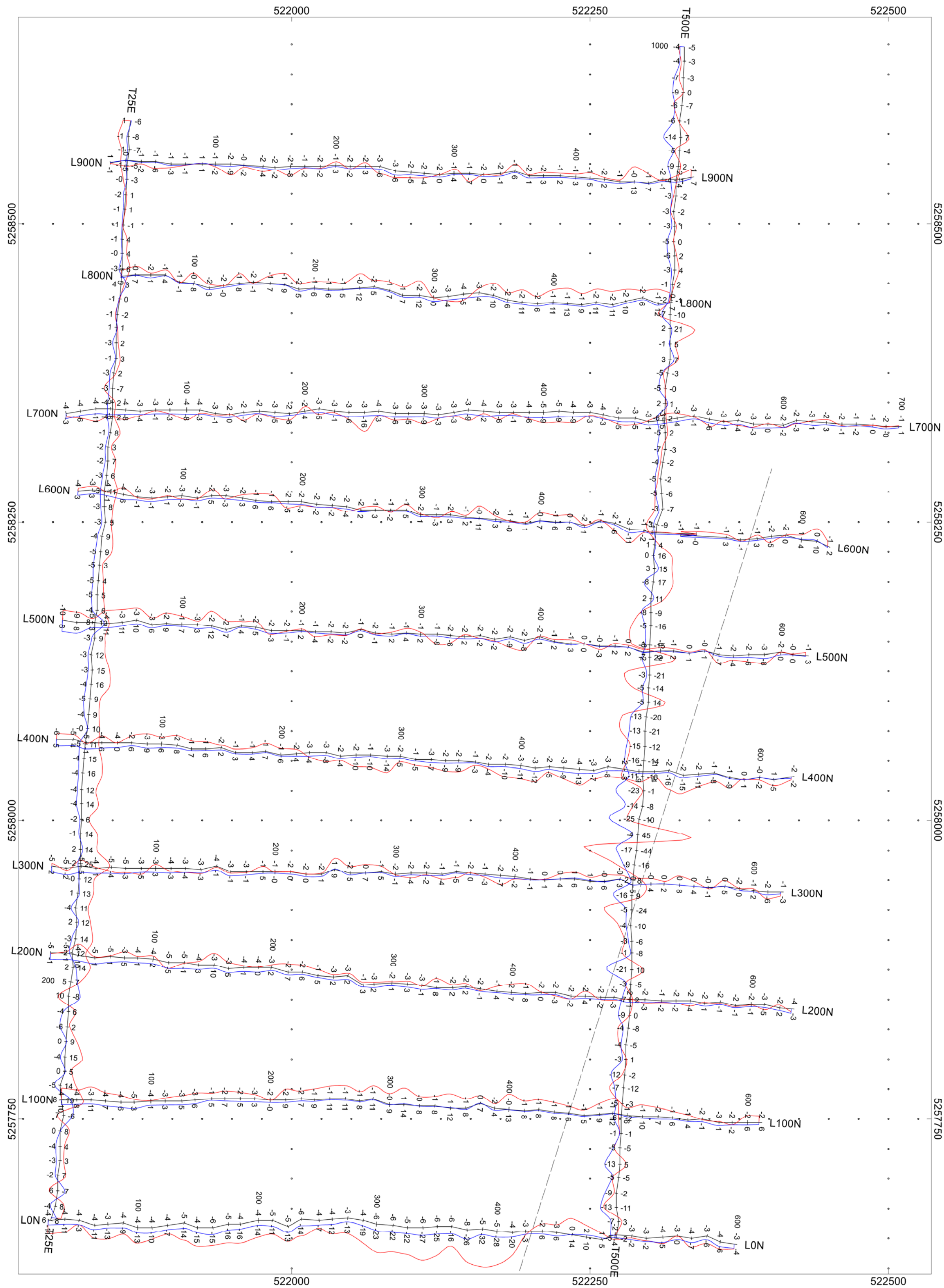
VLF EM Plan Map (1:2500)

1) Q2221-ASHLEY-DONOVAN-VLF

Grid Sketch on Claim Map (1:20000)

2) Q2221-ASHLEY-DONOVAN-TRAVERSE

TOTAL MAPS = 2



DONOVAN PROPERTY
Donovan Township, Ontario

VLF IN PHASE/OUT PHASE PROFILE
25.2kHz NML - LaMOUR USA

In Phase: Posted Right/Bottom (Red)
Out Phase: Posted Left/Top (Blue)

Vertical Profile Scales: 2 %/mm

Station Separation: 25 meters
Posting Level: 0

GSM-19 VLF 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.
March 2017



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
- Clt, Pt & Pla
- 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
- Mining Claim
- Filed Only Mining Claims

WILNER	NICOL	LAWSON
LEITH	CHARTERS	CORRILL
RAY	DONOVAN	BREWSTER
LECKIE	CORLEY	GAMBLE
MCLAID	ELLIS	PARKER
SHULTZ		

LAND TENURE WITHDRAWALS

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

IMPORTANT NOTICES

No



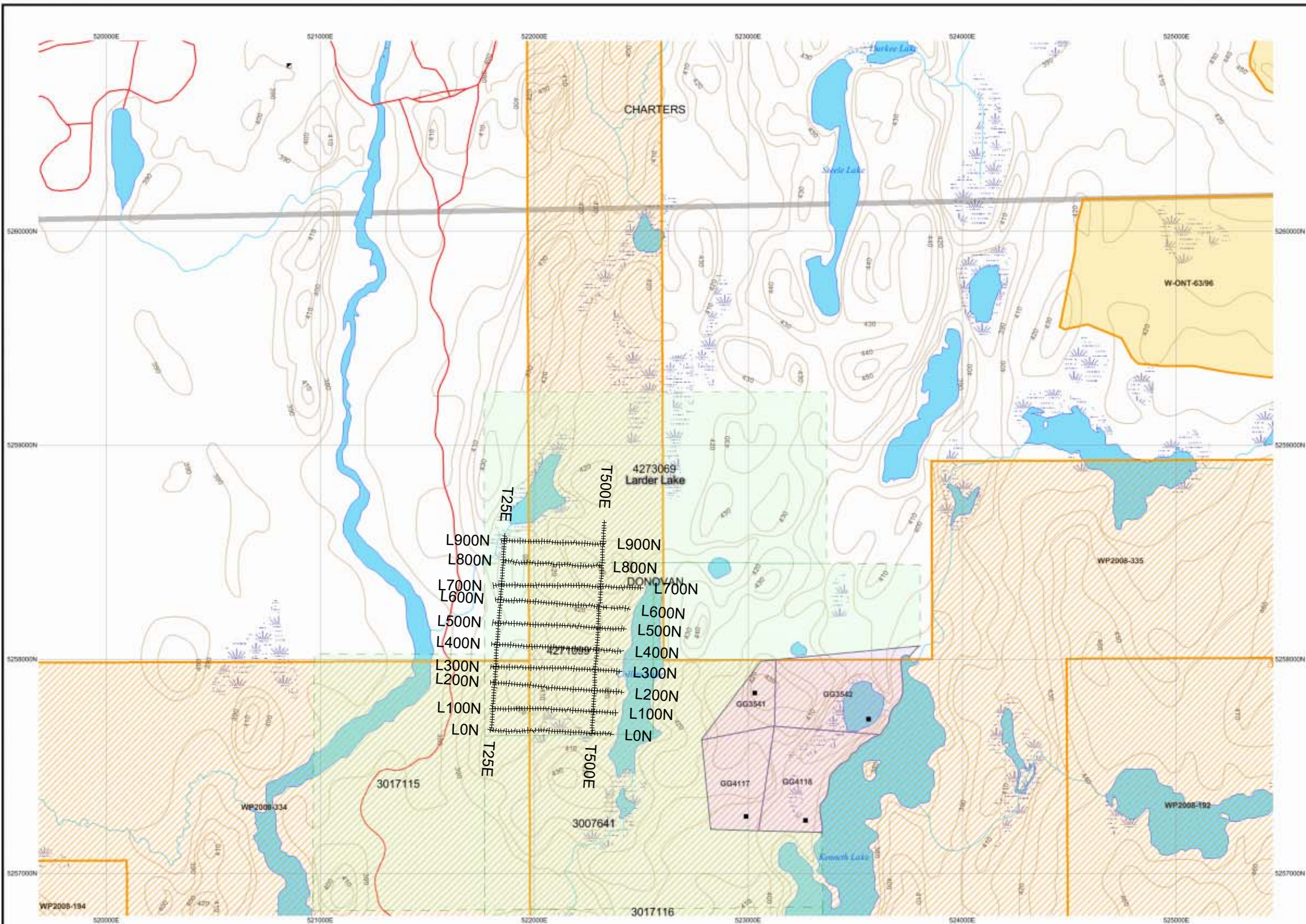
LAND TENURE WITHDRAWAL DESCRIPTIONS (list may not be complete)

Identifier	Type	Date	Description
W-ONT-63/96	W'm	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 - G1965 (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
Water	WATER POWER AREA - WPY FOR GND PLU SUBJECT TO SECTION 27(3) OF MINING ACT. FOR A LIST OF WATER POWER AREAS IN THE DONOVAN TOWNSHIP, PLEASE CONTACT THE LOCAL MNR DISTRICT OFFICE.



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
Sulbury ON P3E 6B5
Home Page: www.mdm.gov.on.ca/MNDM/MINES/LANDS/landmnpge.htm

Toll Free
Tel: 1 (888) 415-8845 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.