

MAR 20060013: SWAMPY LAKE

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2006 0013

JUL 31 2005

ASSESSMENT REPORT "PART B" AND "PART C"
for the
Swampy Lake Property (AB011)

report submitted to:
Department of Energy, Coal and Mineral Development Branch
7th Floor Petroleum Plaza
North Tower 9945 – 108th Street
Edmonton, Alberta
T5K 2G6

prepared by:
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Assessment Report Date: June 1, 2006

Confidential Until: June 1, 2007

0.1 ABSTRACT

Ashton Mining of Canada Inc. is a diamond exploration company that has been exploring in Alberta since 1997. In 2004 Ashton acquired seven Metallic and Industrial Mineral Permits (MIMPs) having a combined area of 51,599 hectares. Collectively, these seven MIMPs are referred to as the Swampy Lake Property. This report is being submitted to satisfy the first and second year expenditure requirements outlined in section 8(1) of the Metallic and Industrial Minerals Tenure Regulations.

During the past two years Ashton Mining of Canada Inc. has conducted a ground geophysical survey on the Swampy Lake Property and prepared a drill site. Poor ground conditions at drill site prevented drilling during this assessment period.

COMPANY:	Ashton Mining of Canada Inc.
MIMP:	9304060580 to 9304060586 inclusive
ASSESSMENT PERIOD:	June 1, 2004 to June 1, 2006
LOCATION:	North Central Alberta
NTS:	84B05, 84B06, 84B11, 84B12
LEGAL LOCATION:	Townships 86 & 87, Ranges 9 to 12, W5M
COMMODITY SOUGHT:	Diamonds

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Appendix

A

Geophysics

- Ground Survey Location Map
- Magnetic Survey Table
- Ground Magnetic Map

1.0 INTRODUCTION

This report is being submitted to satisfy the first and second year assessment work requirement of seven Metallic and Industrial Mineral Permits (“MIMPs”). During the past two years Ashton Mining of Canada Inc. (“Ashton”) and its joint venture partners Encana Corporation, and Pure Gold Minerals Inc. have incurred \$15,265.00 in expenditures to evaluate 51,599.00 hectares. On the basis of this evaluation Ashton has determined the most prospective ground to maintain for further evaluation.

Ashton’s exploration work consisted of one ground magnetic survey to follow-up a regional airborne survey conducted in 1997, and drill site preparation. Drilling was postponed due to poor ground conditions at the drill site.

This body of this report is composed of seven sections. Sections two through four describe regional aspects of the property while section five describes specific exploration work. Conclusions based upon work conducted are outlined in section six. Appendix “A” provides specific data relating to the performed work.

2.0 PROPERTY DESCRIPTION AND ACCESS

The Property is located in Alberta approximately 150 kilometres north of the town of Slave Lake and approximately 400 kilometres northwest of Edmonton (Figure 1). The hamlet of Red Earth Creek is on the eastern portion of the property.

Highway 88 and Indian Reservations 235 and 236 intersect the Property. MIMPs 9304060581 through 9304060586 are located on the west of highway 88 while MIMP 9304060580 is located east of the highway. Table 1 is a schedule of the MIMPs forming the Swampy Lake Property.

Table 1: Schedule of Claims

MIMP	Hectares	Term Date	Anniv. Date	Holder	%
9304060580	5929	Jun 1, 2004	Jun 1, 2006	AMCI	100.00
9304060581	8704	Jun 1, 2004	Jun 1, 2006	AMCI	100.00
9304060582	7680	Jun 1, 2004	Jun 1, 2006	AMCI	100.00
9304060583	1638	Jun 1, 2004	Jun 1, 2006	AMCI	100.00
9304060584	9216	Jun 1, 2004	Jun 1, 2006	AMCI	100.00
9304060585	9216	Jun 1, 2004	Jun 1, 2006	AMCI	100.00
9304060586	9216	Jun 1, 2004	Jun 1, 2006	AMCI	100.00

The permits are located on 1:50,000 scale NTS map sheets 84B05, 84B06, 84B11, 84B12. The legal locations are townships 86 and 87, Ranges 9 to 12 with portions of the townships taken up by the Indian Reservations.

All field operations were conducted from the Noralta Lodge in Red Earth Creek. Field crews stationed at the Noralta utilized four-wheel drive trucks to access the work sites. Highways 88 and 986 provide access to the property.

3.0 PHYSIOGRAPHY

The property is located within the boreal forest of the Peace River drainage system. Loon River and Loon Lake are the major hydrographic features on the property though there are also numerous shallow lakes, streams and low lying bogs.

The western edge of the property is at the edge of the Buffalo Head Hills. The balance of the property is located in the Loon River Lowlands. Topography varies from 525 metres in the east to 650 meters in the west. .

The property is crossed with oil field access roads, and seismic lines. Forestry cut blocks and well heads are also common features within the area.

4.0 Property Geology

The property geology section summarizes base geological for the property area.

4.2 Surficial Geology

The most recent glaciation occurred during the Wisconsin retreat of the Laurentide ice sheet. Recent surficial mapping by the Alberta Geological Survey identified 10 deposit types within the property boundary (Figure 2). The property is best described as having abundant organic and glaciolacustrine deposits with interspersed moraines. .

Ice advance direction is southwest on the western portion of the property and south on the eastern portion.

Overburden gets progressively thicker from west to east. Thickness ranges from 15 to 45 metres in the west to over 150 metres in the east (Figure 3).

4.1 Bedrock Geology

Three cretaceous bedrock formations underlie the Swampy Lake Property (Figure 4). Approximately three quarters of the property is underlain by the Shaftesbury formation. This formation begins at the eastern edge of the property and extends west to the property midpoint. The Smokey Group underlies the northwest portion of the property. Sandwiched between the Shaftesbury and Smokey Group is a narrow section of the Dunvegan Formation.

Both the Shaftesbury and Smokey Group Formations are marine shales. The Dunvegan Formation is a marine, or deltaic, sandstone. The Shaftesbury is the oldest unit and the

Smokey Group is the youngest. Bedrock formations correspond with property topography. The Smokey Group corresponds with the Buffalo Head Hills, the Shaftsbury Formation with the Loon River Lowlands, and the Dunvegan Formation with the transition zone.

4.3 Basement and Structural Geology

The property is located on the early Proterozoic Buffalo Head Terrane (Figure 5). The Peace River Arch trends southwest to northeast across the property. It is a deeply rooted structural feature characterized by uplift and subsidence and was active from the Late Proterozoic to the Late Cretaceous.

4.4 Kimberlite Potential

Ashton Mining has discovered 38 kimberlites within a 70 kilometre radius of the property. The closest kimberlite, K160, is seven kilometers from the property boundary (Figure 6).

5.0 EXPLORATION WORK

The following section describes geophysical and drill preparatory work that is being applied to satisfy the assessment filing requirements on the Swampy Lake Property. All exploration expenditures are outlined in Appendix "A" along with a notarized statement of expenditure, a permit maintenance map, a permit maintenance table and a permit surrender table.

5.1 Ground Geophysics

A ground magnetometer survey was undertaken over the LL005 anomaly in June of 2004. An Ashton geophysical crew consisting of three Vancouver technicians established a grid and surveyed the anomaly. The base line and survey lines were put in using a combination of compass, hip chain and global positioning system. Once the grid was in place a Gem Systems GSM 19 Magnetometer and base station were utilized for the geophysical survey.

The baseline measured 1100 metres and was oriented north south over the theoretical centre of the anomaly. Wooden lathe pickets with coordinates written on them were placed at 50 metre intervals along its entire length.

Wing lines ranged in length from 300 to 700 metres and were oriented east and west of the base line. These lines were established at 50 metre intervals for most of the grid however at the north and south ends of the grid the lines were at 100 metre intervals. Stations were marked with flagging tape every 50 metres along each wing line.

The results of the magnetometer survey revealed an elongated north-south striking feature measuring 1000 metres long. The feature is 300 metres wide at the south end and 100 metres wide at the north end. The anomaly is an intermittent magnetic high surrounded by a magnetic low. The maximum survey reading is 59,331 nano-Teslas and the minimum survey reading is 58,800 nano-Teslas. The feature is distinct from the surrounding magnetic environment.

The anomaly is coincident with a topographic low along an ephemeral drainage. The area directly over the anomaly is dominated by black spruce and muskeg. On either side of the low are recent clear cuts forestry blocks.

Geophysical maps and data are presented in Appendix "B".

5.2 Drilling

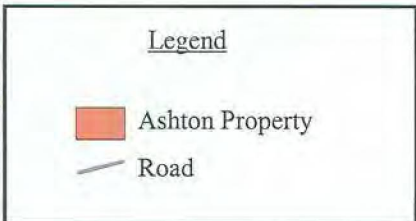
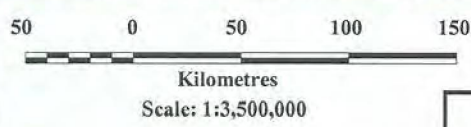
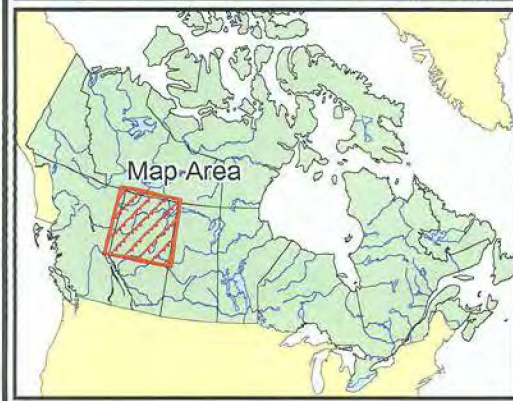
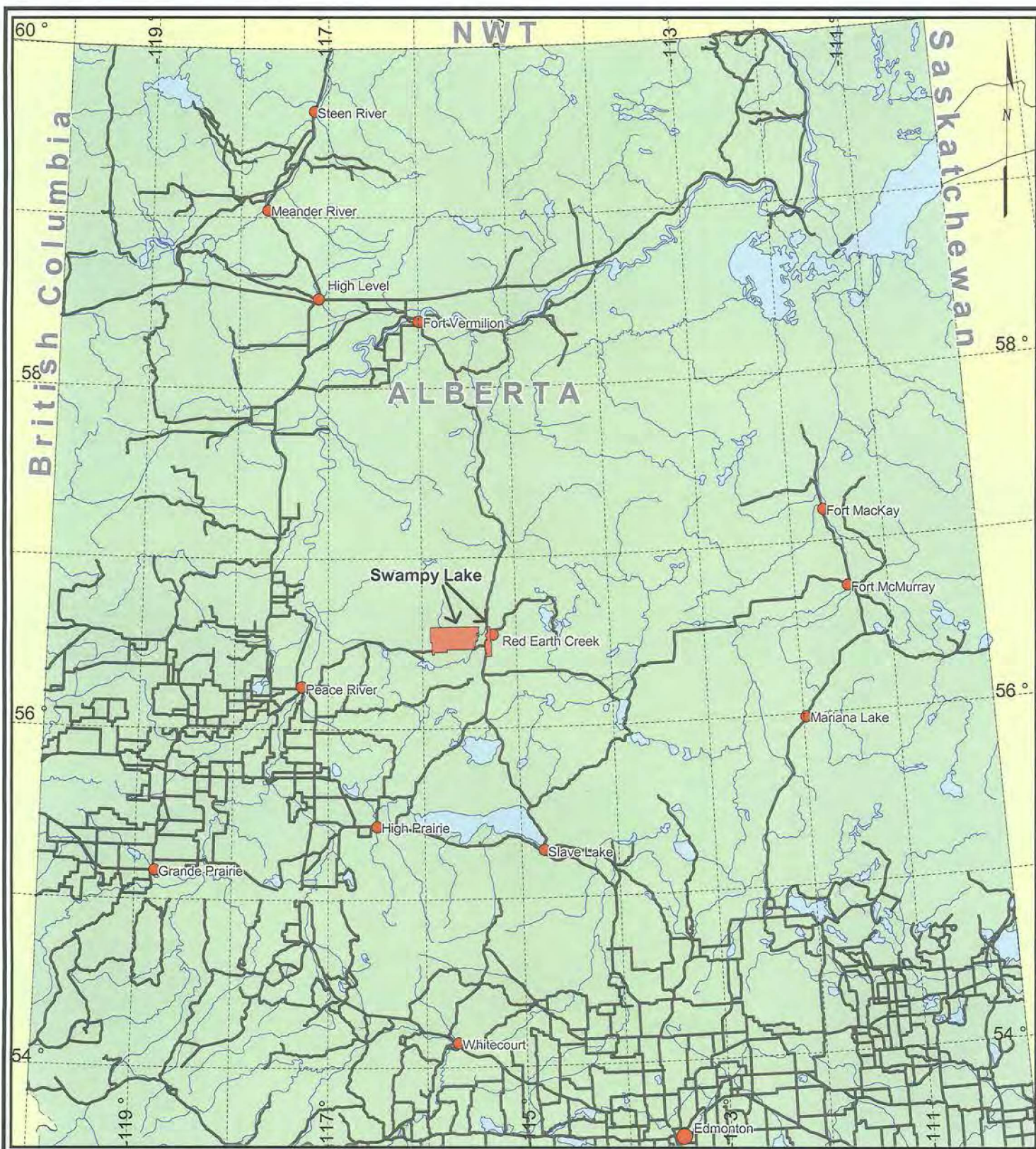
Ashton intended to drill the anomaly in late August of 2005. An Ashton technician surveyed a 50 metre by 50 metre drill site over the anomaly centre. Five line cutters were hired from Loon River Cree Contracting to clear the drill site with chain saws. All trees within the area were felled, bucked and piled at the perimeter of the clearing.

Drilling was scheduled but series of rain showers resulted in the water table rising and ground conditions would not support the drill rig. The decision was made to postpone drilling.


6.0 CONCLUSION AND RECOMMENDATIONS

The Swampy Lake property consists of seven MIMPs totaling 51,599 hectares. During the first assessment term a ground geophysical survey was conducted on the property that delineated the LL005 anomaly. A drill site was surveyed and cleared for an exploratory drill rig but poor ground conditions prevented drill operations.

Recommendations are to utilize existing assessment expenditures to maintain prospective portions of the property and drill the LL005 anomaly when ground conditions permit.



Ashton Mining of Canada Inc.

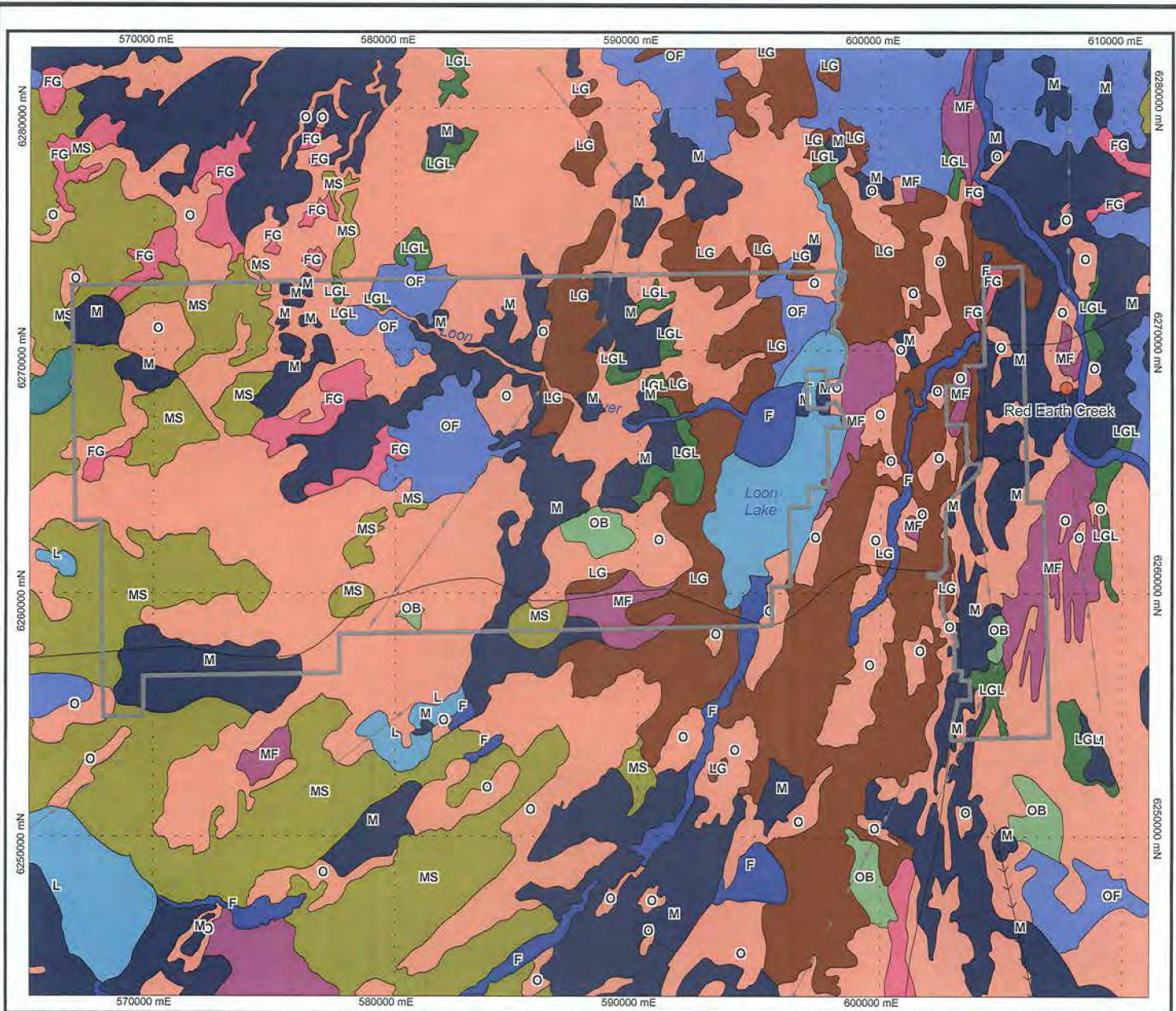


Apr. 20, 2006
 Author: SS/CC
 Proj: UTM11
 NAD27

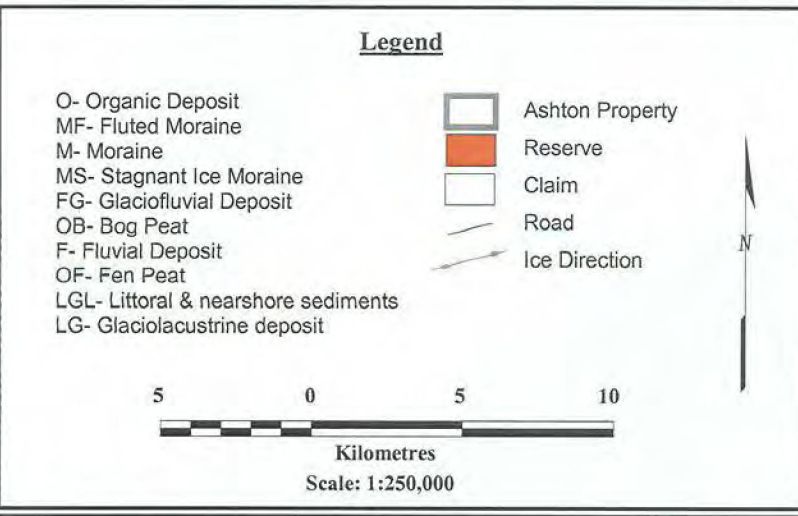
FIGURE 1

**Swamy Lake
 Property Location
 Alberta**

J:\Maps\AB\Regional\Property Location\



Citation:
 Paulen, R.C., Fenton, M.M. and Pawlowicz, J.G. (2006):
 Surficial Geology of the Peerless Lake Area, Alberta (NTS 84B);
 Alberta Energy and Utilities Board, EUB/AGS Map 269, scale 1:250 000.



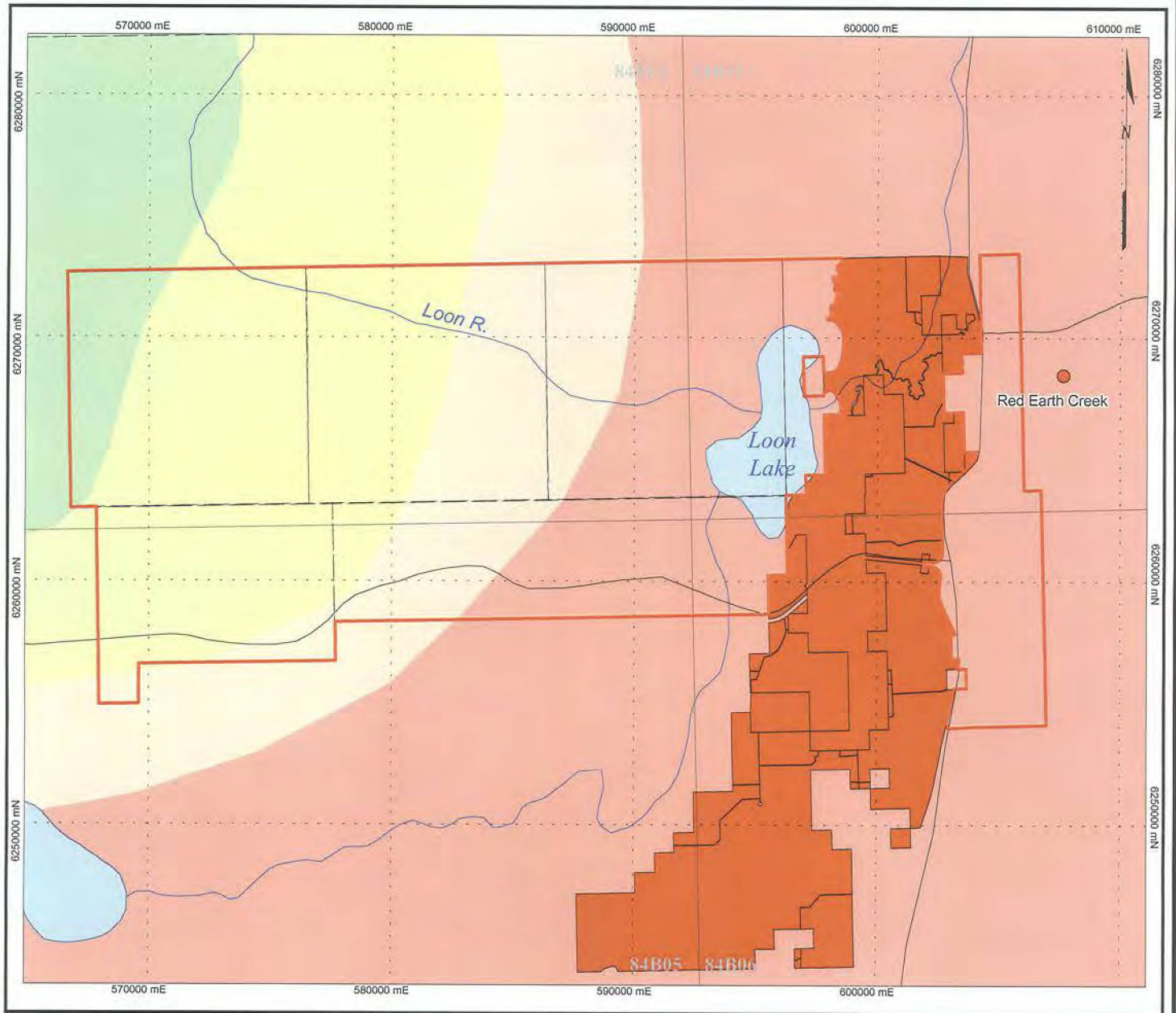
Ashton Mining of Canada Inc.

FIGURE 2

**Swampy Lake Property
 Surficial Geology
 Alberta**











May 25, 2006
 Author: SS/CC
 Proj: UTM11
 NAD27

J:\Maps\AB\Property\Swampy Lake\Geology\



Legend

Drift Legend

- | | | | |
|---|-----------|---|-----------------|
|  | 0m |  | Ashton Property |
|  | 0 - 15m |  | Reserve |
|  | 15 - 45m |  | Claim |
|  | 45 - 90m |  | Road |
|  | 90 - 150m | | |
|  | > 150m | | |

Note: Interpreted drift thickness.
Modified from Pawiowicz & Fentz



Ashton Mining of Canada Inc.


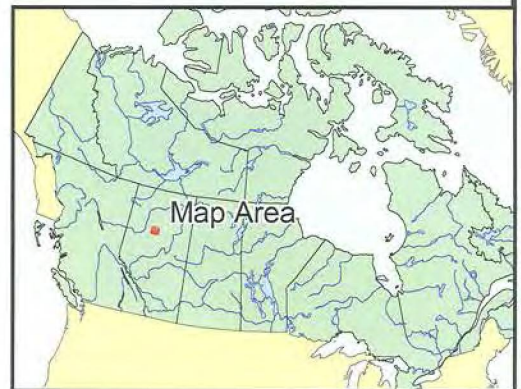
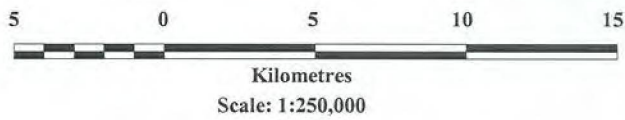
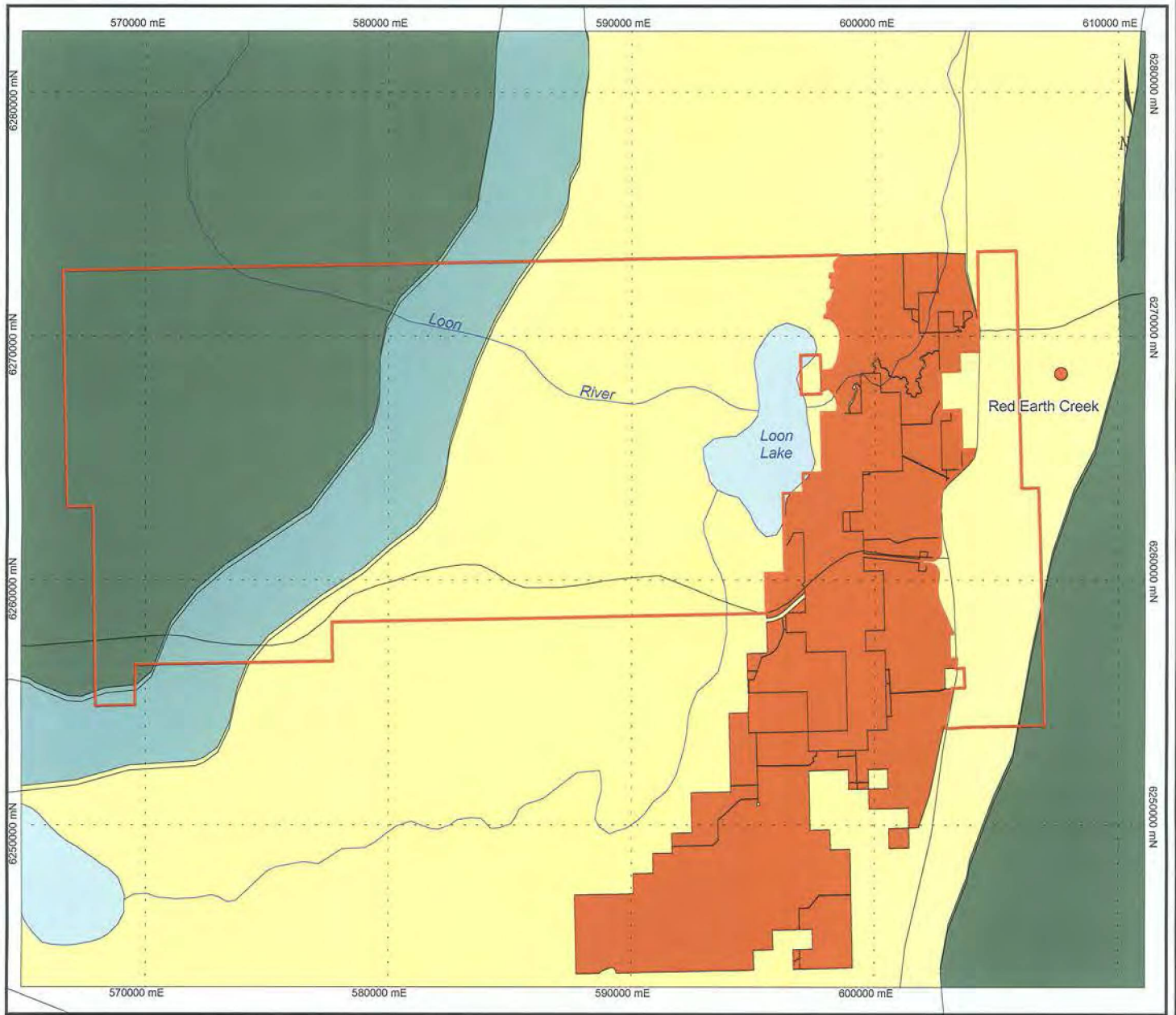








Apr. 20, 2006
Author: SS/CC
Proj: UTM11
NAD27

FIGURE 3
Swamy Lake Property
Drift Thickness
Alberta



Legend


- | | |
|---|---|
|  Ashton Property |  Smoky Group |
|  Reserve |  Shaftesbury Formation |
|  Claim |  Dunvegan Formation |
|  Road | |

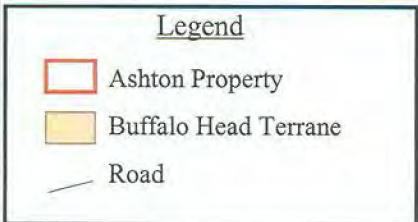
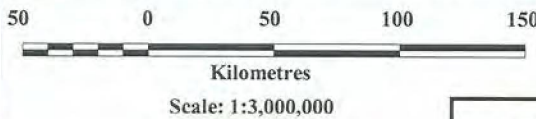
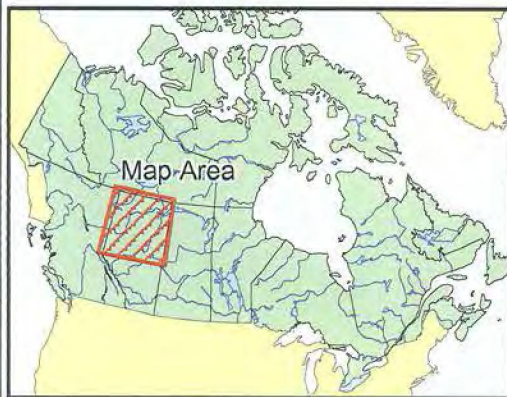
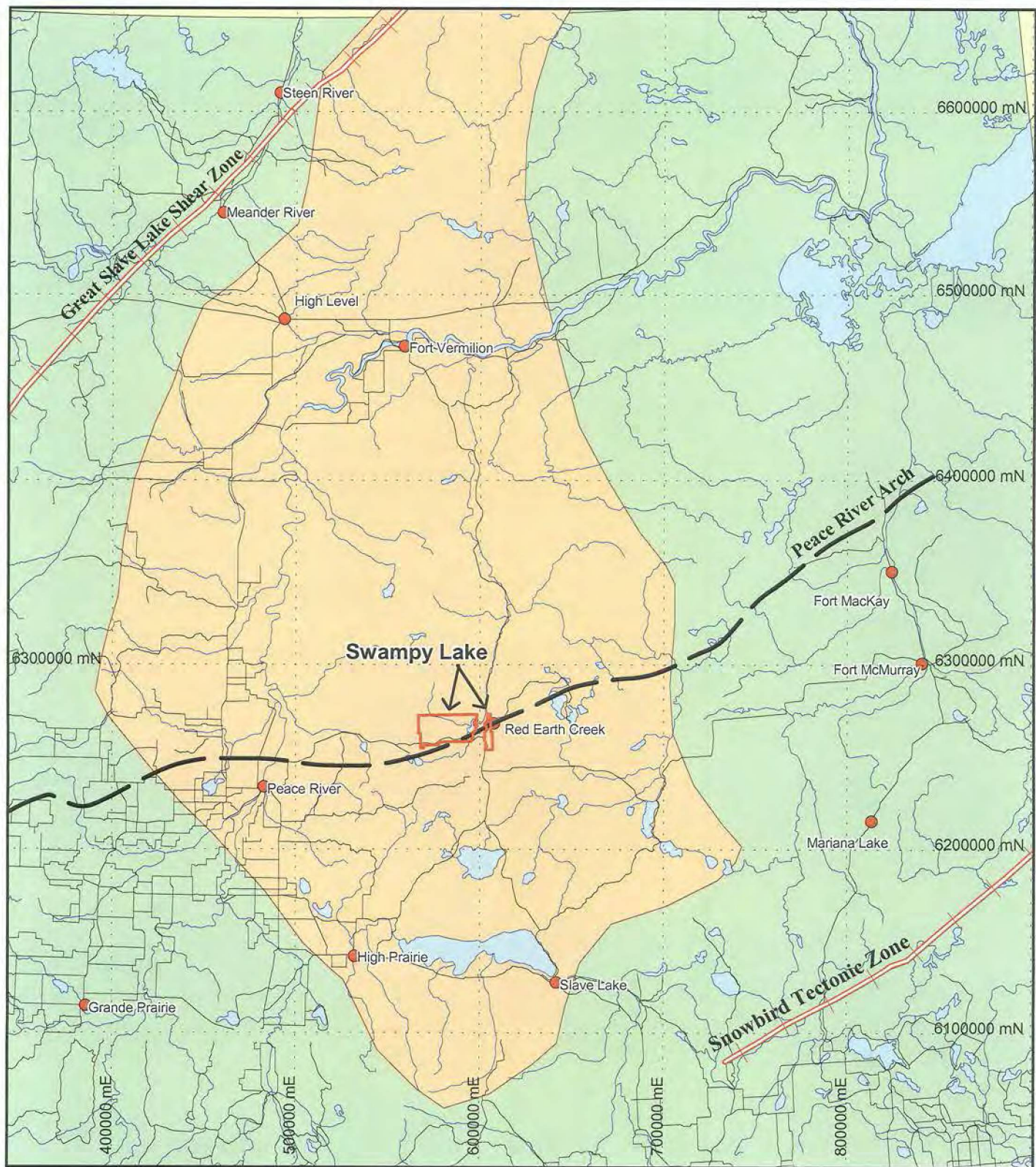
Note: Modified from AGS Map 236.

Ashton Mining of Canada Inc.

FIGURE 4

**Swamy Lake Property
Bedrock Geology
Alberta**


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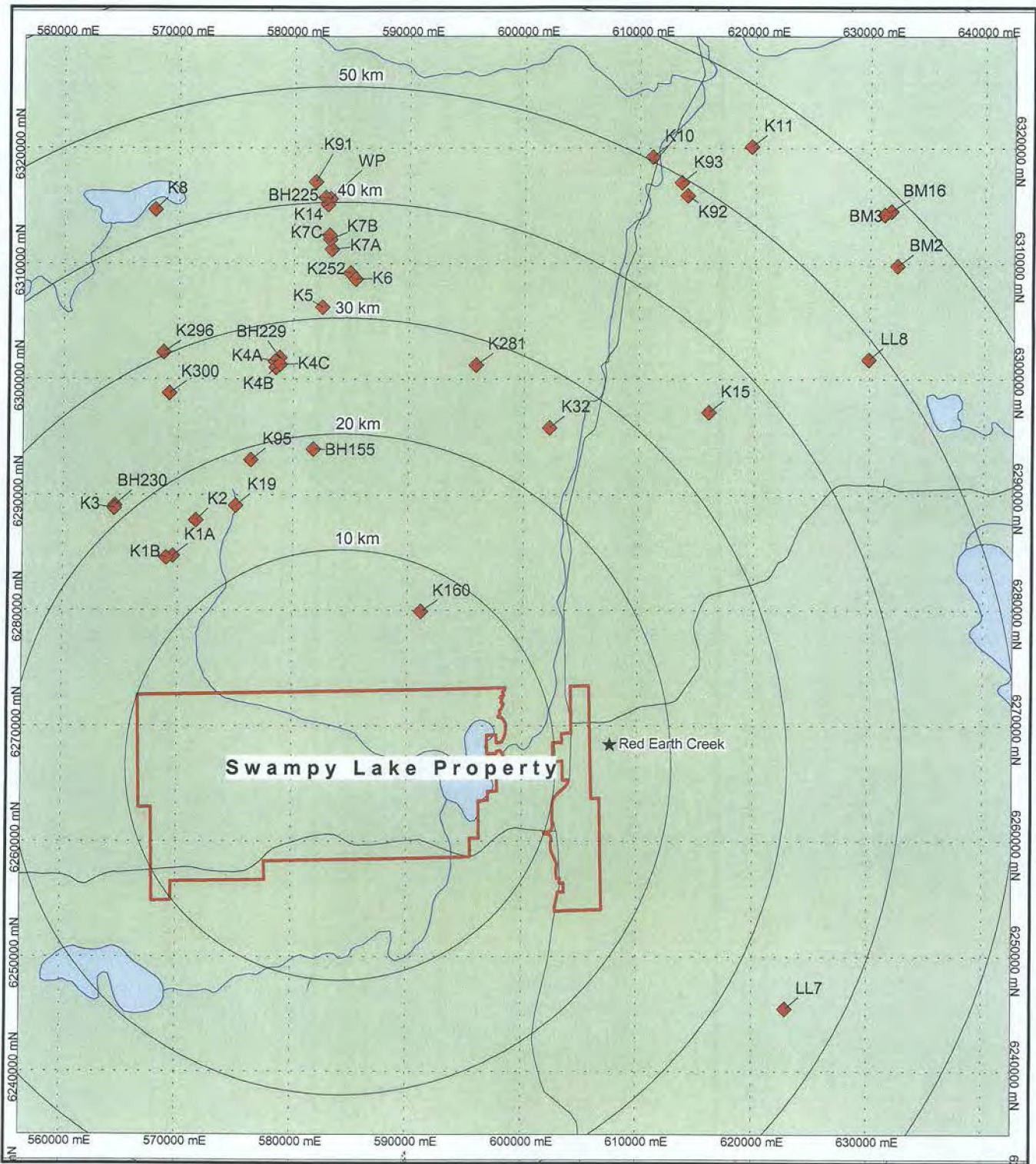
Ashton Mining of Canada Inc.

FIGURE 5

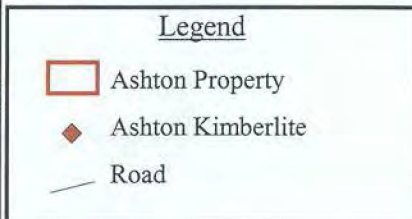
**Swampy Lake
Basement & Structural Geology
Alberta**

	Apr. 20, 2006
	Author: SS/CC
	Proj: UTM11 NAD27

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Scale: 1:500,000



Ashton Mining of Canada Inc.	
	FIGURE 6
Jun. 13, 2006	Ashton Kimberlites Alberta
Author: SS/CC	
Proj: UTM11 NAD27	
J:\8Maps\AB\Property\Swamy Lake\Geology	

7.0 REFERENCES

#	Date	Author	Title	Year
1	MIN20040018	Ward J., Willis D.	Assessment Report for the Buffalo Hills Property 2004	2004
2	MIN20020010	Skelton D., Willis D	Assessment Report for the Buffalo Hills Property 2002	2002
3	MIN20010007	Skelton D., Willis D	Assessment Report for the Loon Lake, Birch Mountain, Rabbit Lake and Muddy River Properties	2001
4	MIN20000009	Skelton D., Burse T	Assessment Report, Caribou Mountains (AL06) Property	2000
5	Min20000002	Skelton D., Burse T	Assessment Report, Athabasca (AL07), Lesser Slave (AL08), and Whitemud Hills (AL09) Properties	2000
6	MIN19990010	Skelton D., Burse T	Assessment Report, Buffalo Hills (AL01), Loon Lake (AL02), Birch Mountain (AL03), Rabbit Lake (AL04) and Muddy River (AL05) Properties	1999
7	MIN19980015	Skelton D., Burse T	Assessment Report, Buffalo Hills Property (AL01)	1998

Paulen, R.C., Fenton, M.M. and Pawlowicz, J.G. (2006): Surficial geology of the Peerless Lake Area, Alberta (NTS 84B); Alberta Energy and Utilities Board, Alberta Geological Survey Map 269, scale 1:250 000.

Fenton, M.M. and Pawlowicz, J.G. (1995); Drift Thickness of Alberta, Alberta Energy and Utilities Board, Alberta Geological Survey Map 226, scale 1:2,000,000

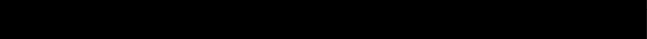
Dufresene, M.B., Olsen, R.A., Schmitt, D.R., McKinstry, B., Eccles, D.R., Fenton, M.M., Pawlowicz, J.G., Edwards, W.A.D., and Richardson R.J.H. (1996); The Diamond Potential of Alberta, Alberta Energy and Utilities Board, Alberta Geological Survey Bulletin No. 63

Ross, G.M., Broome, J., Miles, W. (1994); Potential Fields and Basement Structure – Western Canadian Sedimentary Basin. Produced in the Geological Atlas of the Western Canadian Sedimentary Basin. G.D. Mossop and I. Shetsen (comps). Calgary, Canadian Society of Petroleum Geologists and Alberta Research Council , p. 41 – 47.

O'Connell, S.C., (1994); Geological History of the Peace River Arch. Produced in the Geological Atlas of the Western Canadian Sedimentary Basin. G.D. Mossop and I. Shetsen (comps). Calgary, Canadian Society of Petroleum Geologists and Alberta Research Council , p. 431 – 437.

Hamilton W. N., Price M.C., Langenberg, W., Chao, D.K., 1998; Geological Map of Alberta, Alberta Energy and Utilities Board, Alberta Geological Survey, Map 236

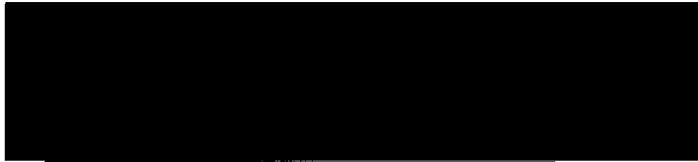
8.0 CERTIFICATE OF QUALIFICATION - DAVID WILLIS

I, David Willis,  hereby certify that:

1. I am presently employed as a Land Administrator with Ashton Mining of Canada Inc. and its subsidiary Ashton Diamonds (Canada) Inc. at Unit 116 – 980 West 1st Street, North Vancouver, B.C.
2. I am a graduate of the University of Alberta and hold a B.A. Degree in anthropology.
3. I am a graduate of the Northern Alberta Institute of Technology and hold a diploma in mineral engineering.
4. I have been employed with Ashton Mining of Canada Inc. since 1997.
5. That the information in this report is based on work done to evaluate the property, in collaboration with colleagues involved in various aspects of exploration.

DATED at North Vancouver, British Columbia, this 5th day of June 2006.

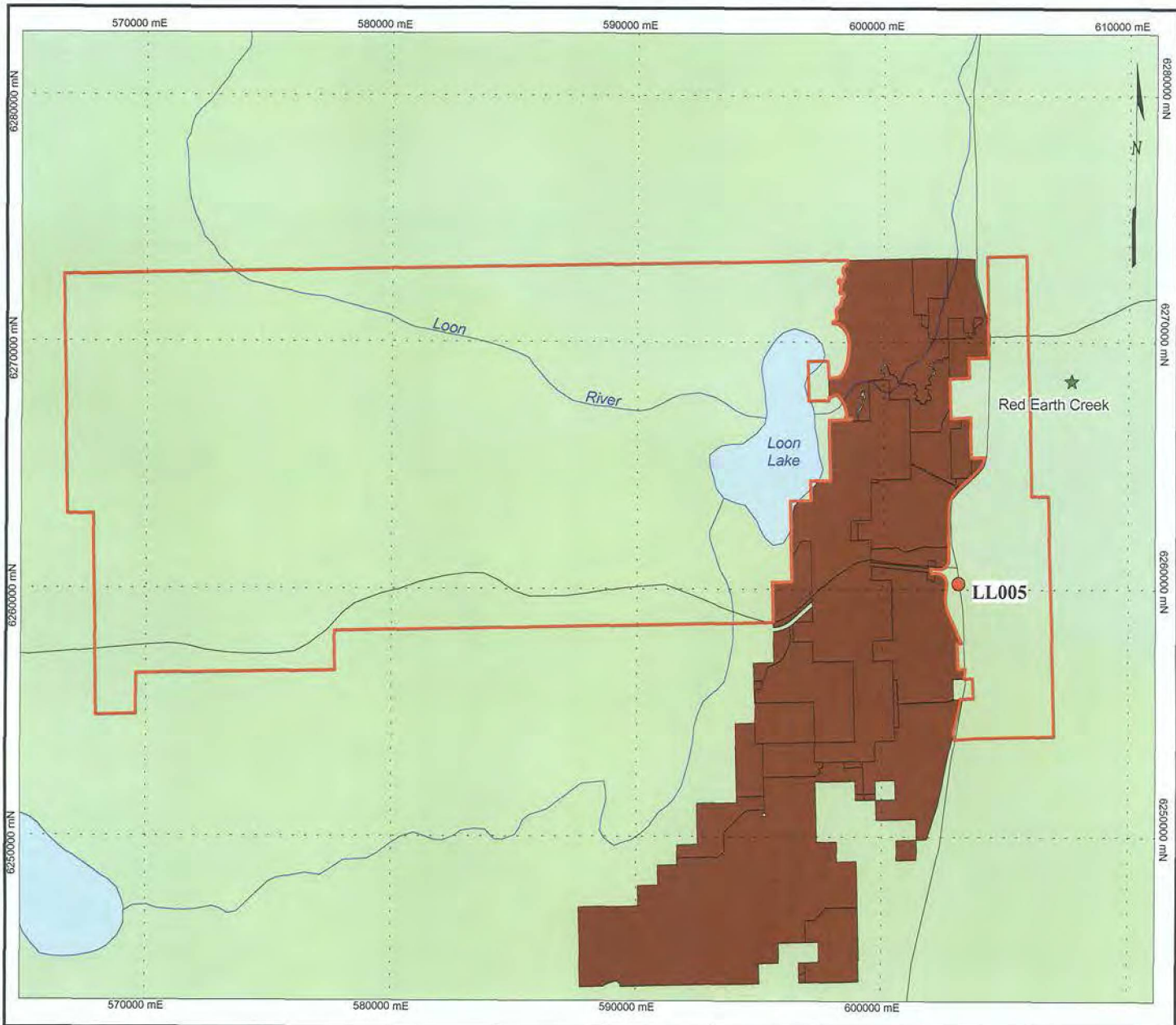
ASHTON DIAMONDS CANADA INC.








David Willis, B.A., Dip Mineral Engineering

APPENDIX "A"- GEOPHYSICS

- **Ground Survey Location Map**
- **Ground Magnetic Map**



Legend

-  Ashton Property
-  Reserve
-  Claim
-  Road
-  Geophysical Anomaly

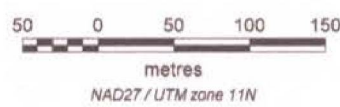
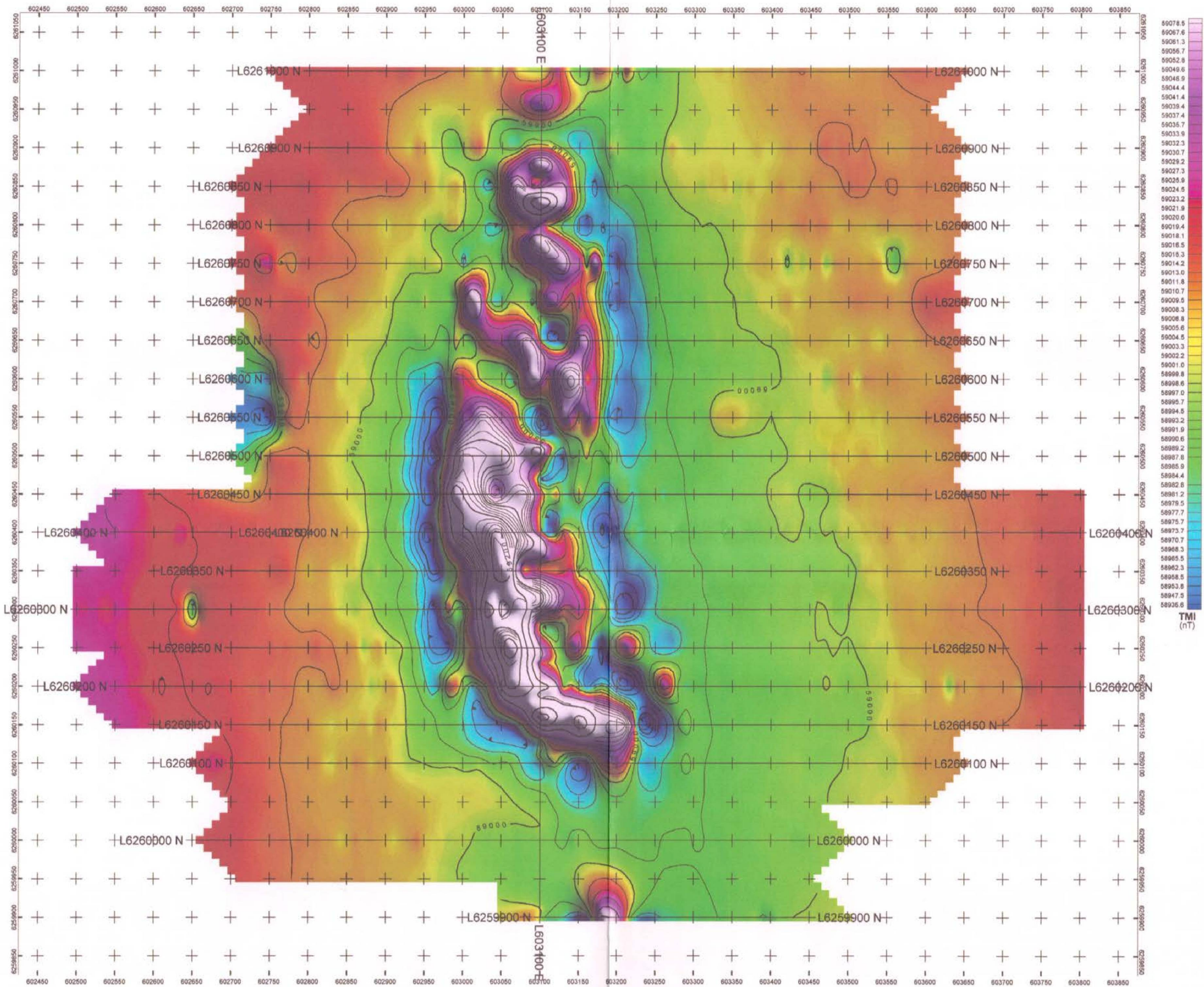


Ashton Mining of Canada Inc.

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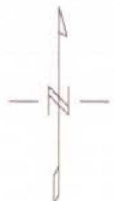
**Swampy Lake Property &
 Geophysical Anomaly LL005**

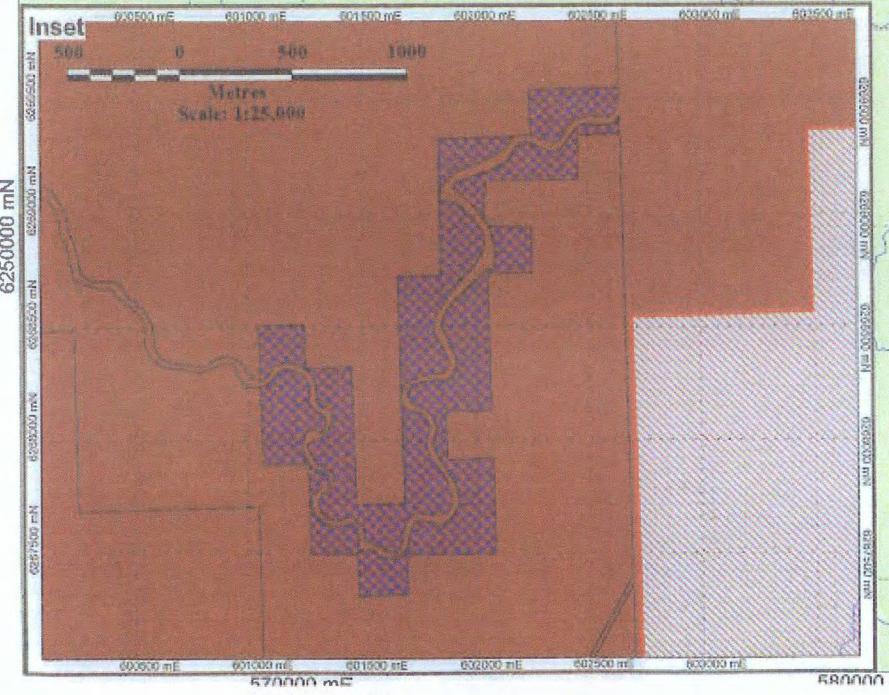
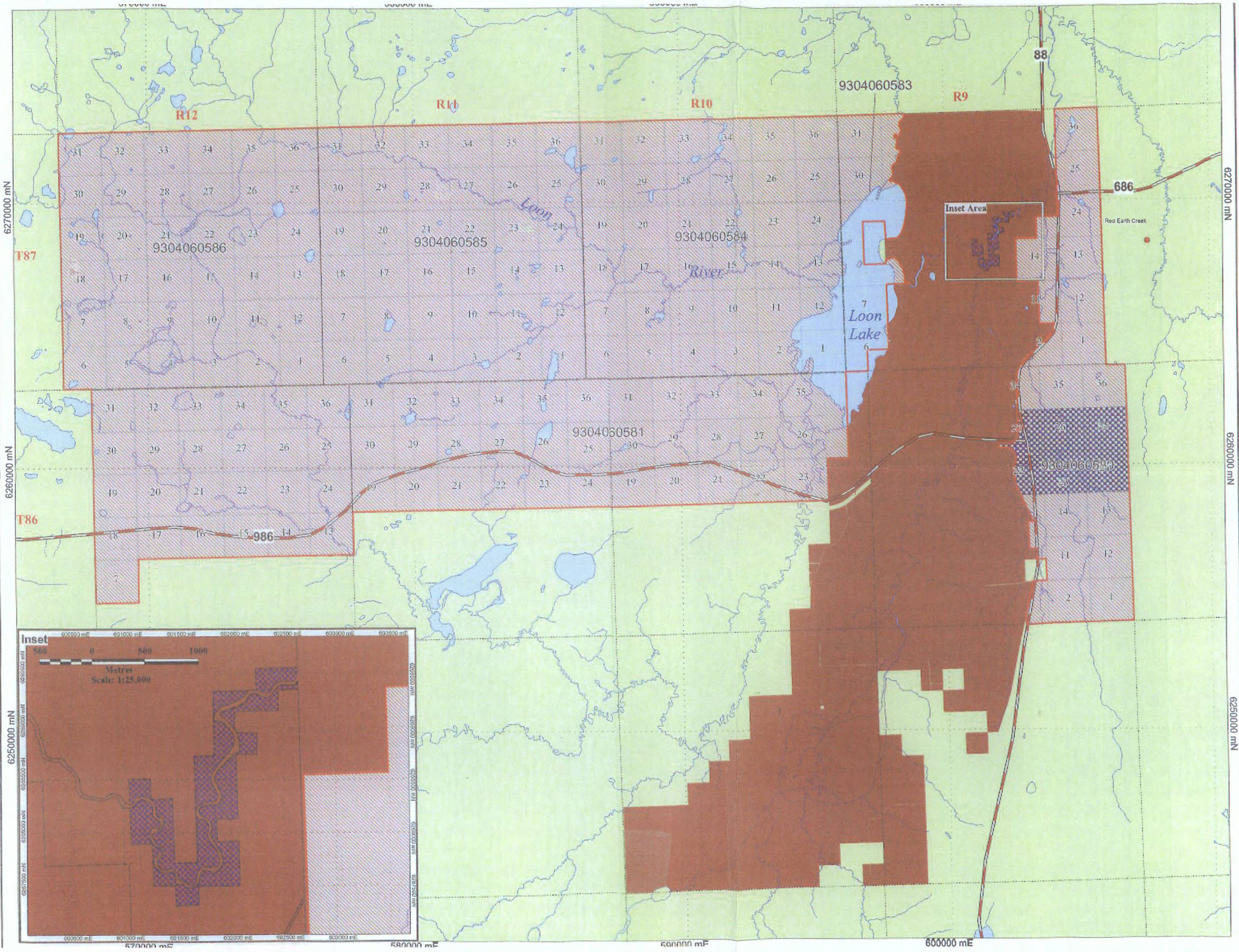
Alberta



Swamy Lake Property AB011
Anomaly LL05 Total Field Magnetics
Summer 2004

Date Surveyed: June 12, 2004
 Access: Summer
 Crew: CM, MB, PS
 Instrument: Gem GSM 19 Ver. 5.0 Overhauser Magnetometer
 Kilometres Surveyed: 18.72
 Scale: 1:5000
 Contour Interval: 10, 50 nT
 Projection: Nad 27 Zone 11





Legend

- Ashton Property
- Reserve
- MIMP Claim
- Area Surrendered
- Area Maintained
- ATS Grid
- Sections

Scale: 1:100,000
Kilometres

Ashton Mining of Canada Inc.

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NAD27

**Swampy Lake Property
Property Retention Map**

Alberta