THE LAS BOLAS-LOS HILOS PROPERTY

TECHNICAL REPORT

Uruachic Mining District,
State of Chihuahua, Mexico

- Prepared for -

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SUMMARY

Victor A. Jaramillo, M.Sc.A., P.Geo., a geological consultant with Discover Geological Consultants Inc., was retained by Golden Goliath Resources Ltd. on May 20, 2009 with the terms of reference for this assignment consisting of undertaking a geological review of all exploration work done at the Las Bolas-Los Hilos Property. Particularly in reference to preparing a preliminary resource estimate.

On June 18, 2009 the author visited Minera Delta S.A. de C.V.'s office in the city of Chihuahua (a subsidiary in Mexico of Golden Goliath), where he met with Ing. Daniel Nofrieta (a Director of Golden Goliath and the legal representative for Minera Delta in Mexico) to review geological data, maps and other information relating to the Las Bolas – Los Hilos Property. As part of due diligence from June 19 to the 25^{th}, 2009 (for 7 days) the author visited the Las Bolas – Los Hilos Property accompanied by Ing. Daniel Nofrieta, Mr. Rasool Mohammed (Exploration Consultant) and Ing. Jorge Madrigal, Chief Mine Geologist for Minera Delta.

Golden Goliath's Uruachic claims are owned 100% by the Company and are fully paid for with no property option or purchase payments to make. With a current updated drill and underground database, a preliminary resource estimation will be the focus of this NI 43-101 compliant report.

The author believes that Las Bolas-Los Hilos Property hosts an early stage mesothermal system of silver-lead-zinc veins followed by a later low sulphidation epithermal gold-silver phase. Both systems are structurally controlled and confined mainly along fault zones as veins, silica stockworks and breccias.

Mesothermal vein systems are formed at considerable depths (from 600 m to 1000 m or more) by hydrothermal processes in a temperature range of 200_{o} C to 300_{o} C. The presence of dark gray quartz veins, cutting and brecciating the early silver-base metal mesothermal veins or oxide veins, may be related to this later epithermal event.

The mineralization at Las Bolas- Los Hilos is structurally controlled by three main fault-fracture systems. The main one in terms of greater continuity, width and grade trends **050 to 090 degrees** and generally dips north.

Silver mineralization along adits and sub-levels has been observed to be mainly composed of in-situ oxides with areas of secondary enrichment. The writer believes areas with considerable secondary silver enrichment still lie below the Las Bolas Adit just above or near the current water table.

A field program during 2003 included geological mapping and sampling of the Las Bolas, Gambusino, Guadalupana, Corazon, El Manto and the Los Hilos Adits. Two soil sampling surveys (lines) were carried out and RC drilling for a total of 1,060.54 meters in 11 holes was completed.

During 2004 field work included road building, surface and underground mapping and sampling, a magnetometer survey, a petrographic study and a reverse circulation drilling program. A total of 1,917.22 meters in 13 RC holes was completed.

During the 2003 and 2004 RC drill programs, drill hole recoveries ranged from 44% to 66% with an

average of 58%. Several holes were abandoned due to drilling problems or due to poor ground conditions within heavily oxidized and fractured rock.

Both 2003 and 2004 drill programs were designed to test geophysical targets and the down dip and strike extensions of known silver mineralized structures within mine workings and thereby determine whether the property has the potential for hosting an open pit or underground silver-gold deposit.

During 2006 a total of 11 Reverse Circulation holes were drilled for a total of 2,124.46 meters. Later in 2008 a diamond drill program that included 26 holes for a total of 3,586.51 meters was completed. During the 2008 diamond drill program, core recoveries were generally above 85%.

To date there are no reserves at the Las Bolas-Los Hilos Property. This report focuses on recently estimated preliminary **inferred resources**. The data used for this resource estimation included selected diamond drill holes from the 2008 drill program and mostly from samples taken underground. The drill holes selected had recoveries along mineralized zones of at least 80%. Most of the RC holes did not fall into this category, and as such, were not used in the estimate.

The assay database used is of acceptable quality for estimating inferred resources at this time, although additional checking and verification is needed.

The resources stated in this report for the Las Bolas – Los Hilos Property conform to the definitions adopted by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM"), December 2005.

With a new understanding of the mineralization a block model was designed for each axis. The volume search parameters were estimated as a function of the reach of the modeled variogram. Also, as a function of the search volume, and the number of samples used, a minimum and maximum number of samples were determined for the search volume with a minimum of 2 and a maximum of 20 samples. A specific gravity (s.g.) of 2.7 was used for the mineralization.

Having completed the above steps, an interpolation of the block model was done using geostatistical analyses with DATAMINE software.

The inferred resources using silver cut-off grades are presented in the table below at increments of one ounce silver. These are provided mainly for illustration purposes, as no economic parameters have been included, except for metal equivalents which are based on US$900 gold and US$14 silver. In calculating silver equivalencies 100% metal recoveries have been assumed. The author believes that **a reasonable prospect for economic extraction** can be assumed to be in the 124.4 g/t silver cut off range which also contains gold credits.

The Inferred Resources estimated at the Las Bolas – Los Hilos Property at 124.44 g/t silver cut off, consists of a total tonnage of **478,000 tonnes with 434 g/t silver and 0.98 g/t gold.** This Inferred Resource would contain an estimated **6.7 million ounces of silver and 15,000 ounces of gold**. The silver equivalent ounces would be approximately **7.6 million.**

SENSITIVITY TABLE FOR DIFFERENT SILVER CUT OFF VALUES						
CUT OFF	INFERRED RESOURCES			METAL CONTENT		
Ag g/t	Tonnes	Ag g/t	Au g/t	Ounce Ag	Ounce Au	Ounces Ag Equiv.
31.10	611537	356.44	0.88	7008076	17322	**8121615**
62.20	572712	377.26	0.92	6946625	16995	**8039183**
93.30	512891	412.15	0.97	6796300	15946	**7821380**
124.40	478409	434.07	0.98	6676460	15012	**7641523**
155.50	432709	464.96	1.05	6468465	14649	**7410206**
186.60	397470	490.97	1.13	6274049	14376	**7198244**
217.70	361905	519.50	1.22	6044695	14160	**6955009**
248.80	332611	544.80	1.31	5825946	13955	**6723072**
279.90	284916	590.58	1.50	5409877	13731	**6292603**

The author has reviewed and worked in several similar style mineral deposits, and through this, has gained the expertise to give a fair evaluation of the nature and distribution of the mineralization on this property. In the author's professional opinion, the property discussed in this report is of merit, and thus it is strongly recommended that a detailed exploration program, as outlined in this report, be undertaken.

The proposed 2009-2010 exploration program for Las Bolas-Los Hilos Property is designed to expand the size of the mineralized zones. Currently, the full extent veins is unknown and it is recommended that initially, the mineralized zones be methodically explored in the recommended exploration program.

This work will have a duration of approximately 6 months, and consist of 5,000 meters of diamond drilling in approximately 20 diamond drill holes. It is also recommended that the exploration program see the initiation of preliminary metallurgical studies. The estimated budget for phase one is approximately US $ 2 million.

As per NI-43-101, part 2.3 (2a and 2b) the author will comment on the **potential target** of the mineralization at the Las Bolas – Los Hilos Property. In estimating a potential target the several parameters have been considered, these are described fully in the report.

The potential target has considered 10 veins, but it is important to mention that in close proximity to these there are several other mineralized structures (veins) that have yet to be tested by drilling.

Using the parameters described in the report, a potential target for the veins may be in the range of 16 to 6 million tonnes. Grades would range from 213 g/t silver in the upper range to 151 g/t silver in the lower range. As an example the potential target could then be approximately **112 million ounces of silver in the upper range and 30 million ounces in the lower range**.

<u>Cautionary statement</u>: Investors are cautioned that the potential quantity and grade indicated above is conceptual in nature. It has been provided only for illustration purposes. At this time, there has been insufficient exploration to define a mineral resource below the current inferred resources, and it is uncertain if further exploration will result in the discovery of these mineral resources.

1.0 INTRODUCTION

The Las Bolas – Los Hilos Property lies within the Sierra Madre Occidental Mountain Range, which is host to numerous epithermal silver-gold deposit types. The property is underlain by intermediate to felsic volcanic rocks of the favorable Lower Volcanic Complex in the Sierra Madre Occidental Mountains of Mexico.

This report reviews the geology and mineralization of the property, and presents a preliminary resource estimate which is compliant with National Policy Instrument 43-101 and the resource definitions set out by the Canadian Institute of Mining.

1.1 TERMS OF REFERENCE

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Victor A. Jaramillo, P.Geo. provides geological consulting services to the international mining industry, holds a B.Sc. Degree in Geology and an M.Sc.A. Degree in Mineral Exploration. Mr. Jaramillo has over 27 years of professional experience, and has previously held positions as Project Manager, Exploration Manager and Chief Geologist for several North American Mining Companies. He is a member in good standing of The Association of Professional Engineers and Geoscientists of British Columbia, a Fellow of the Geological Association of Canada and a Fellow of the Society of Economic Geologists.

1.2 SCOPE AND SOURCES OF INFORMATION

In preparing this report, the author has relied in part on geological reports and maps, miscellaneous technical papers, published government reports and historical documents listed in the "Selected References" section at the conclusion of this report, public information and the writer's experience.

This report is based on information known to the writer as of May 25, 2009. Sample assay results for drill holes and underground workings were provided to the author by Golden Goliath Resources Ltd. All measurement units used in this report are metric, and currency is expressed in US dollars unless stated otherwise. Additionally, the author met with Mr. Paul Sorbara P. Geo., President of Golden Goliath Resources Ltd. at their Vancouver office, during which time background information such as recent reports, drill data, resource information and maps concerning the property was made available.

The results and opinions expressed in this report are conditional upon the aforementioned geological and legal information being current, accurate, and complete as of the date of this report, and that no information has been withheld which would affect the conclusions made herein.

2.0 RELIANCE ON OTHER EXPERTS

The author has not completed an independent title search of the concessions. The author has relied on the representations and warranties of Mr. Daniel Nofrieta, the legal representative of Minera Delta S.A. de C.V., who regularly reviews the status of the mining concessions and claims held by Golden Goliath and certifies that the concessions and claims are in good standing with the Mexican auditors each year end. Also the author has relied on warranties by Minera Delta that there are no outstanding environmental orders.

3.0 PROPERTY DESCRIPTION AND LOCATION

The Las Bolas – Los Hilos Property is comprised of six mining concessions held by Minera Delta S.A. de C.V., a subsidiary of Golden Goliath Resources Ltd., a Canadian public company. It covers a total area of 481.34 hectares. A property location map is shown in Figure 1.

The mining concessions lie within the INEGI topographic sheet G12- B19 (Uruachic) at 1:50,000 scale. A property claim map is shown in Figure 2. Table 1 is a list of concessions owned by Minera Delta S.A. de C.V.

The property boundaries were located by qualified Mexican field surveyors ("Peritos") who tied the boundaries to geodesic first degree government survey points and to a concrete monument ("Mojonera") built by the survey team.

Minera Delta S.A. de C.V. has surface rights agreements in place for the areas it is currently exploring. The property areas are mostly held by individuals and/or farming communities. These agreements are required to gain access rights (building roads, drill pads, trenches, etc).

Plate 1: View of the Las Bolas – Los Hilos Property looking south (Lutynski P., 2003)

Plate 2: View of the Las Bolas – Los Hilos Property looking NE (Lutynski P., 2003)

Figure 1: The Las Bolas – Los Hilos Property Location Map (Lutynski P., 2003)

The Las Bolas – Los Hilos Property is comprised of six (6) mining concessions (Figure 2). The Mina de las Bolas Concession has a 1% NSR. The concessions with their corresponding sizes are as follows:

Concession Name	Title #	Surface Ha.	Registered To	Mine Concession - Good till
Ampliacion La Verde	219790	54.35	M. Delta S. A. de C. V.	April 11, 2003 till 2053
El Manto	223309	99.97	M. Delta S. A. de C. V.	Nov. 30, 2004 till 2054
Los Hilos	216702	40.00	M. Delta S. A. de C. V.	May 17, 2002 till 2052
Los Hilos II	222917	213.02	M. Delta S. A. de C. V.	Sep. 21, 2004 till 2054
Mina de las Bolas	185135	24.00	M. Delta S. A. de C. V.	Dec. 14, 1989 till 2039
Todos Santos	195208	50.00	M. Delta S.A. de C.V.	Aug. 25, 1992 till 2042
	Total Ha. =	**481.34**		

TABLE 1: List of Claims – Las Bolas – Los Hilos Property

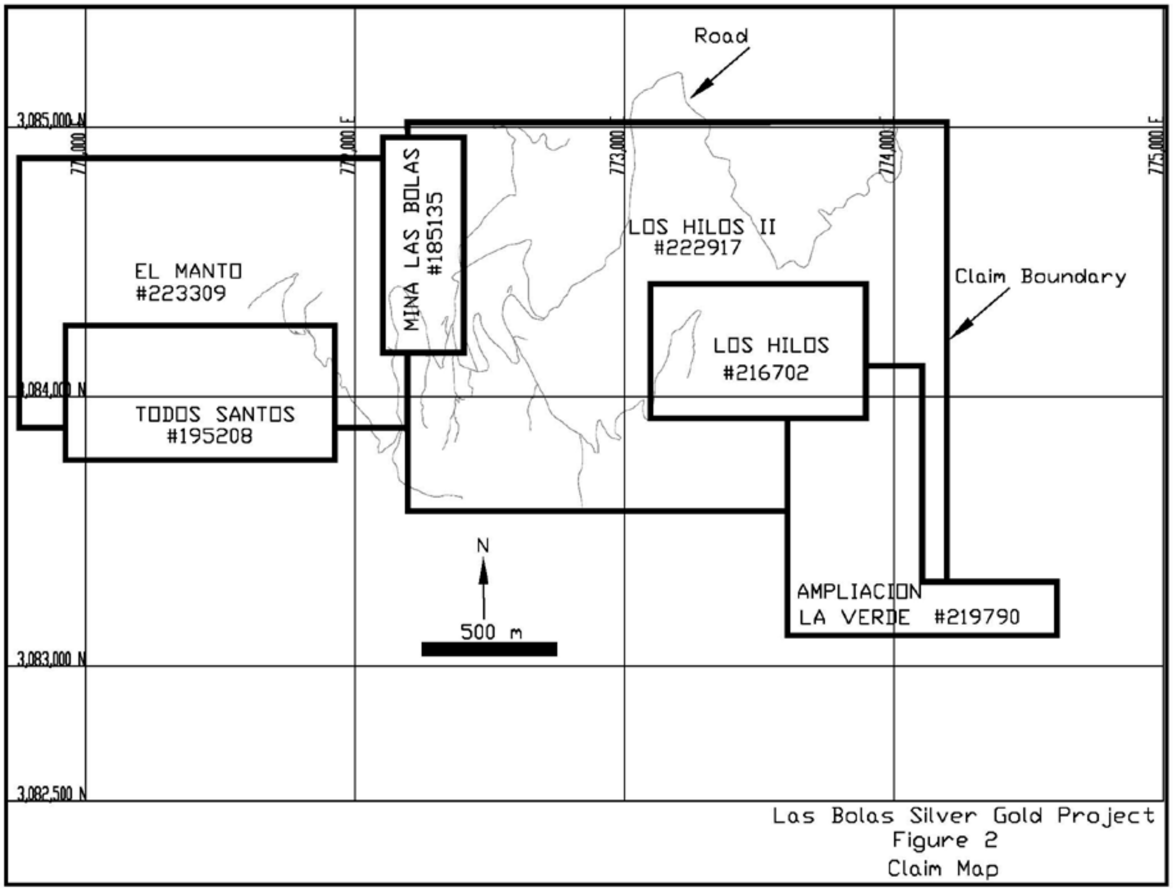

Figure 2: The Las Bolas – Los Hilos Property Claim

<u>Environmental Liabilities</u>: There are no environmental liabilities that the author is aware.

4.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The Sierra Madre Occidental is a mountain range approximately 1500 km long, and 250 km wide. It is situated in the States of Chihuahua, Sonora, and Durango in north western Mexico. The elevations in the Uruachi area range from approximately 1000 to 2000m.

There are two main winter and summer seasonal climate changes. In winter, from November to January, the climate is colder. At higher elevations, snow and ice are common. At this time of the year, temperatures can drop below zero degrees Celsius. At lower elevations, some rain may occur during the winter season. In summer, from July to August, is the rain season. At this time of the year, roads are often washed out, and rivers are difficult to cross. But at the same time water is accessible and could be used for diamond drilling as spring and fall are usually dry.

Vegetation in Sierra Madre Occidental changes depending on the elevation and local climate. Most of the higher parts of the Sierra Madre Occidental are covered by pine and oak forests. At the lower elevations, pine and oak trees are replaced by more tropical species of plants. Local crops are mainly corn, beans, and oats. Apple and peach trees are common close to the settlements.

Wild animals consist of reptiles (coral snake and rattlesnake), scorpions, fox, coyote, rabbit, and less often mountain cats and deer. Locals have goats, pigs, cows, donkeys, horses, and mules. The best time for off-road field exploration activities is from November to May because there are no leaves, so visibility is better, and snakes are less active.

The Uruachic district is located approximately 200 km southwest from the city of Chihuahua (Figure 1). Access to the project area is via a paved highway to Las Estrellas (approximately a 4-hour drive from the city of Chihuahua). From Las Estrellas, a gravel road leads to the project area (approximately a 2-hour drive).

The main town of Uruachic is located approximately in the center of the properties. The Uruachic area and the Golden Goliath properties are accessible with a two-wheel drive vehicle. Gas and food can be purchased in the town of Uruachic. Power line runs sub parallel to the main access road from Las Estrellas and reaches the town of Uruachic. Public phone, electricity (110V), and access to email are available in Uruachic (Lutynski P., 2003).

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5.0 HISTORY OF THE LAS BOLAS – LOS HILOS PROPERTY

The town of Uruachic was founded in 1720 as El Real y Minas de Santa Rosa de Uruachic. The main activity in the area was small scale mining.

From the beginning to the middle of the twentieth century, small miners returned to old underground workings. They opened collapsed tunnels, ventilated them, drained water from the flooded shafts, and made the best effort to find lost ore shoots and mine them.

There are numerous small, hand-steel driven workings throughout the Uruachic Camp, which have been worked by the local people and by the Spanish during colonial times. Numerous exploration adits/mines have been identified on the Las Bolas – Los Hilos property. These adits/mines have been explored/mapped, but their total extent is unknown due to rock caving of adits or raises. Numerous other pits/dumps/workings have been documented. Some of these may be connected at depth to adits/mines.

Since the mid-twentieth century, there has been very little modern exploration carried out in the Uruachic area. Modern exploration work to evaluate parts of the Uruachic camp were initiated by Golden Goliath in the 1990's.

In May 2000, an Induced Polarization and Magnetic geophysical survey was carried out by S.J. Geophysics of Vancouver, B.C. The survey outlined many areas of geophysical interest. Most of the geophysical targets were areas with high chargeability, high resistivity, or very low resistivity. Geophysical targets were indicated in the geophysical report as well as a report prepared by Alex Boronowski (2000).

Prior to 2003 extensive sampling was conducted by Daniel Nofrieta and Alex Boronowski, along several mineralized structures. They collected samples mainly from adits along the main structures (mostly Nofrietta's samples) or pannel samples of the zone combined with wall rock (Boronowski, 2000).

The Guadalupana, Gambusino and the Las Bolas adits were sampled by Daniel Nofrieta and later by Alex Boronowski (2000). Samples collected by Daniel Nofrieta indicated the presence of mineralization at the end of the tunnel. Mr. Boronowski resampled anomalous intervals indicated in Nofrieta's sampling.

The El Manto adit is located approximately 10 meters above the Uruachic creek. The mine was previously mapped and sampled by Carlos Jurado (1996). The El Manto mine is also mentioned in Boronowski's report, but there was no new data collected.

Above the entrance to the El Manto mine (approx 100 meters up the Uruachi creek) is an old mining camp where smelting of extracted metal took place (abundant slag with copper stain).

The Los Hilos area including underground workings were evaluated by Canarc Resources (Andrew Owens, 1996), Fresnillo Servicios S.A (Carlos Jurado,1995) and by Claimstaker Resources Ltd.(Alex Boronowski, 2000). Work completed by Canarc and Fresnillo was very extensive and consisted of surface mapping and geochemical surface and underground sampling.

The majority of surface samples, collected by Canarc, showed background gold and silver values. The only area with elevated gold values (up to 0.57g/t Au) was encountered by Canarc (1996) in the road cut north-west from the Los Hilos West adit.

The field program during 2003 was supervised by Piotr Lutynski, P.Eng., it included:

a. Geological mapping and sampling of the Las Bolas, Gambusino, Guadalupana, Corazon, El Manto and the Los Hilos Adits was completed.

b. Two soil sampling surveys (lines) were carried out on the Las Bolas – Los Hilos property. Soil lines were approximately 150 meters apart and soil samples were collected every 25 meters along each soil line. This survey crosscut known shears/veins and allowed Golden Goliath to evaluate areas between them.

c. Reverse Circulation Drilling for a total of 1,060.54 meters in 11 holes.

Golden Goliath conducted an exploration program, between November 2003 and February 2004, which included road building, surface and underground mapping and sampling, a magnetometer survey, a petrographic study and a reverse circulation drilling program.

During 2004 a total of 13 Reverse Circulation holes were drilled for a total of 1,917.22 meters

Both 2003 and 2004 drill programs were designed to test geophysical targets and the down dip and strike extensions of known silver mineralized structures within mine workings and thereby determine whether the property has the potential for hosting an open pit or underground silver-gold deposit. The drill holes were directed towards the southeast in order to intersect the down dip extensions of north-south and east-west mineralized structural trends mapped within the underground mine workings.

Golden Goliath conducted a trenching and sampling program, between March 1 and April 23, 2004. During this period 564 meters of trenching (17 trenches) using a Cat 416D track-mounted, excavator and backhoe were completed, 308 rock chip samples were submitted for silver and gold analysis.

During 2006 a total of 15 Reverse Circulation holes were drilled for a total of 2,124.46 meters. Later in 2008 Golden Goliath conducted a diamond drill program. A total of 26 holes were drilled for a total of 3,586.51 meters.

6.0 GEOLOGICAL SETTING

6.1 Regional Geology

The Sierra Madre Occidental is a 1,200 by 300 km northwest-trending mountain belt, and features a long northwest-trending volcanic plateau. Regional geology is dominated by large-volume rhyolitic ash flow tuffs emanating from calderas of Oligocene age, the **Upper Volcanic Series**. These volcanic rocks are generally calc-alkalic rhyolitic ignimbrites with subordinate andesite, dacite, and basalt, with a cumulative thickness of up to 1,000 meters. The Upper Volcanic Series unconformably overlies rocks of the older **Lower Volcanic Series** that are primarily of andesite composition with interlayered felsic ash flow tuff deposits that formed from lower Cretaceous 120 to 35 million years ago (Eocene time).

Deposition of the Lower Volcanic Series was accompanied by emplacement of hornblende-bearing quartz diorite and granodiorite batholiths and small intrusive bodies. The majority of the epithermal and porphyry related precious-metals deposits in the Sierra Madre Occidental are hosted in the Lower Volcanic Series.

Thin basalt to rhyodacite flows of late Miocene and younger age cap many of the plateaus and hills in the region. A conglomeratic, basin fill sedimentary unit intercalated with several thin basalt flows, was deposited during Pliocene and Pleistocene time.

The oldest structural episode is related to the Laramide Orogeny, which produced east-striking, steeply dipping strike-slip faults. Later extensional forces resulted in development of N-S to N30W striking, sub-vertical, normal faults of regional extent that produced a series of parallel to sub parallel west dipping fault planes showing only limited horizontal displacement. Following these two events, NW trending extensional forces resulted in development of N60E oriented normal faults. Zones of permeability associated with these faults and intrusive contacts formed conduits for the ascending mineralizing hydrothermal fluids.

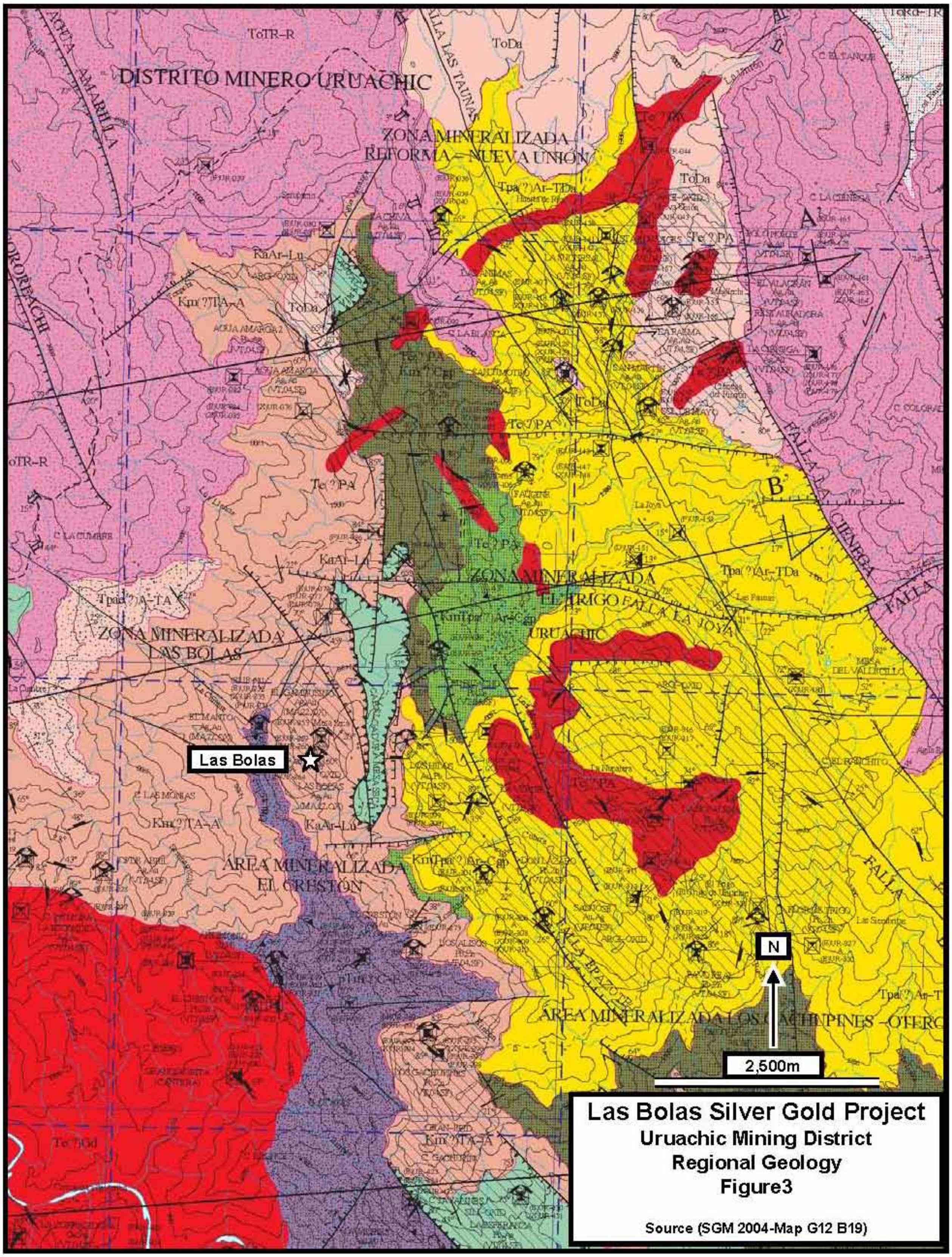

Figure 3: Regional Geology of the Uruachic Mining District

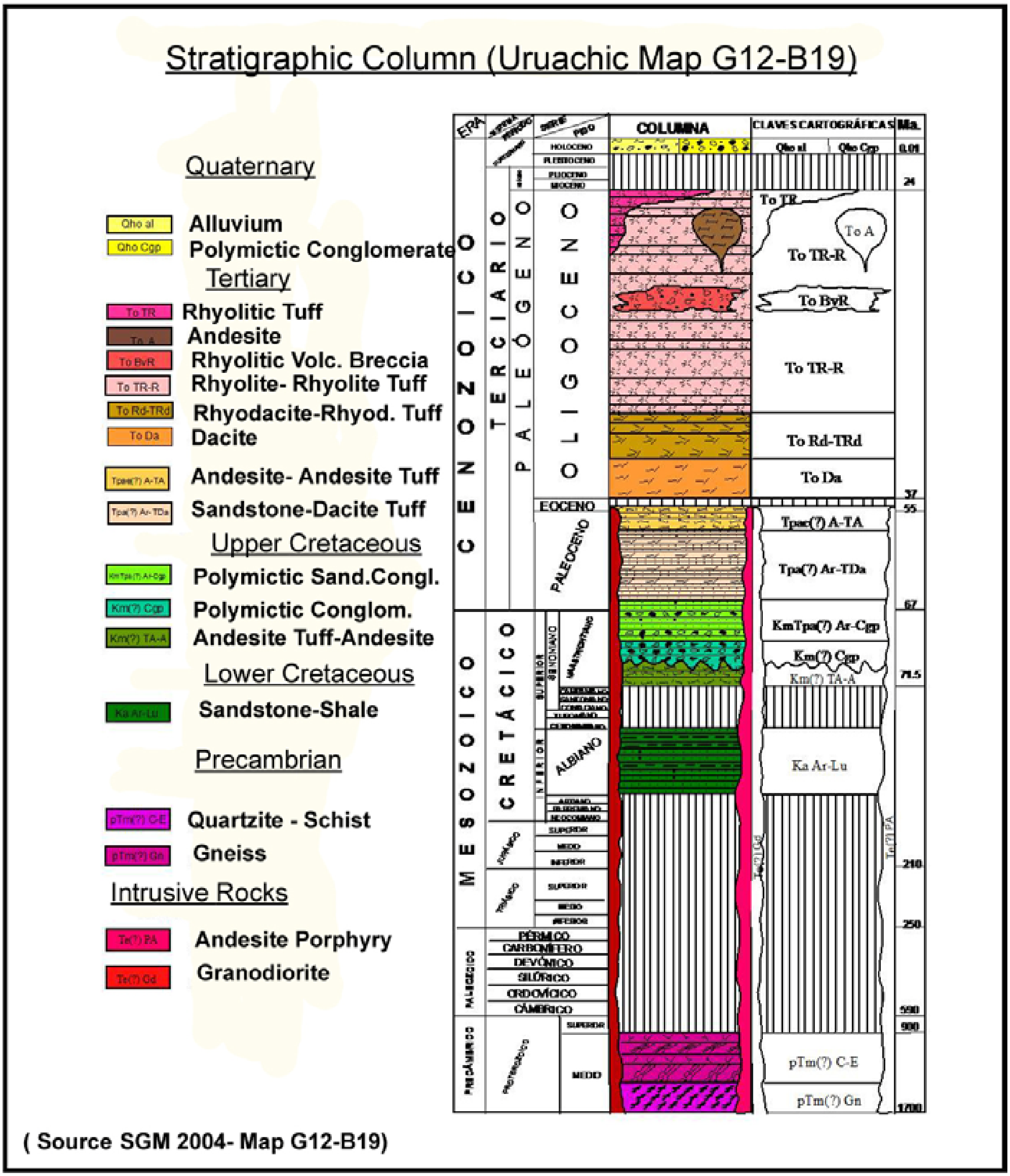

Figure 4: Regional Stratigraphy of the Uruachic Mining District

6.2 Property Geology

The Las Bolas – Los Hilos project is underlain by the two main volcanic packages. The Lower Volcanic Series consists of gently tilted lavas, flow breccia, and tuffaceous rocks with a minimum thickness of 700 meters. It is conformably overlain by 100 to 200 meters of felsic latite volcaniclastic breccia. These units are overlain by the Upper Volcanic Series, which is a sub-horizontal volcaniclastic assemblage of mostly felsic ignimbrites and tuffs. The Upper and Lower Volcanic Series are separated by an unconformity that is manifest by a distinctive multi-lithic, poorly consolidated rubble zone of probable colluvial origin. Subsequent erosion formed a window exposing mineralized rocks of the Lower Volcanic Series in the Uruachic district.

Within the property the volcanic package reaches a thickness of approximately 600 meters from the bottom section near the Uruachic creek, where the El Manto Adit is located, up to the mountain top where the Los Hilos Adit is found (Figure 5). The bottom contact of the volcanic pile lies unconformably over Precambrian basement rocks (gneiss). The volcanics are mainly andesitic tuffs, agglomerates and breccias of Cretaceous age; and overlying these are Tertiary rhyolites. Intusive rocks are predominantly small stocks of diorite, granodiorite and andesitic dikes.

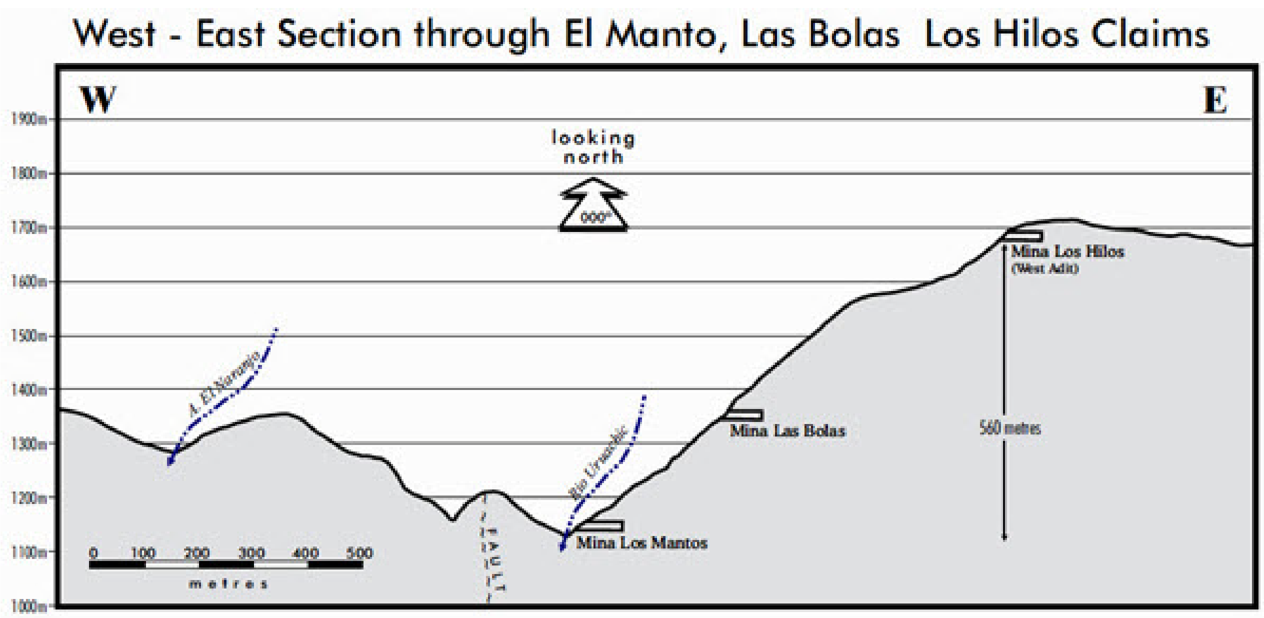

Figure 5: Schematic cross section of the Las Bolas – Los Hilos Property

The following rock types, from youngest to oldest, were mapped on the Las Bolas – Los Hilos property (Boronowski, A., 2004):

<u>Granodiorite</u>
weathers to a rusty rubble; fresh surface is yellowish-white to greyish blue; large, anhedral to subhedral, 1-5mm feldspar laths; quartz phenocrysts; cubic boxwork after pyrite, up to 5%; propylitized (epidote-chlorite-calcite).

Quartz Veins to stringers

Clear, white, grey and minor green quartz stringers cut all of the rock units; larger veinlets and veins are normally white; vugs; laminated (silica) quartz stringers and swirls; vugs with terminated quartz crystals; micro breccia (quartz-feldspar) within quartz stringers; grey and green quartz stringers (silica) cut other stringers and therefore appear to be the last hydrothermal event; occasional grey quartz stringers cutting white stringers and breccia fragments, but not cutting the adjacent matrix; manganese and iron oxide and sulphides adjacent to and within quartz stringers;

Rhyolite dykes

These weather to white or cream color; very fine grained, grey to grayish-blue; moderate sericitization; intense silicification; white, clear and grey silicification and quartz stringers; disseminated and stringers of pyrite; MnO and FeO along fractures.

Andesite/Aphanitic dykes

These weather to a dark green color; blocky to brecciated; very fine grained; epidote stringers and patches; minor magnetite; feldspars altered to white clay; grey silica hairline stockwork with pyrite.

Volcano-Sedimentary

These are fine to medium grained, grey; weakly calcareous; sandy greywacke, siltstone and the occasional 6 cm. shale interbeds; bedding is believed to be parallel to laminations, which are 3 to 10 cm. thick; interbedded with cherty rhyolites.

Rhyolite - cherty tuff, lapilli to agglomerate tuff

Fine to medium grained, grayish weathering; weathered surfaces contain fragments having relief. Fresh surfaces are grey to greasy green; fragments and matrix contain chlorite, biotite and pyroxenes, which are altered to yellowish cavities; clear, white and grey quartz crystals, fragments and quartz eyes; relic white sub to euhedral feldspar laths are present; iron and manganese oxides along fractures; minor vugs; disseminated and stringers of pyrite.

Andesite – tuff, lapilli to agglomerate tuff

Fine to medium grained, dark green to greasy green; clear quartz eyes; faint to clearly visible grey, clear and white silicified fragments; remnants of biotite, chlorite, pyroxene and feldspar crystals; moderate to intense white, grey and green silicification and chloritization; occasional zones of grey and white matted texture of silicified and clay altered feldspars within a greasy green silicified and chloritized matrix; occasional silica rims around fragments and feldspar laths; minor epidote as stringers and patches; weakly to moderately calcareous; minor vugs with terminated quartz crystals; iron and manganese oxide fracture stain, stringers and stockwork; weakly magnetic; fine grained disseminated and stringers of pyrite; occasional pyritohedrons; occasional calcite stringers and patches (weak to strongly calcareous); occasional hematite stringers with epidote borders.

Carbonaceous Shales
Very fine grained, black carbonaceous, soft quartz-calcite stringers with pyrite; disseminated pyrite.

Gneiss
Calcareous, dark bluish-black, fine-grained fragments. Basement rocks observed along sections of Uruachi creek.

7.0 DEPOSIT TYPE

Gold and silver mineralization at the Las Bolas- Los Hilos Property is present as an early stage mesothermal silver-lead-zinc system, which is structurally controlled and has been overprinted by a later low sulfidation gold-silver epithermal system. The mineralization is confined mainly along fault zones as veins, silica stockworks and breccias.

Relatively deep mineralization tends to be preferentially in high-grade veins. At higher elevations these feeder veins grade into wider stockworks, veinlet and disseminations toward the less competent, more permeable, overlying latite flows and tuffs of the Lower Volcanic Series. Near surface mineralization shows a strong element of structural control, but mineralization widens out owing to development of breccia and fractures adjacent to the main mineralized conduits. Steam-heated clay-illite-hematite alteration with no significant gold or silver values also is present at the surface and is a characteristic feature of epithermal mineralization.

Deposits with similar features discussed above are present through the Sierra Madre Occidental. The Las Bolas-Los Hilos Property is located within this precious metal belt. Examples include, the **Pinos Altos** Au-Ag deposit which is located approximately 45 kilometres northwest of Uruachi and the **Ocampo** Au-Ag deposit which lies approximately 29 kilometres north of Uruachi (Figure 7 and Table 2).

Deposit	Owner	Reserve/Resource Million Tonnes	Date	Gold g/t	Silver g/t	Source
El Sauzal	Goldcorp	5.6	Dec-08	2.63		Goldcorp 2008 A.R.
		4.41		1.52		
Mulatos	Alamos Gold	47.6	Dec-08	1.35		Alamos Gold Website
		52.6		0.98		Alamos Gold Website
Dolores	Minefinders	99.3	Mar-08	0.77	39.7	Minefinders Website
		106.3		0.92	43.5	Minefinders Website
Ocampo	Gammon Gold	56.6	Dec-08	0.74	31	Gammon Gold 2008 A.R.
		28.1		0.26	50	Gammon Gold 2008 A.R.
Pinos Altos	Agnico Eagle	41.8	Mar-09	2.68	74.48	March 09, 43-101 Report
		12.5		1.00	26.08	March 09, 43-101 Report

TABLE 2: Mineral Reserves and Resources of Selected Deposits in Chihuahua
(The light blue color is for reserves and the purple is for measured + indicated resources)

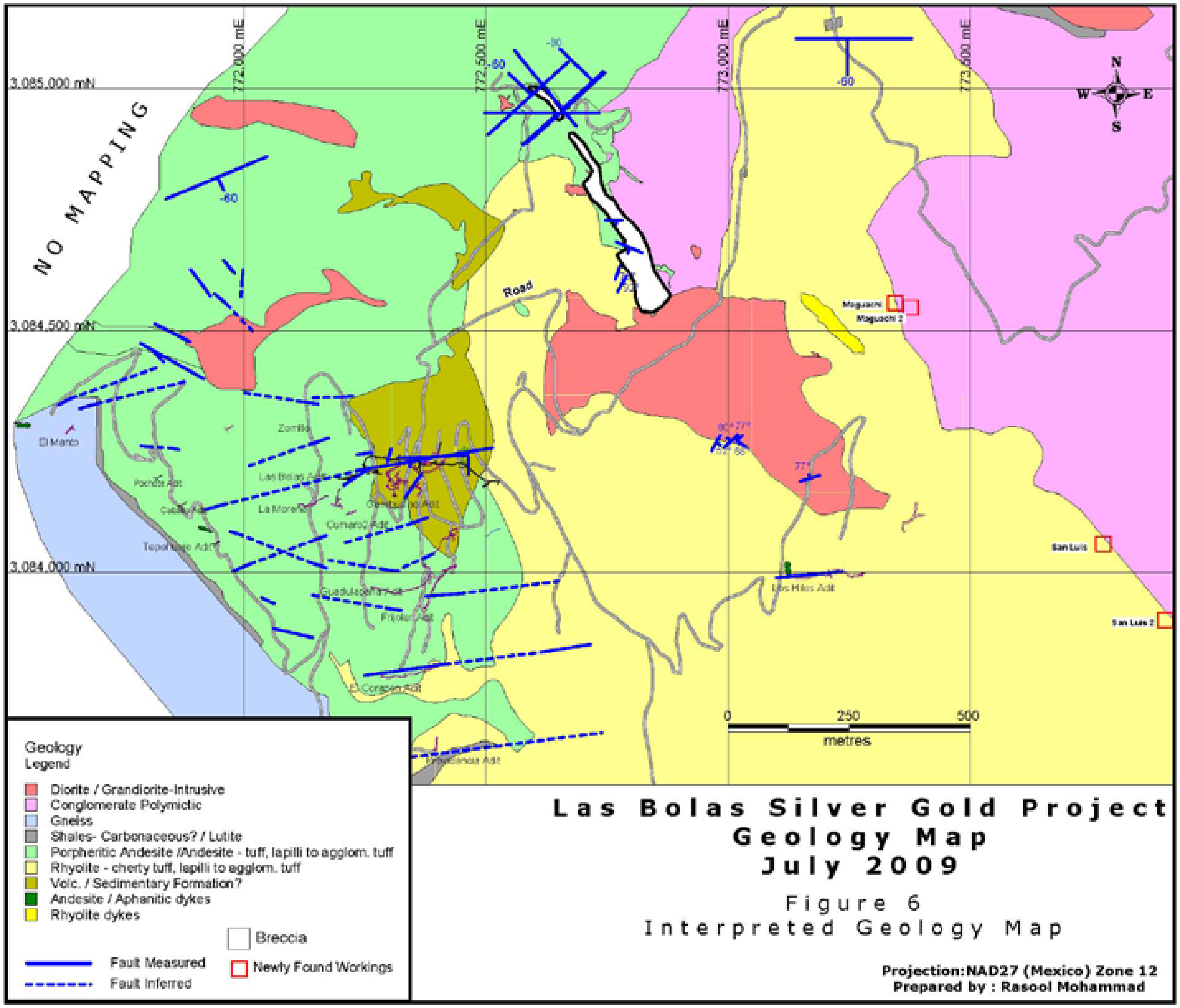

Figure 6: Interpreted geology map of the Las Bolas – Los Hilos Property

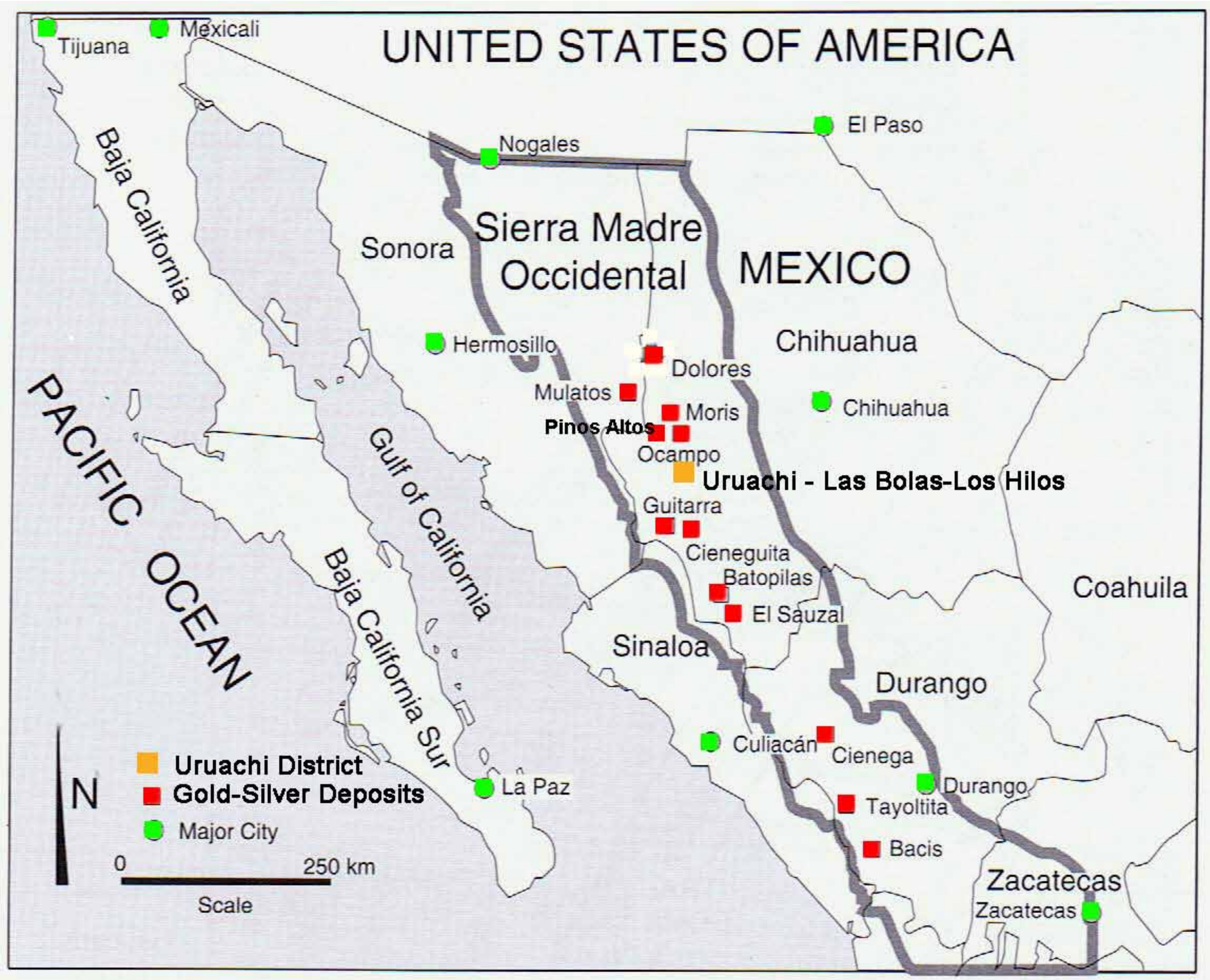

Figure 7: Mineral Deposits in the Sierra Madre Occidental Belt and location of the Las Bolas – Los Hilos Property

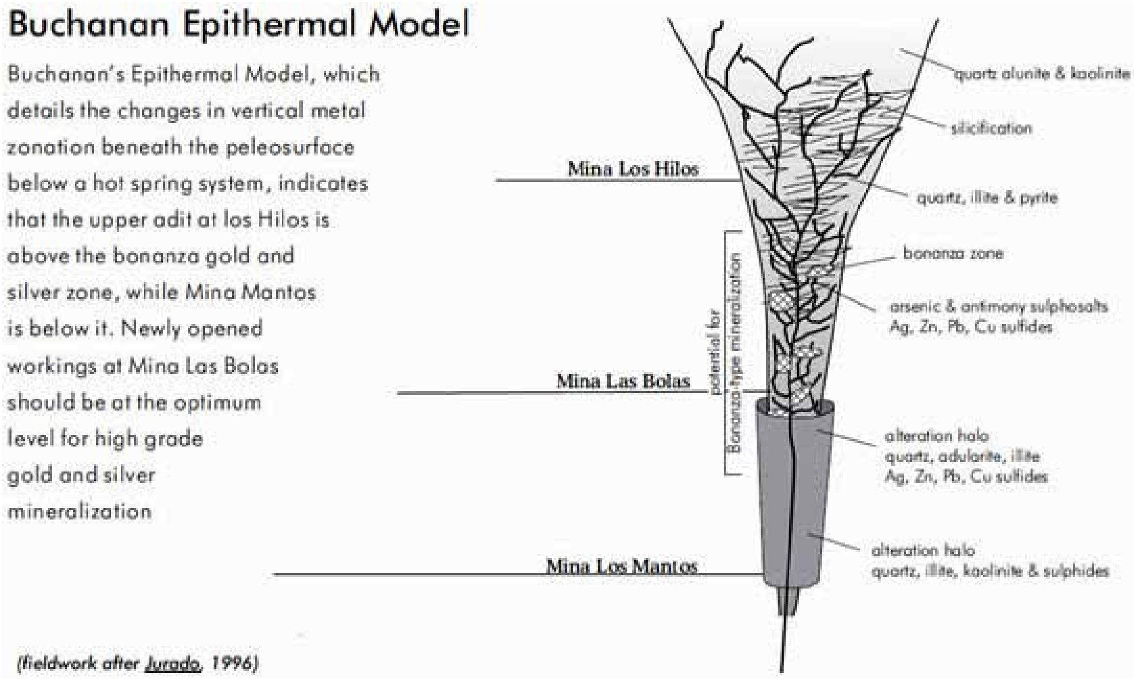

Figure 8: Schematic Epithermal Model for the Las Bolas – Los Hilos mineralized system

8.0 MINERALIZATION AT THE LAS BOLAS – LOS HILOS PROPERTY

Mineralized structures appear to be either gold or silver dominant. For example, in the Las Bolas, Gambusino, Frijolar, Providencia, Arbolito mines the dominant economic mineral is silver, whereas in the Los Hilos and El Corazon, mines the dominant economic mineral appears to be gold. This represents in the author's opinion, two separate mineralizing events. Recognition of lateral and vertical zoning is complicated by north-south shear/faults, which appear to be responsible for vertical displacement of stratigraphy.

Silver and gold mineralization is normally associated with intense silicification and quartz veinlets and stockwork. Typical epithermal quartz textures mapped on the property include the following: cockscomb, crustiform, chalcedonic, iron stained (jarosite) vugs, drusy quartz and terminated quartz crystals within vugs and stringers, silica swirls, silica lamination and clear, grey, white and green quartz crystals and stringers. The stockwork zones often contain fracture fillings of silica, hematite, limonite and pyrite. Several generations of dark and light grey, hairline quartz fractures occur within the stockwork zones. The grey quartz cuts white and clear quartz stringers and occurs within breccia fragments. Fine grained pyrite and cubic boxwork after pyrite occurs in all of the rock types where silicification is moderate to strong (Boronowski, A., 2004).

The silver minerals are believed to be argentite, tetrahedrite, polybasite and native silver. The high-grade pods are believed to occur within tension-type fractures within shear veins and within breccias and are associated with dark black bands of manganese oxide and iron oxide (jarosite, hematite, goethite). Galena (argentiferous galena) and barite are associated with the highest-grade samples. As well, a dark, soft, greenish material believed to be polybasite $(Ag.Cu)_{16}Sb_2S_{11}$ within the vein shear bands is generally associated with high-grade silver values.

Argillization, sericitization, silicification, and chloritization are the most common alterations observed in the drill chips and outcrops. Generally the intensity of alteration ranges from weak to strong.

Quartz veins and stringers are more abundant as silicification intensity increases. Chloritization is most common in the andesites and is most intense when the greasy green silica is developed. Epidote and calcite are part of propylitic alteration characterized by the assemblage of chlorite + epidote + calcite (Boronowski, A., 2004).

The author believes that Las Bolas-Los Hilos Property hosts an early stage mesothermal system of silver-lead-zinc veins followed by a later low sulphidation epithermal gold-silver event. Both systems are structurally controlled and confined mainly along fault zones as veins, silica stockworks and breccias.

Mesothermal vein systems are formed at considerable depths (from 600 m to 1000 m or more) by hydrothermal processes in a temperature range of 200_{o} C to 300_{o} C. The presence of dark gray quartz veins, cutting and brecciating the early silver-base metal mesothermal veins or oxide veins, may be related to this later epithermal event. See Plates 3, 4 and 5 below.

<u>PLATE 3</u>: Banded iron-manganese oxide vein with quartz. The oxide bands appear to be enriched in silver minerals, and are remnant pseudomorphs of possible argentiferous galena, pyrite and sphalerite. A second phase of mineralization is characterized by dark gray quartz that cuts the oxide bands into breccia fragments, and contains also small fragments of clay altered volcanics (white fragments). Typical of this second phase includes open space small quartz crystals.

PLATE 4: Dark brown-black oxide vein 0.15m wide with < 1mm wide quartz veins within a mineralized fault structure 1.0m wide. Above Station 37.

PLATE 5: Mineralized structure (fault zone) 1.0m wide. It contains several parallel veins as that shown in the previous plate. Sample No. 810534.

The mineralization at Las Bolas- Los Hilos is structurally controlled (**Madrigal Model**) by three main fault-fracture systems. The main one in terms of greater continuity, width and grade trends **050 to 090**

degrees and generally dips north. The second system has a **N-S trend** and displaces the previous system. The third system at this time appears to be subordinate and **trends NW.** For the purpose of estimating preliminary resources, the author proposes to concentrate on the main 050 – 090 degree system of fault-vein mineralization (also described as mineralized structures). These are undulating or curved veins that represent stress interplay between faults. Typically the mineralized veins at Las Bolas-Los Hilos are confined within faults which pinch and swell, form cymoid loops and contain areas of brecciation. See Figure 9 below for examples of vein patterns observed:

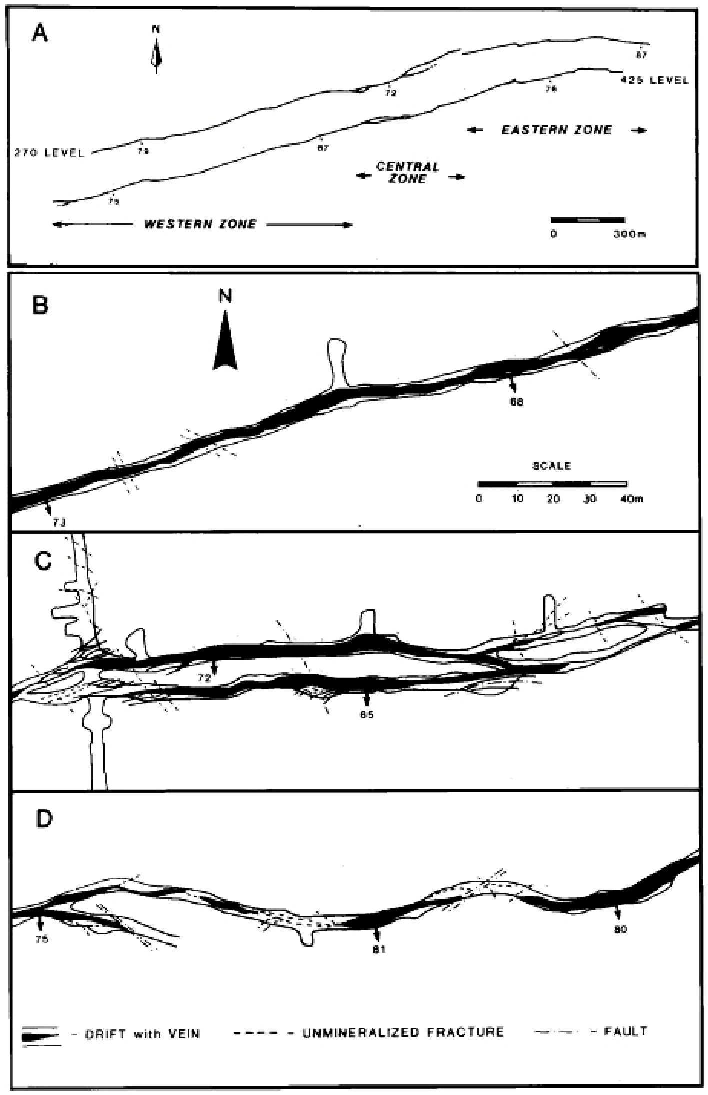

Figure 9: Schematic vein patterns that apply to the Las Bolas – Los Hilos mineralized system

A. Plan view of the distribution of three vein zones.
B. Pinching and swelling of the vein **C.** Cymoid loops with vein splays
D. En echelon segments and intersegment unmineralized fractures.
(Source: McKinstry H.,1948).

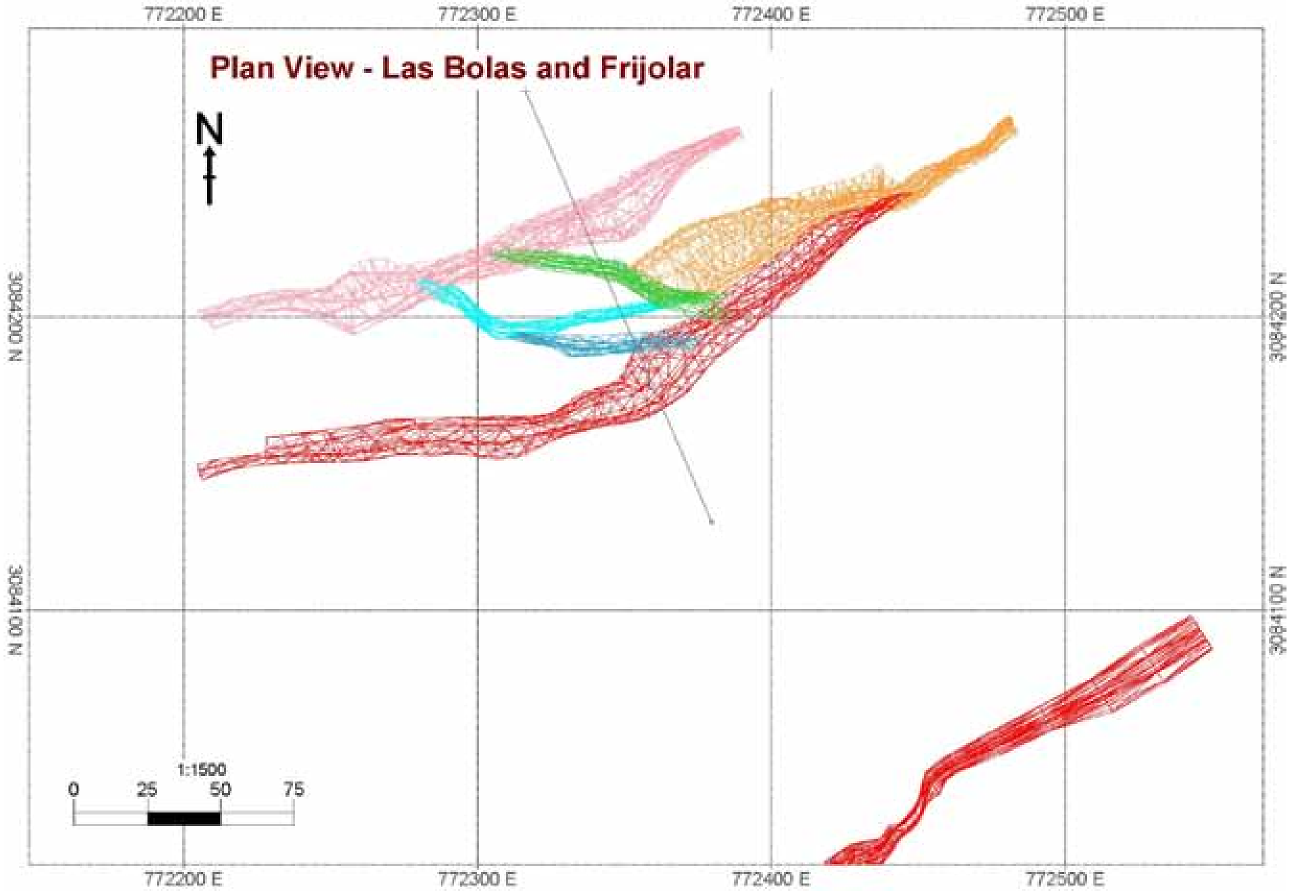

Figure 10: Plan View of Las Bolas and Frijolar Vein Systems with Line of Section

The high gold-silver-lead-zinc massive banded sulphide mineralization observed in the **El Manto** zone appears to be related to deep seated hydrothermal solutions (mesothermal). Diamond drill hole BDD-08-03 shows this style and type of mineralization to be emplaced at or near the contact of the Precambrian basement rocks (gneiss) with the bottom of the lower volcanics of Cretaceous age. The sulphide mineralization is concordant (manto type**)** to the overlying volcanics. Cadmium content is high and may be related to the sphalerite. Other anomalous to high content include bismuth, tungsten, antimony and arsenic. Hydrothermal graphite was observed in some fractures with slicken sides. This variety of graphite is formed from the direct deposition of solid, graphitic carbon from subterranean, high temperature fluids.

Silver mineralization along adits and sub-levels has been observed to be mainly composed of in-situ oxides with areas of secondary enrichment. The writer believes areas with considerable secondary silver enrichment still lie below the Las Bolas Adit just above or near the current water table.

Anastomosing networks of massive dark gray-black clays in veins (mainly of fine silica?) have been observed in drill holes in the El Manto area or at higher elevations such as at the Las Bolas Adit. These dark clays are heavy (rich in silver) and may contain small broken fragments of gneiss or andesite wall rock. These veins may have originated by extreme crushing of the host rocks in fault zones.

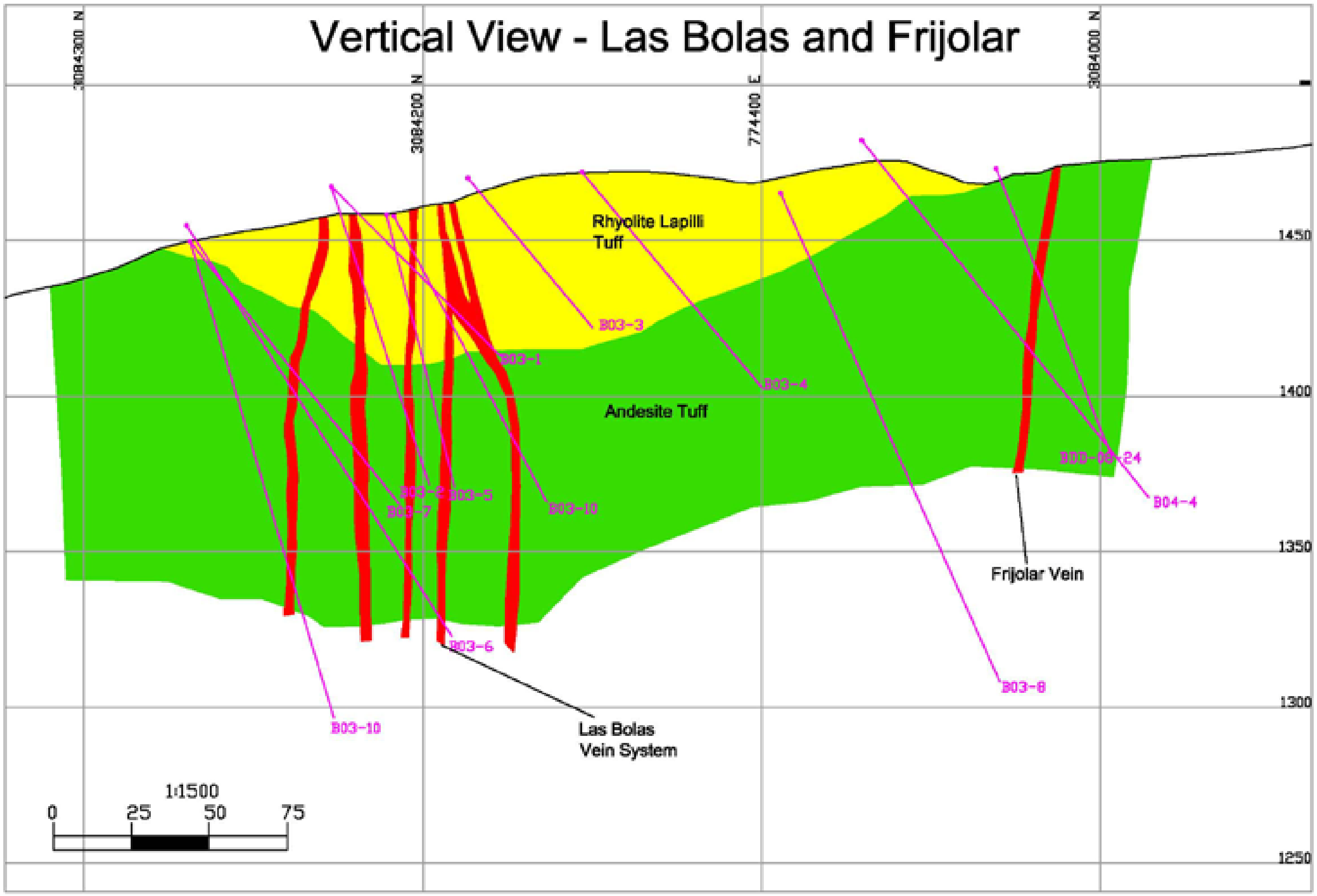

Figure 11: Interpreted geological cross section of the Las Bolas and Frijolar Veins looking north east.

While examining station (sub-level) 37 above the Las Bolas Adit, it was observed that in areas of close parallel mineralized structures, high grade zones reach up to 8 meters in width.

9.0 EXPLORATION AT THE LAS BOLAS – LOS HILOS PROPERTY

Prior to 2003 extensive sampling was conducted by Daniel Nofrieta and Alex Boronowski, along several mineralized structures. They collected samples mainly from adits along the main mineralized structures. The Guadalupana, Gambusino and the Las Bolas Adits were sampled by Daniel Nofrieta and later by Alex Boronowski (2000).

The El Manto adit located approximately 10 meters above the Uruachi creek was previously mapped and sampled by Carlos Jurado (1996). The Los Hilos area including underground workings were evaluated by Canarc Resources (Andrew Owens, 1996), Fresnillo Servicios S.A (Carlos Jurado,1995) and by Claimstaker Resources Ltd.(Alex Boronowski, 2000). Work completed by Canarc and Fresnillo was very extensive and consisted of surface mapping and geochemical surface and underground sampling.

The majority of surface samples, collected by Canarc, showed background gold and silver values. The only area with elevated gold values (up to 0.57g/t Au) was encountered by Canarc (1996) in the road cut north-west from the Los Hilos West Adit.

A field program during 2003 was supervised by Piotr Lutynski, P.Eng., and included:

a. Geological mapping and sampling of the Las Bolas, Gambusino, Guadalupana, Corazon, El Manto and the Los Hilos Adits.

b. Two soil sampling surveys (lines) were carried out on the Las Bolas – Los Hilos property. Soil lines were approximately 150 meters apart and soil samples were collected every 25 meters along each soil line. This survey crosscut known shears/veins and allowed Golden Goliath to evaluate areas between them.

c. Reverse Circulation Drilling for a total of **1,060.54 meters in 11 holes**.

Golden Goliath conducted an exploration program, between November 2003 and February 2004, which included road building, surface and underground mapping and sampling, a magnetometer survey, a petrographic study and a reverse circulation drilling program.

During **2004** a total of **1,917.22 meters in 13** Reverse Circulation holes were drilled.

Both 2003 and 2004 drill programs were designed to test geophysical targets and the down dip and strike extensions of known silver mineralized structures within mine workings and thereby determine whether the property has the potential for hosting an open pit or underground silver-gold deposit. The drill holes were directed towards the southeast in order to intersect the down dip extensions of north-south and east-west mineralized structural trends mapped within the underground mine workings.

Golden Goliath conducted a trenching and sampling program, between March 1 and April 23, 2004. During this period 564 meters of trenching (17 trenches) using a Cat 416D track-mounted, excavator and backhoe were completed, 308 rock chip samples were submitted for silver and gold analysis.

During **2006** a total of **11 Reverse Circulation** holes were drilled for a total of **2,124.46 meters**. Later in **2008** Golden Goliath conducted a diamond drill program. A total of **26 holes** were drilled for a total of **3,586.51 meters.**

10.0 DRILLING AT THE LAS BOLAS – LOS HILOS PROPERTY

During 2003 an RC Drill program included a total of 1,060.54 meters in 11 holes. In 2004 a total of 1,917.22 meters in 13 RC drill holes was completed. Later, during 2006 a total of 11 RC drill holes were completed for a total of 2,124.46 meters. A diamond drill program was completed in 2008, and included 3,586.51 meters in 26 drill holes.

Details of the above drill programs are as follows (Boronowski, 2004):

The RC drill programs were conducted by Layne Drilling of Mexico utilizing a Drill Systems W-750 Buggy-mounted drill. The Digger 43 drill bit produced a 4¾-inch diameter hole.

During the 2003 and 2004 drill programs, drill hole recoveries ranged from 44% to 66% with an average of 58% and a median average of 62 percent. Several holes were abandoned due to drilling problems or due to poor ground conditions within heavily oxidized and fractured rock. A compressor-booster, drill additives and water were utilized to improve recovery but were not totally successful. The samples recovered by using water, rather than air, were generally smaller than the dry samples. Additives with water tended to block the bit rather than the rock fractures resulting in drilling problems and only slightly improved recoveries. Generally, the compressor-booster was required to lift material to the surface when holes were drilled deeper than 200 feet.

RC drill holes B03-1 to B03-11 were drilled between November 12 and December 14, 2003, at which time the drill broke down while drilling B03-11. Between January 7 and February 7, 2004, drill hole B03-11 was completed and B04-1 to B04-13 were drilled.

The drill program was designed to test geological and geophysical targets (See Figure 10). Most of the drill holes had an azimuth toward the southeast in order to intersect the two major mineralized trends which parallel underground mine workings. The two major mineralized structural trends are north-south, dipping west and east-west dipping north. The high-grade pods of silver-gold mineralization were believed to be related to tension fracture directions within shears associated with the two major structural trends and to silver enrichment due to supergene native silver.

Drill holes B03-1 to B03-4, B03-8 to B03-9, B03-11 and B04-1 were drilled along L200E, which centers along a north-south trending resistivity low, believed to represent MnO and FeO associated oxidized mineralization, shears and breccias. The purpose of the drill fence was to test the geophysical anomaly, to obtain a complete north-south section across the dominant east-west mineralized structures and to test the extensions of the east-west trending mineralized mine structures within the Las Bolas, Gambusino, Papacho, Guadalupana and El Corazon mines.

Drill holes B03-1 to 4, of the drill fence, tested the 45º to 60º north dipping Las Bolas- Gambusino structure between mine levels and up dip of the Gambusino workings to surface. The holes intersected approximately 20 meter thick alteration and sulphide zones and previously unknown mine workings, which occur along the extrapolated extensions of mineralized structures containing other mine workings. The silver assays intersected are considerably lower than those encountered in the mine workings. This may be in part due to the poor drill recovery, lack of supergene silver and narrowness of the mineralized structures within the alteration and sulphides zones. The best results obtained in the 20-meter thick sulphides bearing and altered sections of the drill fence are as follows:

- B03-1 intersected a 3 meter interval located up dip of the Gambusino workings which averaged 23.5 g/t silver.

- B03-2 intersected a 3 meter interval located within a mine opening down dip of the Gambusino workings which averaged 16 g/t silver.

- B03-3 intersected 1.5 meter interval located between two mine workings 30 meters up dip of the Gambusino workings which assayed 20 g/t silver. This intersection may be a structure adjacent to and parallel to the Las Bolas – Gambusino structure. This hole was abandoned further down the hole when a large stope was intersected.

- B03-4 intersected 1.5 meter interval assaying 29 g/t silver located at the top of the hole and believed to be the extension of the Papacho workings. A 1.5 m intersection assaying 30 g/t silver was intersected towards the bottom of the hole adjacent to an andesite dyke and close to a fault.

Drill holes B03-8 to B03-9, B03-11 and B04-1 continued the above drill fence to the south along the geophysical resistivity low anomaly and tested the dip extensions of the Guadalupana, Frijolar and El Corazon mines.

Drill hole B03-5, was designed to test the eastward extension of high-grade mineralization within a Gambusino raise. The hole, which is collared on section L175E, intersected a 3 meter interval assaying 266 gpt. silver within silicified rhyolite with micro breccias, dark (specular?) hematite, sulphides and quartz stringers.

Drill hole B03-11 tested a chargeability anomaly at L200+300S approximately 150 meters below surface and the dip extensions of the Guadalupana – Frijolar mineralized structures. The best intersection from 0 to 15.25 meters assayed 326.6 g/t silver. This intersection is believed to represent a similar structure as in the Frijolar mine where a mineralized section is dipping 72-83º to the northwest.

In the 2004 drill program, drill holes B04-1, the furthest south hole on the L200E drill fence, and B04-2 tested the El Corazon mineralized structure. B04-2 was designed to test the mineralized structure 25 meters down dip of the adit level. Two alteration and sulphides zones were intersected. One zone at the top of the hole adjacent to a rhyolite dyke contains a 1.5 m. interval that assayed 31 g/t silver. The other, which is believed to be the extrapolated down dip extension of the El Corazon mineralized structure, did not contain any mineralization.

Drill holes B04-3 and B04-12 tested a chargeability anomaly at 65 meters depth and the extensions of the El Arbolito, Las Bolas and Papacho mineralized structures. Drill holes B04-3 and B04-12 were drilled at azimuths of 165º and 145º, respectively. Drill hole B04-3 intersected 3.22 g/t gold and 154 g/t silver along 12.3 meters, including 11.1 g/t gold and 515 g/t silver over 3.0 meters.

Drill holes B04-4 and B04-11 tested the eastward extension of the Guadalupana and Frijolar structures, which are believed to intersect between the two drill holes. B04-4 encountered several fault zones of intensely fractured, altered rock, which caused poor recovery (45%) and eventually required the hole to be abandoned.

Drill holes B04-5 and 6 tested three targets: the east-west trending resistivity low between the Las Bolas – Guadalupana and the Los Hilos mines, a chargeability anomaly centered at L700E+200S and a north-south trending resistivity low centered at L700E+150S.

In drill hole B04-6, the resistivity low appears to be the contact between sediment and an andesite tuff. The extrapolated extension of the Los Hilos mineralized structure intersected the drill hole and chargeability anomaly in a zone of intense silicification; however, no significant precious metal values were obtained.

Drill holes B04-7 and 8 tested a chargeability anomaly beneath the Los Hilos adit and the mineralized Los Hilos structure 35 meters below the adit level. Both of the drill holes intersected low anomalous silver and gold values from surface to the intersection of white quartz vein material, which is anomalous in gold and silver. The white quartz vein assayed 51.5 g/t silver, 0.95 g/t gold over a 3 m. interval in B03-7 and 5.0 g/t silver, 0.17 g/t gold over 4.5 m. interval in B03-8. This represents a structure between 2 and 4 meters in true thickness, which is striking east-west.

Drill hole B04-9 tested a chargeability anomaly at 100 meters depth on L1100 from north of the baseline to 50S and a resistivity low along the southern shoulder of the chargeability anomaly. No anomalous silver values were obtained, but slightly anomalous gold values were encountered over most of the hole. The chargeability anomaly is coincident with the zone of most intense pyritization within bluish-grey, silicified andesite tuff.

Drill hole B04-13 tested a resistivity low anomaly at 500E+400S and 65 meters depth. The hole is approximately 300 meters eastward and along strike of the El Corazon mineralized structure. The hole intersected a 35-meter wide zone containing pyrite at the top of the hole and a 20-meter wide pyritic zone within the resistivity anomaly that contains anomalous silver values. The latter, contains 6-meter composite averaging 146.5 g/t silver.

During **2006** a total of 11 RC drill holes were completed for a total of 2,124.46 meters. Drill hole B06-1 intersected a NW vein with 102 g/t silver over 1.52 metres. The Papacho Trend target zone was not reached due to a faulting. B06-2 intersected the shallower NW Vein with 644 g/t silver over 1.52 metres but also did not reach the Papacho Trend target zone due to faulting. The hole depths were limited to 204 metres and required the Company to adjust some of the other planned holes. These included originally planned holes B06-3 and 4, which were deeper tests of 1 and 2. These two holes had to be replaced by a vertical hole, which did not reach its target.

Hole B06-4 was a test of a new area with favourable surface geology, located 250 metres northwest of the old workings and it did not return significant values. Hole B06-5 was a vertical test near the old Frijolar mine and it did not return significant values. Hole B06-6 was a vertical attempt to test the Papacho Trend from the other side of the fault that caused the problems in holes 1 and 2, but it intersected a large, previously unknown old working and had to be abandoned. Hole BRC06-7 was then drilled some 80 metres southwest of holes 1 and 2 to try to test of the Papacho Trend, and it returned 64 g/t silver along 1.52 metres of core.

Drill Holes BRC06-9a, b and c were collared approximately 700 metres west of BRC06-1 and were the first drill tests in the area of the El Manto Adit. These holes were collared topographically lowest area of the property near the base of the Cretaceous volcanic in contact with basement rocks. Results were encouraging, with significant silver and/or gold intercepts in both areas.

Drill Hole BRC 06–10b returned near the El Manto Adit 597 g/t silver over 3.06 metres; 59 g/t silver over 4.57 metres and 69 g/t silver over 3.06 metres. Drill Hole BRC 06-10c returned 93 g/t silver over 1.53 metres in hole. Drill Hole BRC06-11 was a 175-metre step-out to the northeast from BRC06-1 and returned 48 g/t silver over 6 metres (See Table 3 below). This drill hole (BRC06-11) intersected a mineralized zone at an intrusive contact and opened up a new important exploration target.

During the 2006 RC drill program, drill hole recoveries averaged approximately 54%. No recoveries were measured for the first 6 drill holes.

Drill Hole	Interval (metres)	Length (metres)	Grade (gms/tonne silver)	Grade (gms/tonne gold)
BRC06-8	47.24 – 48.77	1.53	2.20	0.229
	59.44 – 60.97	1.53	5.10	0.103
BRC06-9a	65.53 – 67.06	1.53	5.80	0.217
BRC06-10b	76.20 – 79.26	3.06	597.00 (19.2 oz)	0.100
	89.92 – 94.49	4.57	59.33	0.153
	97.53 – 100.59	3.06	69.50	0.495
	118.87 – 120.40	1.53	5.00	0.130
BRC06-10c	88.39 – 89.92	1.53	93.00	0.150
	94.49 – 96.02	1.53	6.00	0.290
BRC06-11	163.07 – 169.17	6.10	48.25	0.050

TABLE 3: Sample highlights from drill holes BRC06-8 to 11(*)

(*) The above sample intervals are not true widths; these have yet to be determined

A diamond drill program was completed in **2008**, and included 3,586.51 meters in 26 drill holes. It included the following targets:

1) Manto structures (near the El Manto Adit);

2) High grade silver bearing iron-manganese oxides structures (near the central area of the Las Bolas and Gambusino Adits)

3) The Frijolar structure (next to the Frijolar Adit)

In the El Manto structure target area, twelve diamond drill holes, BD-08-03 to BD-08-10 & BD-08-13 to BD-08-16 were drilled into a massive sulphide lens within carbonaceous shales which returned in drill hole BD-08-03 9.87 g/t gold and 3,090 g/t silver along 0.15 metres of core.

Drill holes BD-08-07 to BDD-08-09 were abandoned prior to reaching the manto level due to drill rods becoming stuck downhole, however BD-08-13 & BD-08-14 did reach the manto target zone and returned anomalous grade assays including 3.23 meters grading 0.47 g/t gold and 222 g/t silver. BD-

08-15, the northern most drill hole on the manto target, was drilled into an intrusive and hence determines the northern limit of the manto mineralized horizon.

Assay results for drill holes BD-08-01 to BD-08-25 are shown in Table 4 below. Diamond drill hole BD-08-19, which tested the northern extension of the Las Bolas raise had substantial widths (6m+) of clay seams with iron and manganese oxides.

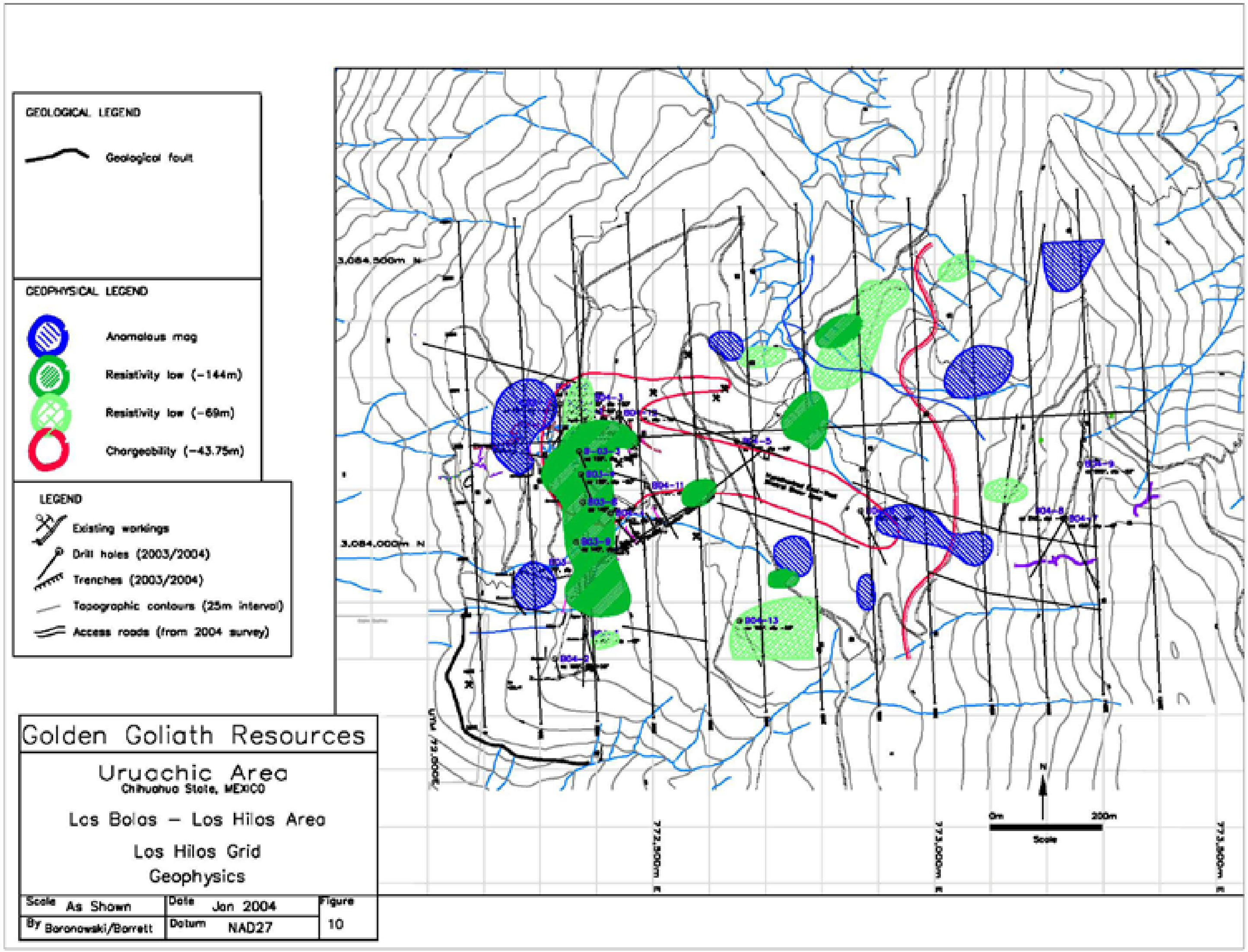

Figure 12: Las Bolas – Los Hilos Geophysical Grid showing mag, resistivity and IP anomalies (2003-04 drill programs) - Modified after Boronowski, 2004.

2008 DIAMOND DRILL HOLE ASSAY HIGHLIGHTS LAS BOLAS - LOS HILOS PROPERTY					
Drill Hole	**From (m)**	**To (m)**	**Interval (m)**	**Silver g/t**	**Gold g/t**
BD-08-01	83.25	83.9	0.65	51.20	0.01
BD-08-02	11.05	14.11	3.06	35.20	0.01
BD-08-02	15.90	19.65	3.75	31.70	0.01
BD-08-02	57.95	60.10	2.15	238.20	0.03
BD-08-02	60.10	64.15	4.05	375.50	0.02
BD-08-03	95.33	98.95	3.62	101.10	0.28
BD-08-03	160.85	162.70	1.85	366.10	1.15
including	161.65	161.80	0.15	3090.00	9.87
BD-08-06	0.00	3.15	3.15	34.30	0.16
BD-08-13	94.53	97.80	3.27	222.00	0.47
BD-08-14	130.05	132.00	1.95	76.00	0.21
BD-08-16	65.15	66.00	0.85	49.00	0.12
BD-08-20	0.00	7.22	7.22	224	0.10
BD-08-20	28.23	29.82	1.59	92	0.22
BD-08-20	17.24	17.67	0.43	84	0.56
BD-08-21	49.58	49.80	0.22	74	0.48
BD-08-23	41.58	45.45	3.87	4.99	0.27
BD-08-24	32.90	34.45	1.55	100	0.10
including	28.00	28.72	0.72	585	0.19
BD-08-24	46.32	47.50	1.18	28	0.04
BD-08-25	68.98	76.70	7.72	81	0.04
including	69.54	70.64	1.1	361	0.20

TABLE 4: Sample highlights from 2008 drill holes (*)

(*) The above sample intervals are not true widths; these have yet to be determined

During the 2008 diamond drill program, core recoveries were generally above 85%. No recoveries were measured for drill holes BD-08-05 and BD-08-06. No down-hole surveys were taken for any of the drill holes. The location of diamond drill holes are shown in Figure 13.

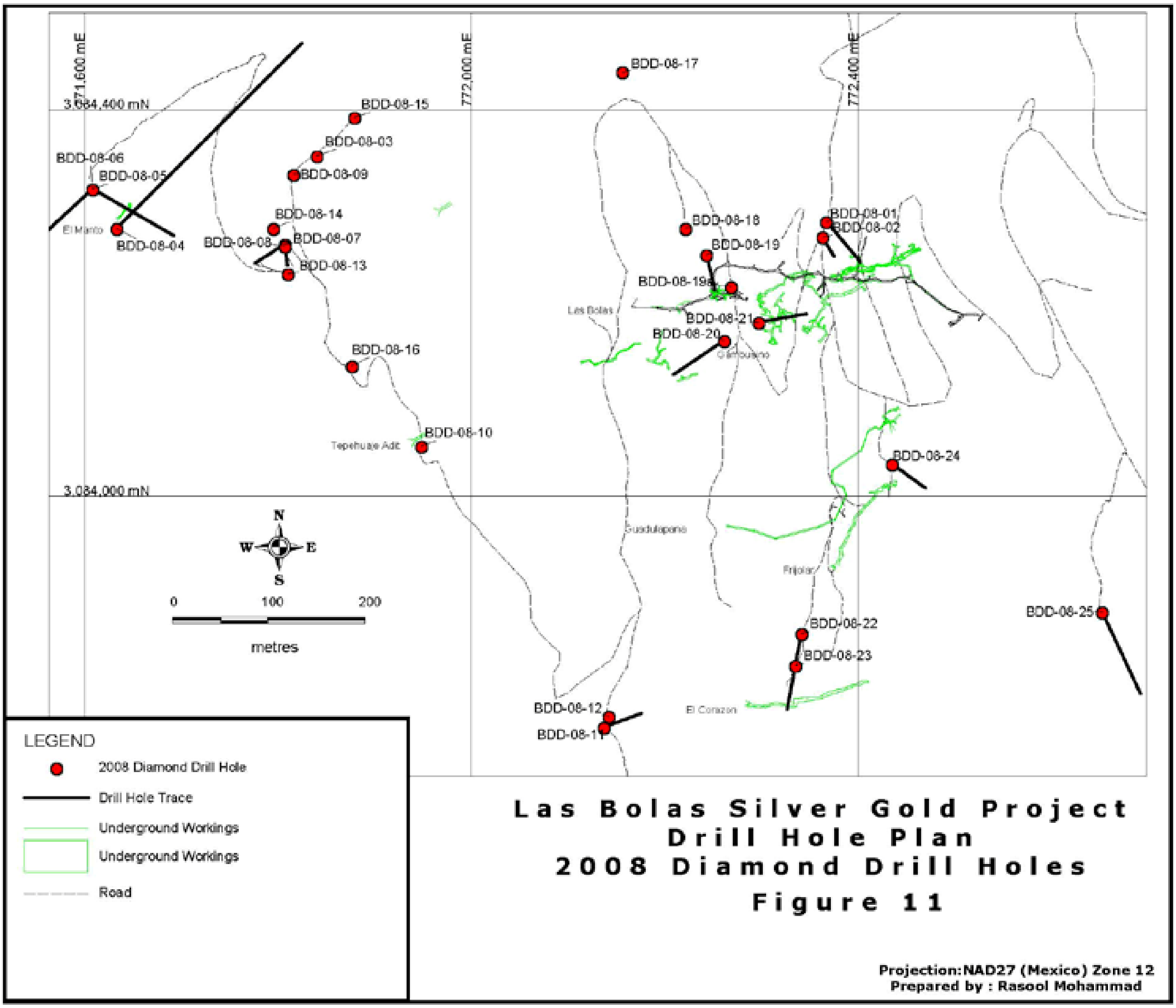

FIGURE 13: Location of 2008 Diamond Drill Holes

11.0 SAMPLING METHOD AND APPROACH

During the 2003, 2004 and 2006 RC drill programs, a senior geologist supervised the sample collection in the field. Dry and wet samples were produced during drilling. A dry sample, consisting of powder to 2-inch rock chips, was discharged directly from the cyclone to a sample splitter. A continuous five-foot sample was collected in the splitter and split down to a one-eighth sample. The remainder of the larger sample was placed in a large plastic bag for storage in the Guadalupana adit. The one-eighth split was emptied into to a smaller plastic sample bag and taken by the senior geologist to the rock chip logging station, where the split and stored samples were weighed in order to calculate the drill recovery. The plastic sample bags were sequentially numbered and the corresponding numbered assay tags were inserted inside the bags prior to drilling.

The sample bags were closed and tied and then placed into a laboratory-shipping bag adjacent to the table where the senior project geologist was logging the rock chips. Once a shipping bag was full, then the bag was closed, tied and a numbered, tamper-proof security tie was fastened around the top of the bag. The security ties were purchased from Smee and Associates Consulting Limited.

The change over from dry samples to wet samples was normally sudden. Time was taken to change cyclones and to prepare sequentially numbered spun-bonded bags for sample collection. A wet sample, consisting of mud to 2-inch rock chips, was discharged into specially designed revolving cyclone, which produces a one-eighth split sample. A continuous five-foot sample was collected. The on-eighth split sample emptied into spun-bonded bag and the remainder of the sample emptied into a large plastic bag for storage. During collection of the samples, the plastic bags where inserted inside of plastic buckets in order to assist the sample collector with collecting the sample and preventing spills. The senior geologist tied the top of the spun-bonded bag containing the one-eighth split sample and delivered the bag to the rock chip logging station where the sample was allowed to decant. At the end of the day the numbered spun-bonded bags were put into correspondingly numbered plastic bags, sealed and then placed into laboratory-shipping bags. Once a shipping bag was full, then it was sealed and fastened with a tamper proof, numbered security tag (Boronowski, A., 2004).

The sample numbers within the laboratory-shipping bag and the security tie number were listed in a “Chain of Custody” letter which accompanied the sample shipment to Acme's certified Guadalajara Laboratory where the samples were prepared for analysis at their Vancouver, B.C., laboratory.

The laboratory-shipping bags were stored in a locked office-house until the shipping day. Two sample shipments were trucked to Acme’s Guadalajara laboratory. An Acme representative picked up the samples. The senior project geologist was present and checked each bag and security tie during loading of the samples. A laboratory representative checked the sample bags for obvious tampering and ensured that the corresponding security tie fastened the shipping bag matched the one in the “Chain of Custody” letter (Boronowski, A., 2004).

During the 2008 diamond drill program all core was logged in a field facility. After logging core, the geologist responsible for the drill hole, would mark the sample intervals on the core. The sample intervals were marked according to geology. The core was cut using a rock saw except where the core was too soft and it was then sampled using chisels and smaller instruments.

Each sample obtained from the cut core was filled into plastic bag. The remaining core fraction was returned to the core box. Sample weights varied from 1 to 3 kilos depending of the sample length and type of mineralization.

After each sample was filled into a strong plastic bag, a sample ticket was attached on the top of the bag, which was then folded and tied. In addition, the same sample code, including the drill hole number were also written on the outer surface of the bag with a permanent marker. The samples were then stored in a secure room, with adequate ventilation in a dry environment.

Finally the samples were packed in groups of 25 and filled into thick sacks. The samples were then transported to Acme Labs (ISO certified Lab) by bus from the city of Chihuahua to the Lab prep facility in Guadalajara. In the laboratory, the samples were unloaded from the bus by laboratory personnel. .

12.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

All samples were shipped to Acme's Analytical Laboratories preparation Lab in Guadalajara. There the samples were dried and then crushed to obtain a product of 70% -10 mesh. Samples were crushed and split by Jones Riffle Splitter until approximately 300 grams sub-sample was obtained. This sub-sample was pulverized to obtain a product of 95% -150 mesh. The first two samples to be processed by two pulverizers are silica labeled as Si-1 and Si-2. These silica samples are designated as the first two samples in each file and are analyzed to measure background contamination. The 300-gram sub-samples were crushed in order; following the two silica samples. Sample pulps were packed and delivered to DHL to be sent to Acme Laboratories in Vancouver for analysis.

At the Acme Laboratory in Vancouver, B.C., the pulp samples was analyzed for silver and gold utilizing a fire assay technique with Inductively Coupled Plasma Emission Spectrometry (ICP-ES) finish. This procedure involved the following: a 2 assay ton (2AT) fire assay (FA) which uses the classical fire assay fusion with fluxes including lead oxide to thoroughly decompose the sample, liberate gold and other precious metals and collect these in a liquid metallic-lead phase that settles to the base of the fusion pot. Pouring the molten mass into an iron conical mold and allowing to cool permits removal of a clean lead button that contains all of the precious metal (and none of the gangue that reports to the slag). Re-melting the lead-button in a cupel under oxidizing conditions allows separation of the precious metals into a dore bead (Pb is absorbed by the cupel). The bead is then dissolved in aqua regia and the solution is analyzed by ICP-ES to determine gold and silver. A second 1 gram split of the sample is directly leached in a large volume of Aqua regia and analyzed by ICP-ES to determine the silver content for verification against the FA silver result. If the silver content is low, then the result is reported from the direct Aqua regia leach/ICP-ES method. This is due to the lower precision and accuracy of silver in the FA/ICP-ES method at low concentrations. At higher concentrations the silver can be reported from the FA/ICP-ES method.

Acme Laboratory's quality management included the two silca samples (S-1, S-2) at the beginning of each batch and an assay re-run and a Standard Insert alternating approximately every 15 to 20 sample assay. The senior project geologist inserted blind duplicate and standard samples into each drill hole batch. One batch of duplicate samples was sent to another certified laboratory to check the accuracy and precision of the assay results.

Acme Laboratories Ltd. is a registered International Standards Organization (ISO) member possessing ISO/9002 certificate 378/96.

ACME Analytical Procedures

Group 3B, Au by Fire Geochem

All samples were analyzed via Group 3B. Determination was done by a lead-collection fire-assay for total sample decomposition, digestion of the Ag dore bead and ICP-ES (Group 3B). A 50 g sample was used for analysis.

Group 6, Precious Metals assay by Fire Assay
Determination of Au, Ag was done by a classical lead-collection fire assay on a 1 assay ton sample (29.2 gm). Analysis was done by ICP-ES after digestion of the dore bead. Selected samples were also analyzed for free gold by metallic assay (500 gm sample).

Group 1EX – ICP Analysis by 4-Acid Digestion
Sample splits of 0.25 g were digested in a mixture of 4 acids (HNO_3, $HCLO_4$, HF, HCL) at a high temperature. Solutions were analyzed by a 41 element ICP-ES (Group 1EX).

Group 1DX – ICP Analysis by Aqua Regia
Sample pulps were leached in hot (95 degrees Celsius) Aqua Regia. Solutions were analyzed by a 35 element ICP-ES (Group 1DX)

Starting 2008 all analytical work was done by **Inspectorate Labs** using fire assay preparation and AA finish and ICP methods.

13.0 Data Verification

Drill hole recovery for the 2003 and 2004 RC programs ranged from 44% to 66% with an average of 58% and a median average of 62 percent. Some holes were abandoned due to drilling problems or due to poor ground conditions. A compressor-booster, drill additives and water were utilized to improve recovery but were not totally successful. The samples collected by using water rather than air to recover the sample were smaller than the dry samples. Additives with water tended to block the bit rather than the rock fractures and resulted in drilling problems and only slightly improved recoveries. Generally, the compressor-booster was required to lift material to the surface when holes were drilled deeper than 200 feet (Boronowski, A., 2004).

One duplicate and one standard were inserted into sample batches. Results demonstrate that the results were reproducible and that the accuracy and precision was good (Tables 5 and 6).

Table 4 shows some of the assay results of duplicate samples. The first batch of samples was sent to Acme Laboratory for analysis, and the corresponding duplicate sample was sent to ALS-Chemex Laboratory for analysis (Boronowski, A., 2004).

Duplicate samples are used to evaluate the grade variance introduced by inherent geologic variability, sample size, or introduced sampling biases. Standards were used to evaluate the analytical accuracy of the assay laboratory.

The recoveries for the diamond drill core were calculated by the standard 'in-field' method, which involves measuring the actual amount of core recovered from each interval and dividing it by the reported length of that interval. For greater precision, footage markers were inserted into the core boxes by the drillers every time the core tube was pulled from the hole. **Recoveries of a minimum**

80% are required in order for the assay data to be considered representative.

Ground conditions at Las Bolas – Los Hilos Property vary from moderate to very poor. In general, the ground is very fractured which causes problems with the water return for the drills. The recoveries through fractured sections were poor with rare intervals of no recovery.

Drill Hole	Sample No.	Ag g/t	Au g/t	Sample No. Duplicate	Ag g/t	Au g/t
B03-1	139624	<2	0.02	194454	<2	<0.02
B03-2	139682	<2	<0.01	194453	<2	<0.01
B03-3	139711	<2	<0.01	194455	<2	<0.01
B03-4	139724	<2	<0.01	194456	<2	<0.01
B03-5	139779	<2	<0.01	194457	<2	<0.01
B03-6	139857	<2	<0.01	194458	<2	<0.03
B03-7	10527	<2	<0.01	194459	<2	<0.01
B03-8	10615	<2	<0.01	194460	<2	<0.01
B03-9	10669	<2	<0.01	194461	<2	<0.01
B03-10	10705	<2	<0.01	194462	<2	<0.01
B03-11	10817	<2	<0.01	194464	<2	<0.01
B03-11	10856	<2	<0.01	194481	<1	<0.005
B03-11	10857	<2	<0.01	194482	<1	<0.005
B04-1	10933	<2	<0.01	194470	2	0.009
B04-2	10990	<2	<0.01	194471	<1	0.007
B04-3	11064	<2	0.02	194472	1	0.033
B04-4	11143	2	0.02	194473	<2	0.02
B04-5	11246	<2	0.01	194474	1	0.028
B04-6	11332	<2	0.03	194475	<1	0.037
B04-7	11469	<2	0.02	194476	1	0.026
B04-8	11610	<2	<0.01	194478	<1	0.006
B04-9	11697	<2	<0.01	194479	1	0.008

TABLE 5: RC Duplicates taken during 2003 and 2004 (Boronowski, A., 2004)

STANDARDS - 2003-4 RC DRILL PROGRAMS				
Drill Hole	ST-Medium		Acme Labs	
	Ag g/t	Au g/t	Ag g/t	Au g/t
B03-05	105.2	0.66	100.00	0.76
B03-07	105.2	0.66	93.00	0.60
B03-09	105.2	0.66	94.00	0.61
B04-05	105.2	0.66	102.00	0.66
B04-11	105.2	0.66	98.00	0.55
B04-13	105.2	0.66	98.00	0.63

TABLE 6: Standard used during 2003-04 drill programs (Boronowski, A., 2004)

In order to complete his due diligence visit to the site, the author took duplicate samples from underground workings, RC drill chips and diamond core (Tables 7 and 8). These samples were sent to ALS Chemex for analyses. The underground samples taken by the author were from the same chip channel section taken previously by Golden Goliath personnel. This work was done meticulously and in the presence of Ing. Jorge Madrigal, Chief Mine Geologist. Table 7 is a complete list of all duplicate samples taken and Table 8 gives the duplicate assay results.

DUE DILIGENCE SAMPLES
Las Bolas - Los Hilos Property
Samples Taken by: V. Jaramillo - June 19-20,2009

Sample Number	Location	Sample Type	Sample width (m)	Au g/t	Ag g/t	Cd ppm	Sb ppm	Pb ppm	Zn ppm	Description
810529	Bolas Adit	Chips	0.50	0.19	2	<0.5	12	33	76	St 30. Qtz vn - Prev. sample 760129 Az.090, 80N
810530	Bolas Adit	Chips	0.50	0.35	2.3	<0.5	12	35	80	Duplicate of sample 810529
810531	Bolas Adit	Chips	0.80	0.06	16.3	<0.5	10	427	92	St.40 Previous sample 760296
810532	Bolas	Chips	1.60	0.9	656	43.1	285	1825	2120	St. B-37-7B El Salon, Vn Az 090, 75N, Pv. S.100826
810533	Bolas	Chips	0.83	0.18	523	44.7	57	2180	1715	St.B-37-7A, Az.090,86N, Prev. Sample 584469
810534	Bolas	Chips	1.00	0.1	80	27.2	88	408	1890	St.B37-8A1,Nv.Amarillo,Az.070,75N,Pr.S. 584474
810535	Standard	Pulp	none	1.74	21.2	<0.5	<2	136	22	RockLabs SI15: Au = 1.805 ppm, Ag = 19.68 ppm
810536	Bolas	Chips	0.15	0.2	511	35.7	340	884	2590	St.B37-8A1,Nv.Amarillo,Az.070,75N, Ox Vein
810537	Bolas	Chips	1.10	9.06	110	4.6	31	969	295	St.B37-8A1,Nv.Amarillo,Az.070,30 N,PS. 100848
810538	BDD-08-03	core	0.70	0.29	75.5	30.2	153	2780	2530	From 97.74 to 98.44m, Prev.S. 19602
810539	BDD-08-02	core	0.55	0.12	6.5	0.7	5	148	65	From 62.40 to 62.95, Prev.S. 6852
810541	BDD-08-02	core	1.10	0.31	86.4	43.2	853	3800	2950	From 94.53 to 95.60m, Pr. Sample 30027
810543	BRC-04-03	RC chips	1.52	13.9	645	62.4	297	3650	2930	From 440 to 445 ft. Prev.Sample 11092
810545	BRC-03-11	RC chips	1.52	0.08	578	17.5	496	1930	845	From 20 to 25 ft. Prev. Sample 10759
810547	Along Road	Chips	1.00	<0.05	5.3	<0.5	9	52	36	Blank sample.Tuff. 775,250-E, 3,095,018-N

TABLE 7: Duplicate Samples taken by the author

UNDERGROUND - CORE - RC CHECK SAMPLES					
ALS CHEMEX - V. JARAMILLO			ACME LABS- GOLDEN GOLIATH		
SAMPLE No.	ME-GRA22 Au g/t	ME-GRA22 Ag g/t	SAMPLE No.	ME-GRA22 Au g/t	ME-GRA22 Ag g/t
810529	0.19	2	760129	<0.05	<5
810530	0.35	2.3	810529	0.19	2
810531	0.06	16.3	760296	<0.05	10
810532	0.9	656	100826	0.38	589
810533	0.18	523	584469	0.2	1170
810534	0.1	80	584474	0.52	158
810537	9.06	110	100848	17.43	474
810538	0.29	75.5	19602	0.137	37.4
810539	0.12	6.5	6852	0.01	737.2
810541	0.31	86.4	30027	0.552	290.4
810543	13.9	645	11092	17.26	808
810545	0.08	578	10759	0.05	939

TABLE 8: Duplicate check assays between samples taken by the author vs. samples taken by Golden Goliath

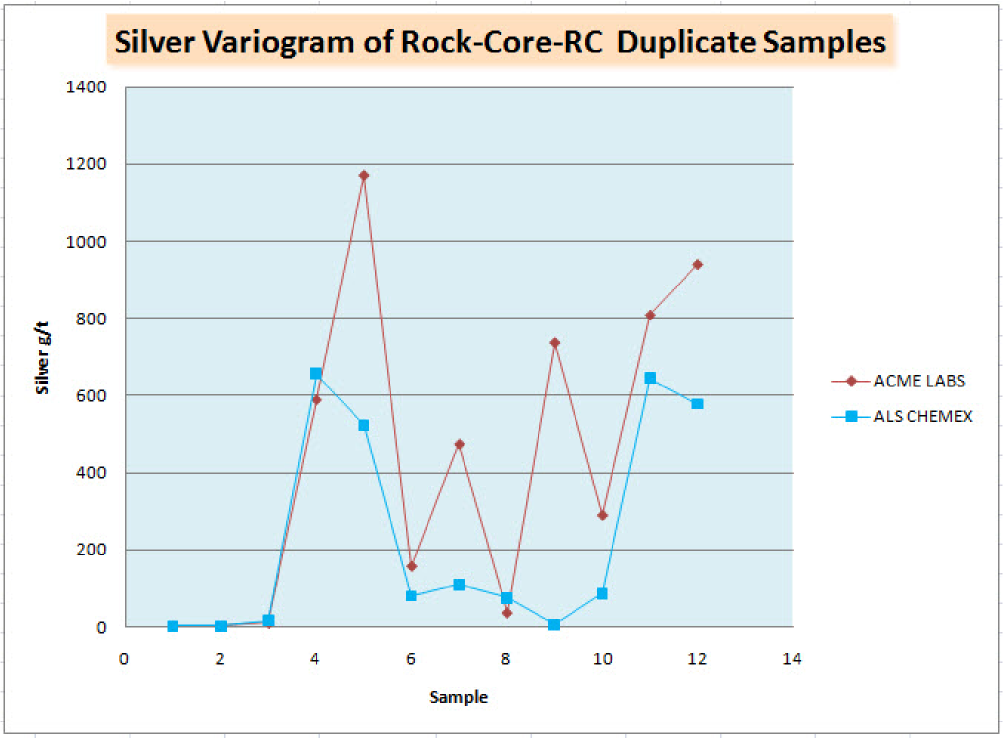

FIGURE 14: Silver variogram of samples taken by the author (ALS Chemex) vs Golden Goliath (Acme Labs)

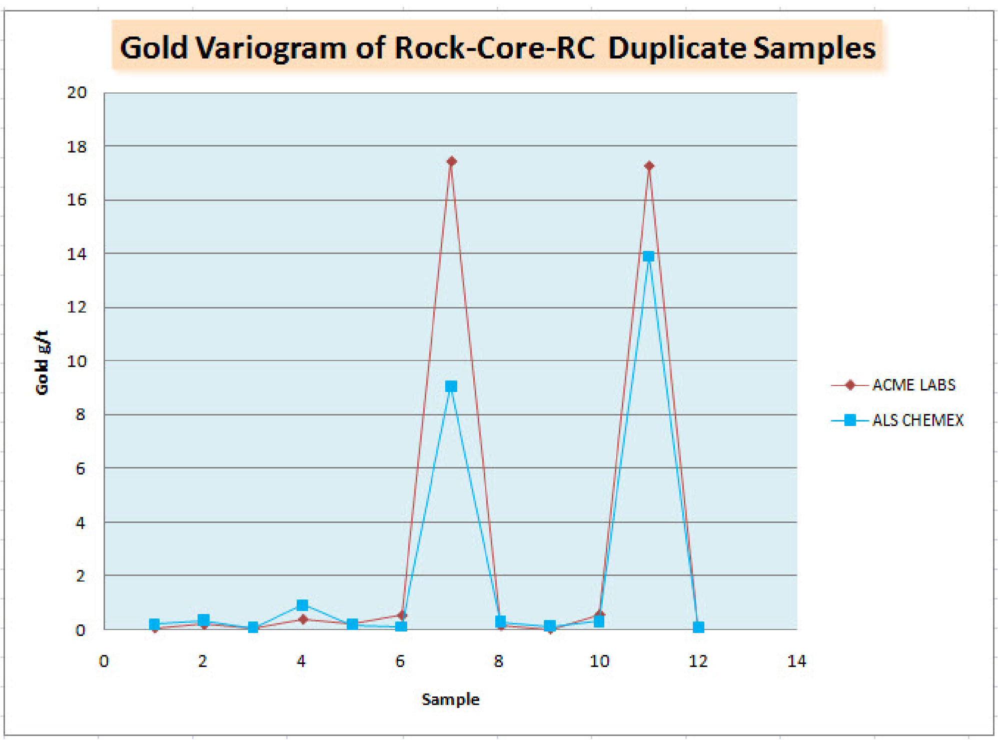

FIGURE 15: Gold variogram of samples taken by the author (ALS Chemex) vs Golden Goliath (Acme Labs)

The due diligence work carried out by the author consisted in taking duplicate underground rock chip channel samples, core and RC duplicates. To further check the quality of the preparation procedures and assay data, samples rejects and pulps were prepared and assayed at a different laboratory (ALS Chemex).

Figures 14 and 15 of duplicate samples taken by the author show acceptable correlation in 8 of 12 samples; except for samples 810533 (sample 5), 810537 (sample 7), 810539 (sample 9) and 810545 (sample 12). These "problem" samples may be due to sampling error. In particular, in regards to sample 810539 that gave the author 6.5 g/t silver in contrast to 737 g/t given to Golden Goliath. This sample (810539) was taken by the author from diamond drill hole BDD-08-02. It is possible that the amount of core left in the box may have affected the duplicity of results during sampling. Further review of this difference is strongly recommended.

To check and compare on the quality of the preparation procedures and assay data the author had 15 reject samples previously assayed at Acme Labs, prepped and assayed at ALS Chemex (Table 9),

REJECTS	ACME LABS		ALS CHEMEX		Difference	
Sample	Ag g/t	Au g/t	Ag g/t	Au g/t	Au g/t	Ag g/t
105490	3	0.15	6	0.04	-0.11	3
584393	1.5	0.2	6	0.28	0.08	4.5
760447	2	0.15	6	0.04	-0.11	4
760264	11	0.33	10	0.13	-0.2	-1
105444	10	0.15	12	0.04	-0.11	2
105471	122	0.15	80	0.08	-0.07	-42
760428	66	0.15	87	0.15	0	21
584431	85	0.15	98	0.12	-0.03	13
105440	121	0.15	121	0.21	0.06	0
584416	365	0.15	121	0.12	-0.03	-244
584420	4944	0.38	4740	0.85	0.47	-204
584405	2222	1.82	2310	1.28	-0.54	88
584469	1170	0.2	1320	0.4	0.2	150
760431	844	0.67	820	0.63	-0.04	-24
760553	469	0.15	528	0.04	-0.11	59

TABLE 9: Reject duplicate check assays between Acme Labs and ALS Chemex.

In reviewing Figures 16 and 17 it is possible to conclude that the quality of the preparation procedures in the primary lab is adequate as there is good correlation between assay data.

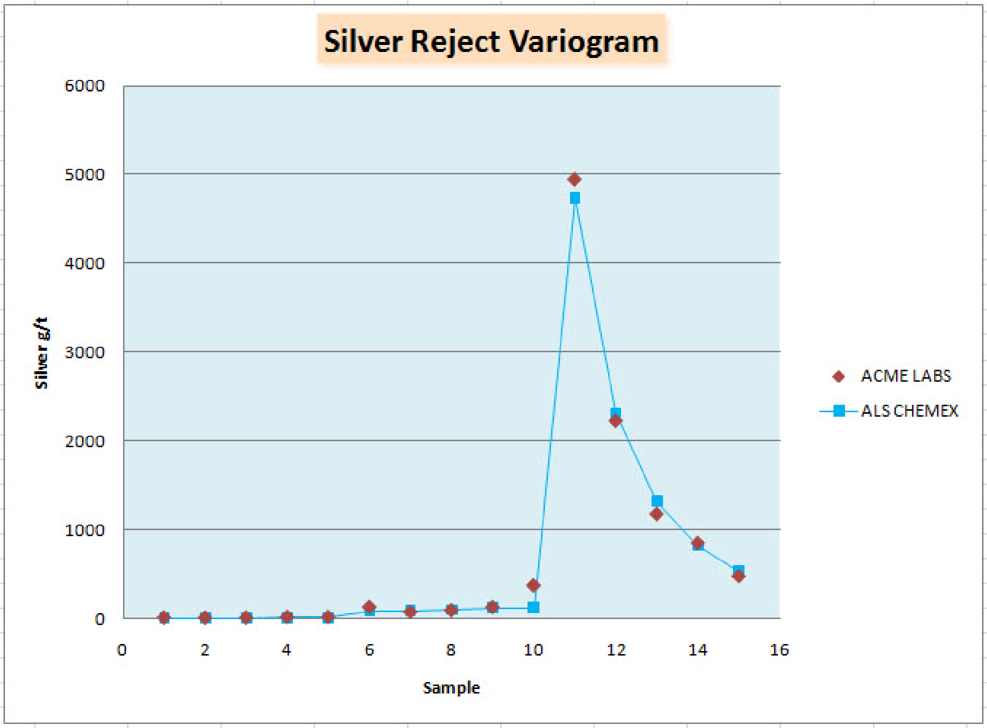

FIGURE 16: Silver reject variogram of samples taken by the author (ALS Chemex) vs Golden Goliath (Acme Labs)

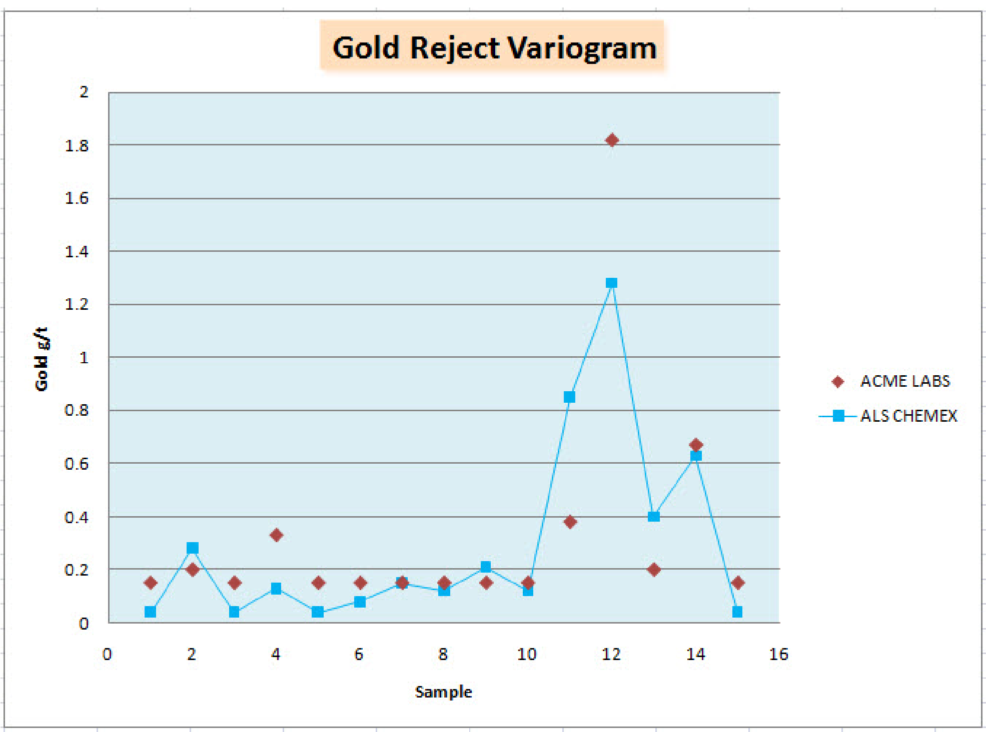

FIGURE 17: Gold reject variogram of samples taken by the author (ALS Chemex) vs Golden Goliath (Acme Labs)

To check and compare on the accuracy of assay results of Acme Labs (primary Lab), the author had 15 pulp samples previously assayed at Acme Labs, assayed at ALS Chemex (Table 10).

PULPS	ACME LABS		ALS CHEMEX		Difference	
Sample	Ag g/t	Au g/t	Ag g/t	Au g/t	Au g/t	Ag g/t
105496	6	0.17	8	0.05	-0.12	2
584388	9	0.17	6	0.05	-0.12	-3
584391	5	0.17	6	0.05	-0.12	1
584409	4278	1.73	4230	1.88	0.15	-48
584416	122	0.17	121	0.12	-0.05	-1
584423	617	3.93	620	5.59	1.66	3
584431	93	0.17	98	0.12	-0.05	5
584464	165	6.34	150	5.62	-0.72	-15
584481	1626	0.47	1585	1.46	0.99	-41
584500	9	0.17	10	0.06	-0.11	1
760293	9	0.17	10	0.05	-0.12	1
760433	500	0.23	485	0.31	0.08	-15
760458	84	0.17	88	0.06	-0.11	4
760508	83	0.17	81	0.05	-0.12	-2
760562	1308	0.49	1245	0.17	-0.32	-63

TABLE 10: Pulp duplicate check assays between Acme Labs and ALS Chemex.

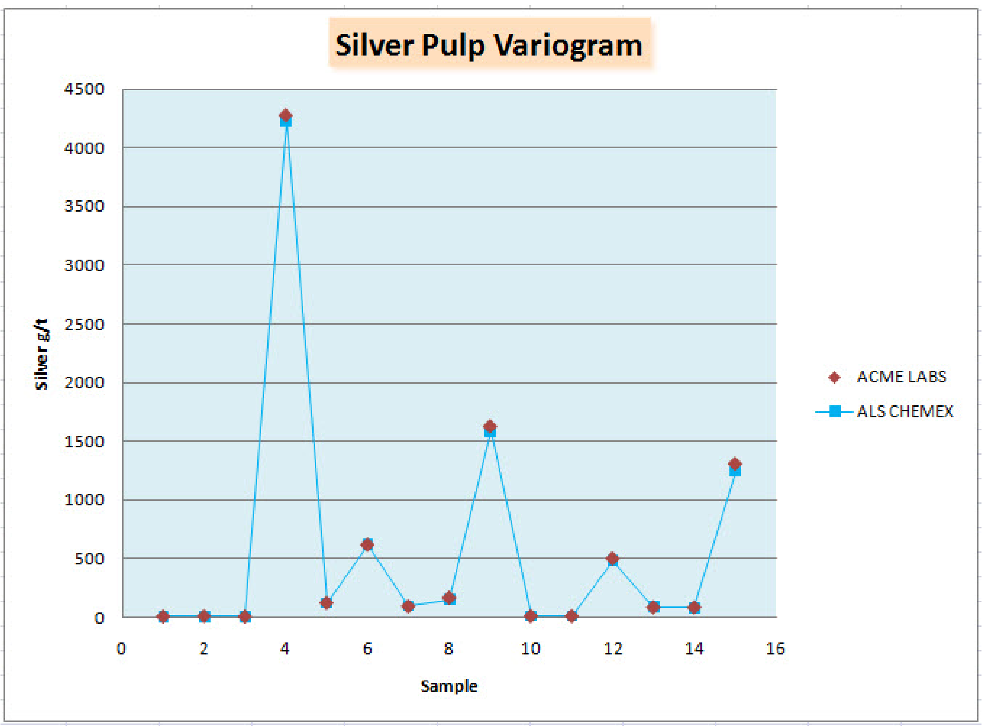

FIGURE 18: Silver pulp variogram of samples taken by the author (ALS Chemex) vs Golden Goliath (Acme Labs)

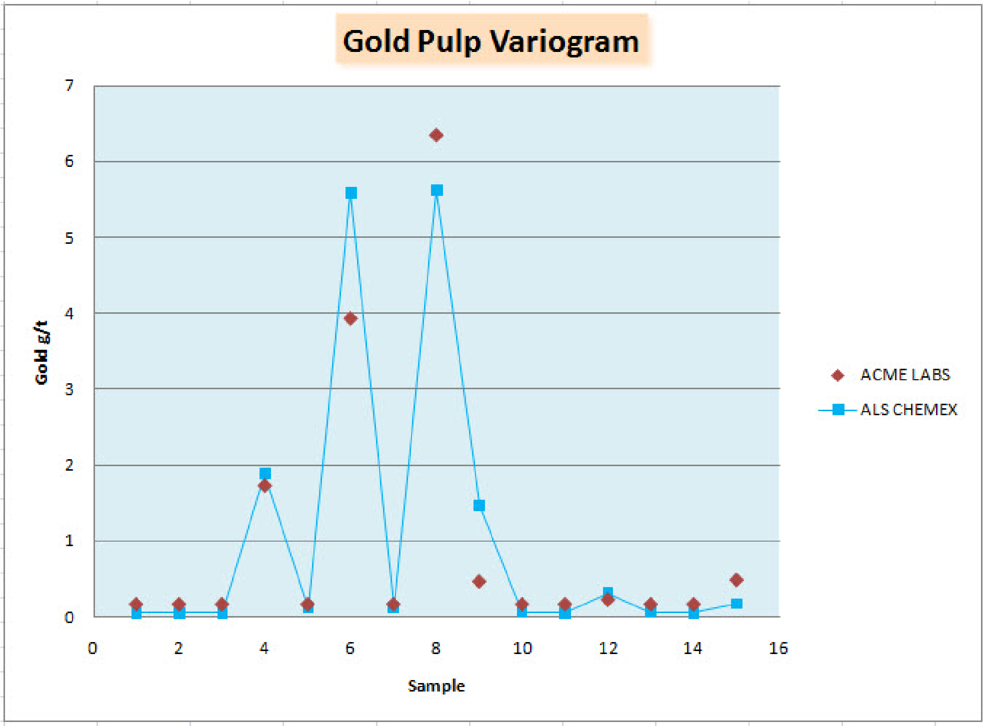

FIGURE 19: Gold pulp variogram of samples taken by the author (ALS Chemex) vs Golden Goliath (Acme Labs)

By reviewing the check assays of pulps (Figures 18 and 19) it is possible to conclude that the analytical accuracy of Acme Labs (primary lab) is good.

In general duplicate-sample analyses show acceptable reproducibility for both metals. Check analyses at a secondary laboratory agree well with the original assays. Further check analyses from the underground assays and the diamond drilling program are required in order to improve the quality for this part of the assay database.

The assay database is of acceptable quality for estimating inferred resources at this time, although additional checking and verification is needed.

14.0 ADJACENT PROPERTIES

To the author's knowledge there are only claims around and adjacent to the Las Bolas – Los Hilos Property. These claims were staked by Compania Minera Penoles and Exmin Resources Inc.

The La Imperial Property lies approximately 10 kilometers west of the Las Bolas – Los Hilos Property. It is being explored by La Imperial Resources Inc.

The La Imperial Property covers an area of Mesozoic marine and lacustrine sediments which have been intruded by Tertiary igneous units of granite, granodiorite and monzonite. Younger extrusive rocks include rhyolite, tuffs, dacite, andesite and basaltic flows.

Gold, silver, copper, lead and zinc mineralization is known to occur in a number of lithologic settings, including within skarns, in quartz veins and stockworks in mafic volcanics, in quartz veins at contact areas of limestone and intrusives, and also related to aplite dikes within intrusive/volcanic contact areas. The known showings at La Imperial are all at an early stage of exploration.

15.0 MINERAL PROCESSING AND METALLURGICAL TESTING

Preliminary metallurgical test work was done during 2008. The first test was completed by the Servicio Geologico Mexicano (Mexican Geological Service) in May 2008. A sample weighing 84.6 kilos was submitted from Las Bolas (location not specified) for undergoing bulk flotation tests.

The sample head grade was 2.36 g/t gold and 371.62 g/t silver. The report did not provide any details of how the sample was selected nor categorized.

The sample was grinded during 12 minutes, and the results are provided in the table below:

Product Mesh Size	Opening um	Negative cummulative %
200	75	100
-200	-75	68.36

The bulk flotation process followed giving the following metallurgical balance. See table below:

Flotation products	Weight %	Chemical Analysis g/t			% Distribution	
		Au	Ag		Au	Ag
Concentrate	2.57	44.1	2,485		79.72	17.47
Mediums	6.7	0.7	413.15		3.30	7.57
Tails	90.73	0.27	302.00		16.98	74.95
SUM	100.00				100.00	100.00
Assayed H. Grade		2.366	371.6			
Calculated H. Grade		1.424	365.8			

As indicated in the report it was concluded from this preliminary test:

The concentrate obtained in the test reached considerable gold and silver grades (44.10 Au and 2485 Ag) The distribution for gold is considered good (79.72 %), but for silver it was low at 17.47%.

In general, the sample did not adapt to the flotation process. More metallurgical tests were recommended.

A second test was completed by the Servicio Geologico Mexicano (Mexican Geological Service) in September 2008. This test was a bottle column cyanide leach test that included agglomeration. The report did not provide any details of how the sample was selected nor categorized. The results of this test are provided in the table below:

Product	Reactive Consumption Kg/t			% Dissolution	
	NaCN	Cement	Lime	Au	Ag
Pregnant Solution (30 days)	3.05	5.00	4.76	65.11	39.46
Wash (1+2+3)				18.88	6.52
Total Dissolution				83.99	45.98

The report indicates that the sample adapted somewhat to the bottle column leach test since dissolution of 83.99 % was obtained for gold and 45.98 % for silver. It is indicated that the sample may have required more treatment time to liberate the silver; as such they recommend more tests.

16.0 MINERAL RESOURCES AND RESERVES AT THE LAS BOLAS – LOS HILOS PROPERTY

To date there are no reserves at the Las Bolas-Los Hilos Property. This report focuses on recently estimated preliminary inferred resources. The data used for this resource estimation included selected diamond drill holes from the 2008 drill program. The drill holes selected had recoveries along mineralized zones of at least 80%. Most of the RC holes did not fall into this category, and as such, could not be used in the estimate.

The resources stated in this report for the Las Bolas – Los Hilos Property conform to the definitions adopted by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM"), December 2005, and meet the criteria of those definitions, where:

A Mineral Resource is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

An *Inferred Mineral Resource* as defined by the CIM Standing Committee is "*that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, working and drill holes*."

With the new understanding of the mineralization a block model was designed for each axis. The volume search parameters were estimated as a function of the reach of the modeled variogram. Also, as a function of the search volume, and the number of samples used, a minimum and maximum number of samples were determined for the search volume with a minimum of 2 and a maximum of 20 samples. A specific gravity (s.g.) of 2.7 was used for the mineralization based on 6 core samples submitted to ALS Chemex for s.g. determination.

Having completed the above steps, an interpolation of the block model was done using geostatistical analyses with DATAMINE software.

Because the Las Bolas – Los Hilos Property appears to have two phases of mineralization (mesothermal and epithermal) the following mineral characterization is proposed for Type-1 and Type-2:

Geochemical Characterization

From underground and core samples the following was determined:

Type-1 mineralization: Ag + Pb + Zn (Au)
Type-2 mineralization: Au + Ag + As (Cu)

Mineralogical Characterization

From core logging descriptions and from limited microscopy studies the following was determined:

Type-1 mineralization: Pyrite + Argentiferous Galena + Sphalerite (Quartz)
Type-2 mineralization: Quartz + Pyrite + Chalcopyrite

This proposed mineralization characterization must be complemented and reviewed for future studies. The author has not considered it in the modeling and estimation as it is very preliminary, and further studies are needed.

16.1 STATISTICAL DATA ANALYSES

Before geostatistical methods were used, it was necessary to perform an exploratory study of the available data. This was done keeping in mind the following objectives:

a. The analysis (using classical statistics) of the quantity, quality and the location of available data.
b. Definition of the area (s) of study.
c. Population division into sub-zones may be relevant; particularly if there are abrupt changes in the spatial distribution of values or if geological conditions show it. Such as the possible presence of atypical values that stand out from nearby neighboring values.

With these concepts and tools of classical statistics, it was be determined if the whole of the data represented only one population or not. The statistical tools used were histograms, median, variance, quantiles, etc.

A. Data Display:

Data display assists in visualizing the location of samples in space, how the data is distributed and where low and high values (grades) are located. Following are several maps and sections of all samples and the silver grade distribution (Figures 20 to 25) available, including that of RC and diamond drilling (shown as blue lines).

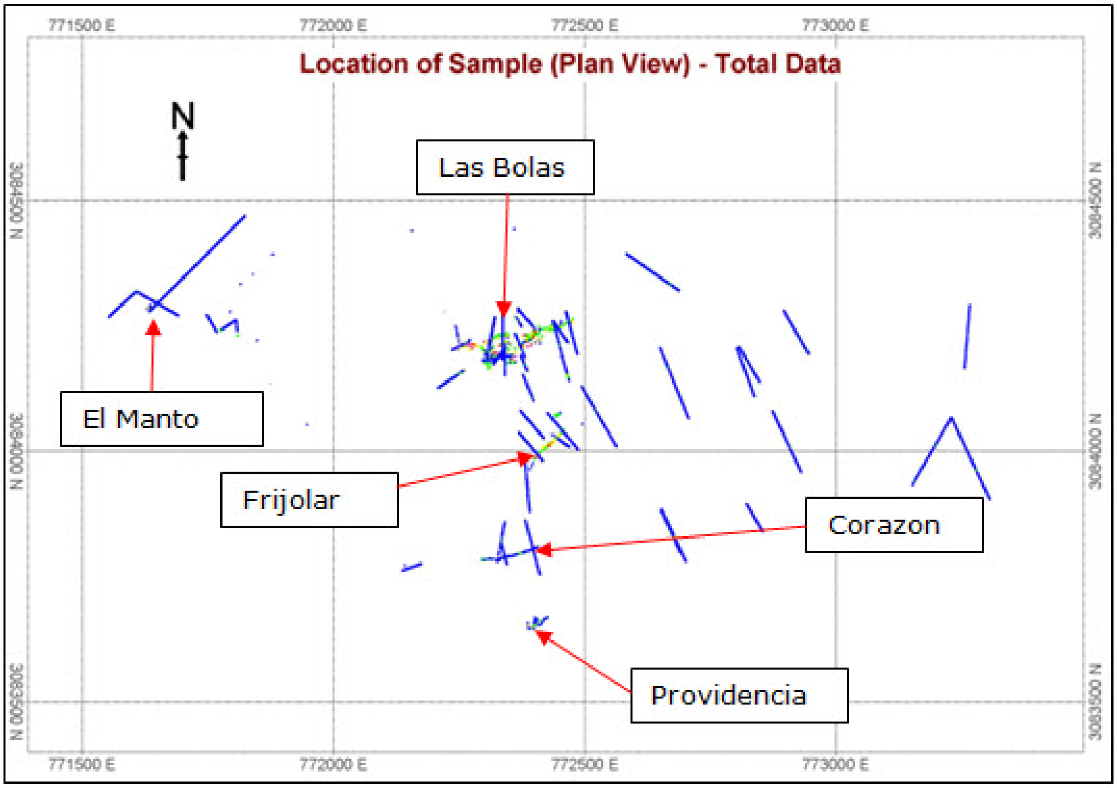

Figure 20: Plan view of all sample locations

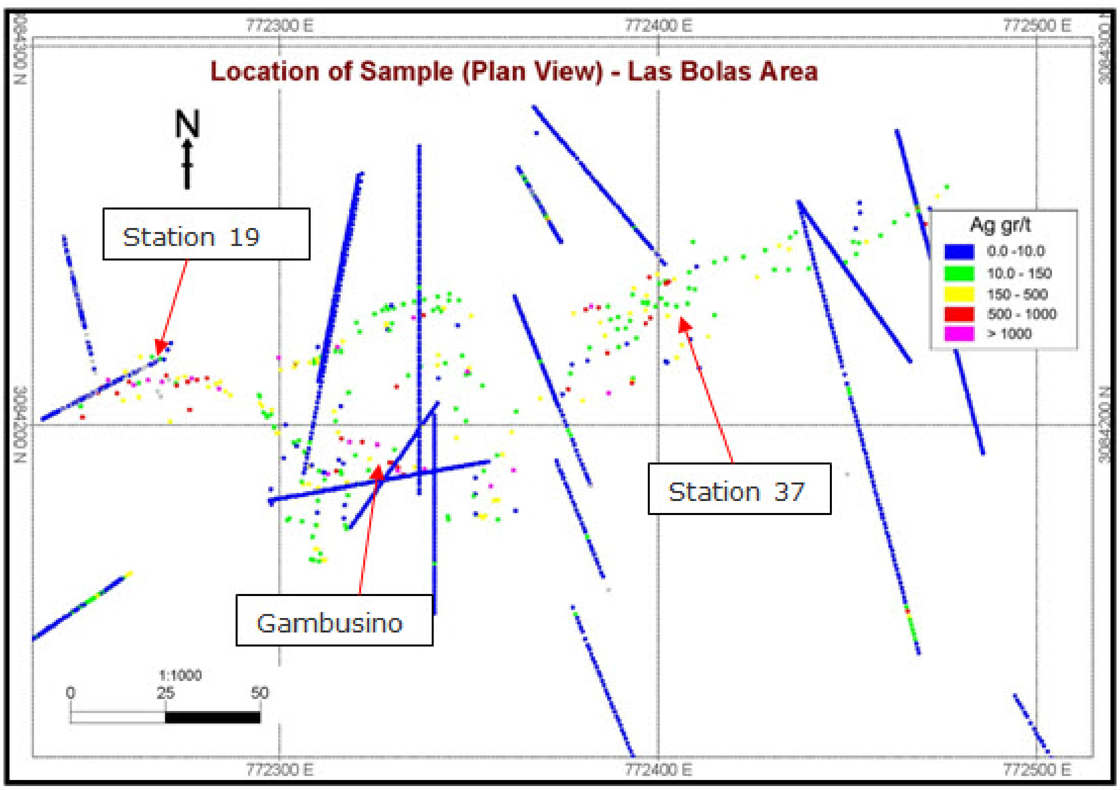

Figure 21: Plan view of all sample locations with silver grade distribution

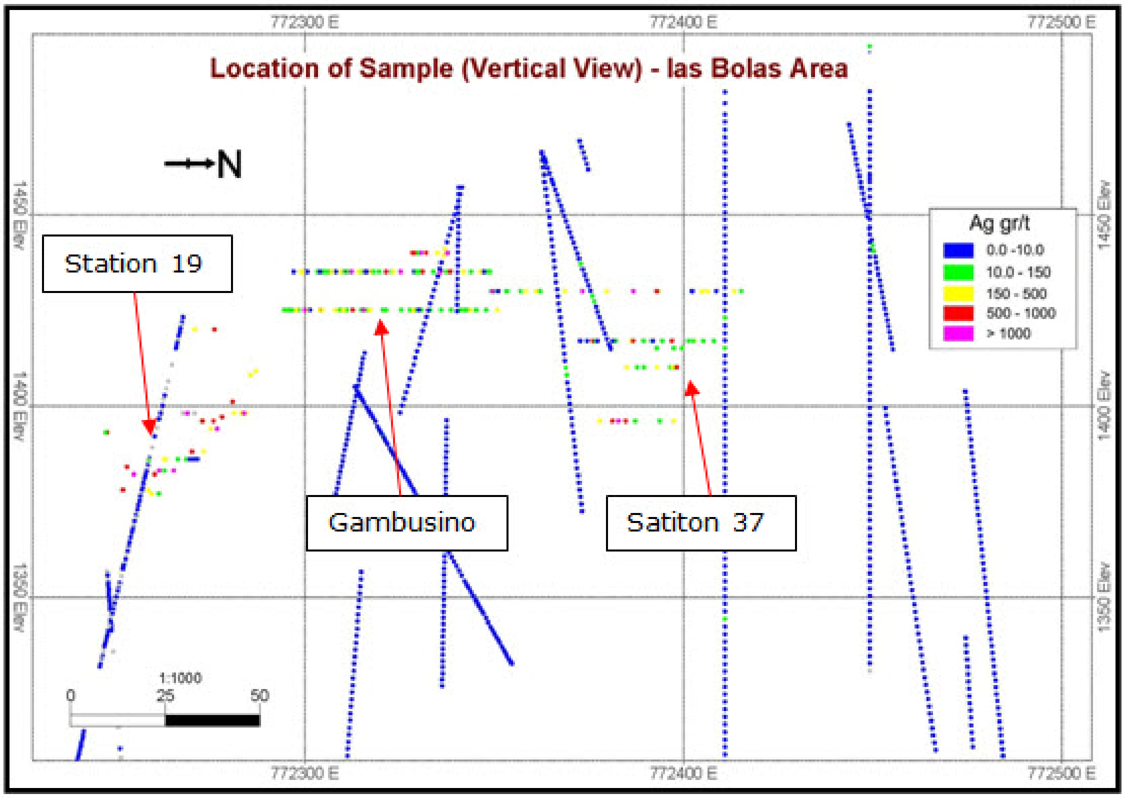

Figure 22: Silver sample distribution along an E-W section looking west

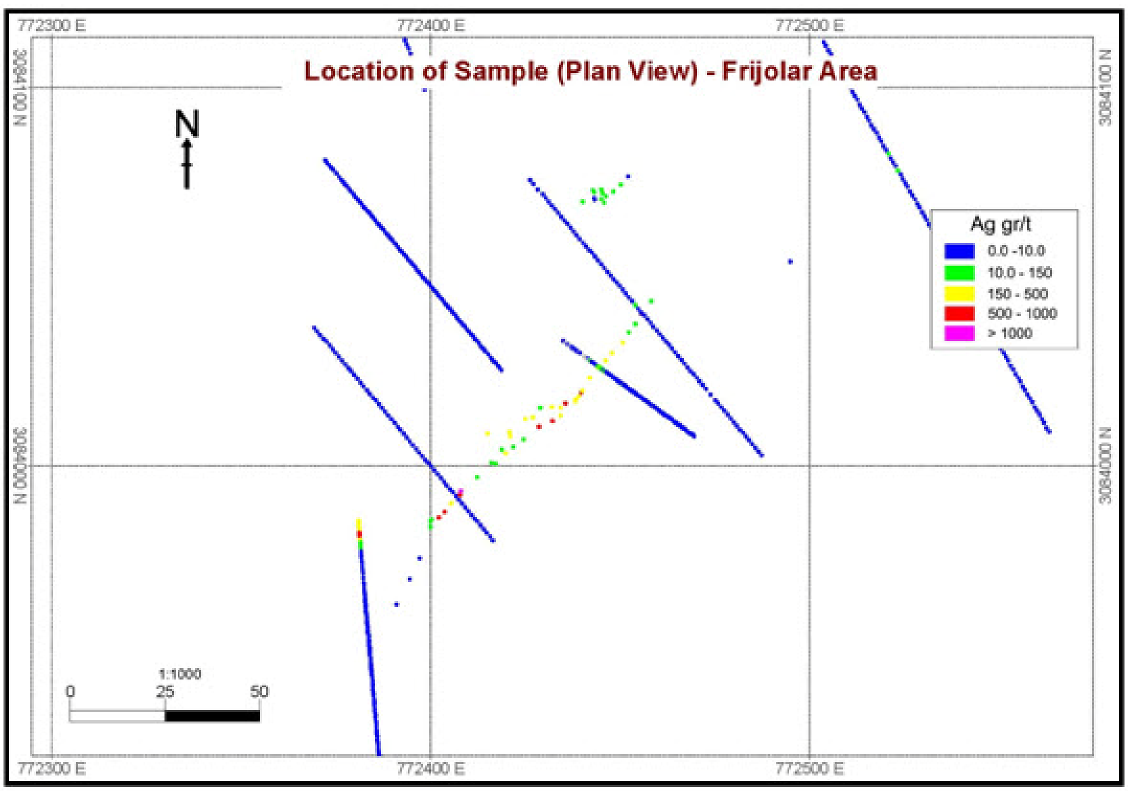

Figure 23: Plan view of all sample locations at Frijolar

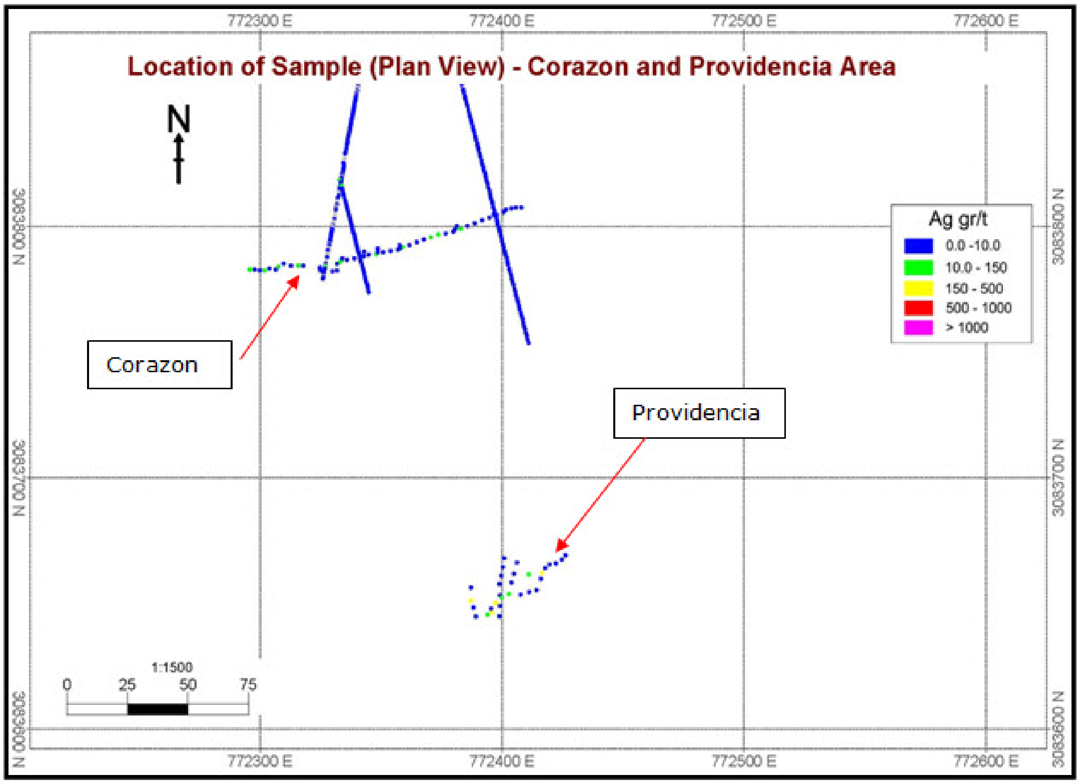

Figure 24: Plan view of all sample locations at El Corazon and Providencia

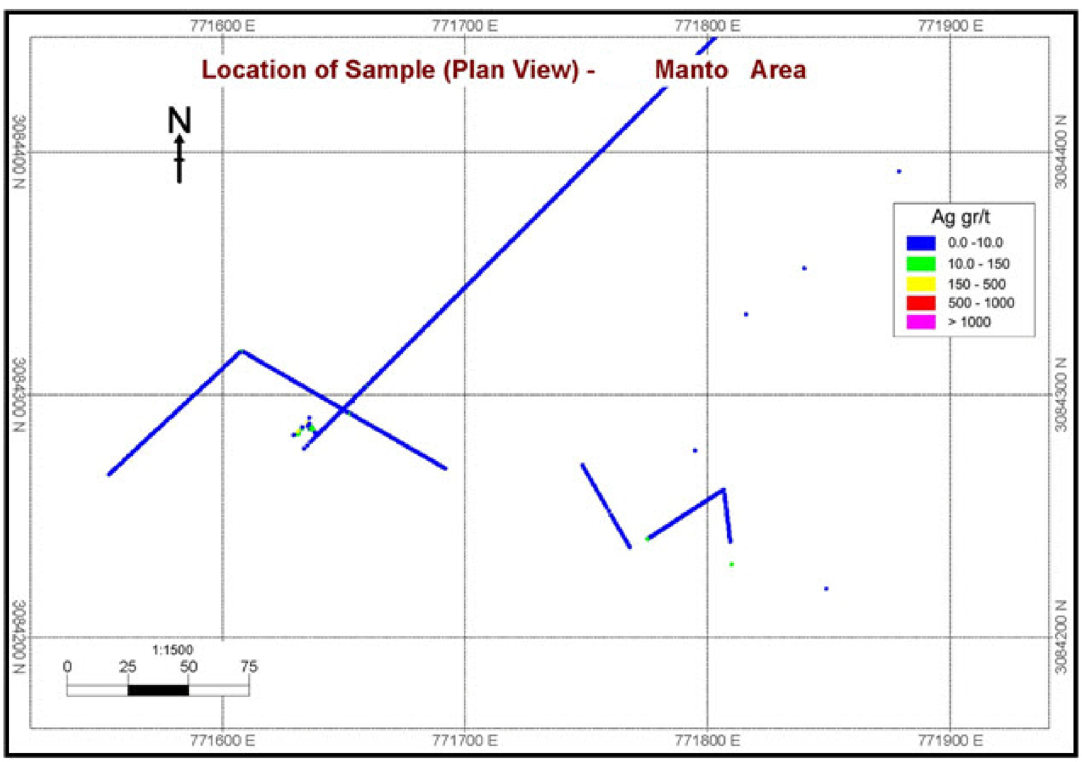

Figure 25: Plan view of all sample locations at El Manto

B. Descriptive Statistics

The following tables are a summary of basic statistical characterization of each element. Table 11 below is a summary of basic statistical calculations for gold and silver. These samples are not normalized.

Au ppm	
Mean	0.68
Standard error	0.11
Median	0.11
Mode	0.10
Standard Deviation	2.54
Variance of the Sample	6.44
Kurtosis	68.02
Asymmetry Coefficient	7.85
Range	25.40
Minimum	0.00
Maximum	25.40
Sum	396.29
Count	581.00
Confidence Limit (95.0%)	0.21

Ag ppm	
Mean	291.52
Standard error	19.77
Median	105.53
Mode	200.00
Standard Deviation	476.10
Variance of the Sample	226668.98
Kurtosis	21.02
Asymmetry Coefficient	3.75
Range	4739.91
Minimum	0.09
Maximum	4740.00
Sum	169083.29
Count	580.00
Confidence Limit (95.0%)	38.83

TABLE 11: Non- Normalized sample statistics

Table 12 below is a summary of grade times width statistical calculations for gold and silver. These samples are normalized.

Au * Width	
Mean	0.63
Standard error	0.10
Median	0.10
Mode	0.10
Standard Deviation	2.48
Variance of the Sample	6.15
Kurtosis	73.13
Asymmetry Coefficient	8.13
Range	25.40
Minimum	0.00
Maximum	25.40
Sum	368.39
Count	581.00
Confidence Limit (95.0%)	0.20

Ag * Width	
Mean	264.88
Standard error	18.01
Median	99.00
Mode	120.00
Standard Deviation	434.13
Variance of the Sample	188465.51
Kurtosis	18.62
Asymmetry Coefficient	3.61
Range	4028.91
Minimum	0.09
Maximum	4029.00
Sum	153895.72
Count	581.00
Confidence Limit (95.0%)	35.37

TABLE 12: Normalized sample statistics

C. Histograms and Grade Capping:

The elements to be analyzed using histograms are silver and gold. In the silver histogram (Figure 26) we can see there is a lognormal distribution, which is very common in these types of deposits. In this graph we can see that sample values above approximately 1800 grams silver become isolated outliers.

In the gold histogram (Figure 27) there is also a lognormal distribution. In this graph we can see that sample values above approximately 4.5 grams gold become isolated outliers.

The distribution of drill hole and underground assays within the mineralized zones was examined to check for outliers. These are extreme high grade values that can lead to serious overestimation of average grade if they are treated in the same manner as are lower-grade values during resource estimation. Commonly these outlier populations are geologically distinctive and have limited geologic continuity relative to lower-grade values. These outliers can be seen in the lognormal histograms for gold and silver.

A good tool used in determining grade capping is the **logarithmic distribution** of each element (silver, gold). This was done as follows:

The data was normalized by multiplying the grade times the width of the sample. As can be observed in Tables 11 and 12, the ***Mean*** and the ***Maximum*** values of the non normalized values are greater than those values that are normalized. In our case we will use the normalized values which refer to the metal content within a resource estimate, rather than grade.

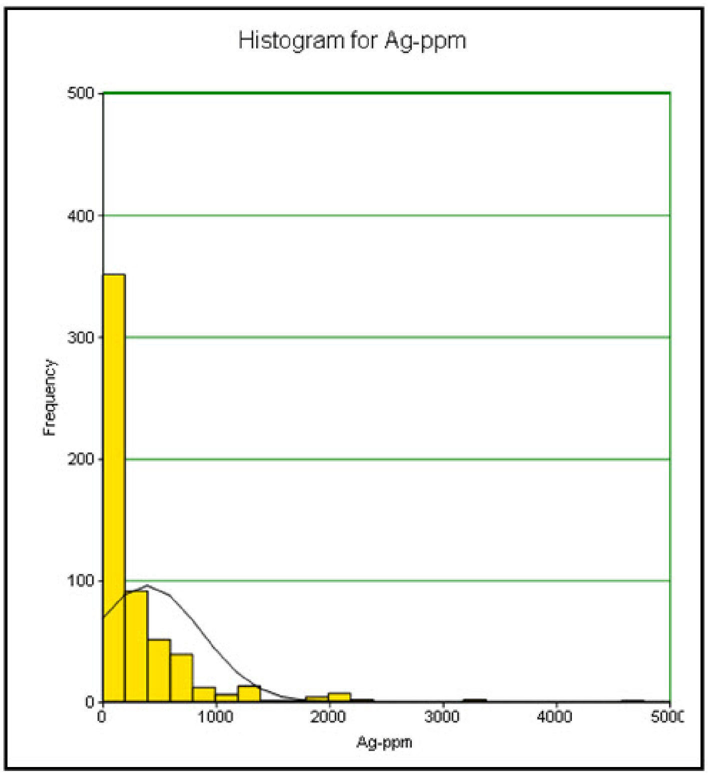

Figure 26: Lognormal silver histogram

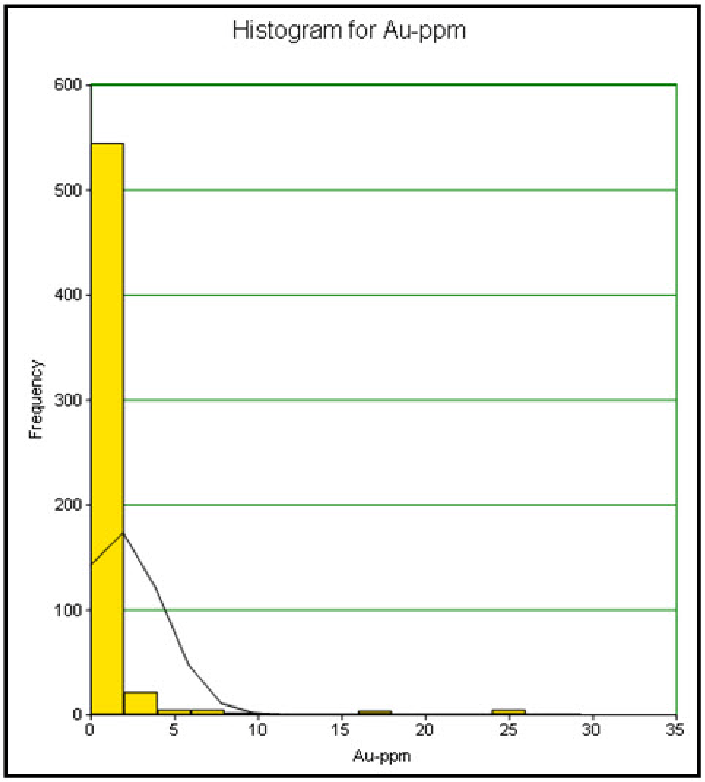

Figure 27: Lognormal gold histogram

In Figure 28 it can be seen that for a logarithmic value of 3.27, a silver grade of 1860.50 will correspond to it. As such, in our case we will use a capping for silver of **1860.50**.

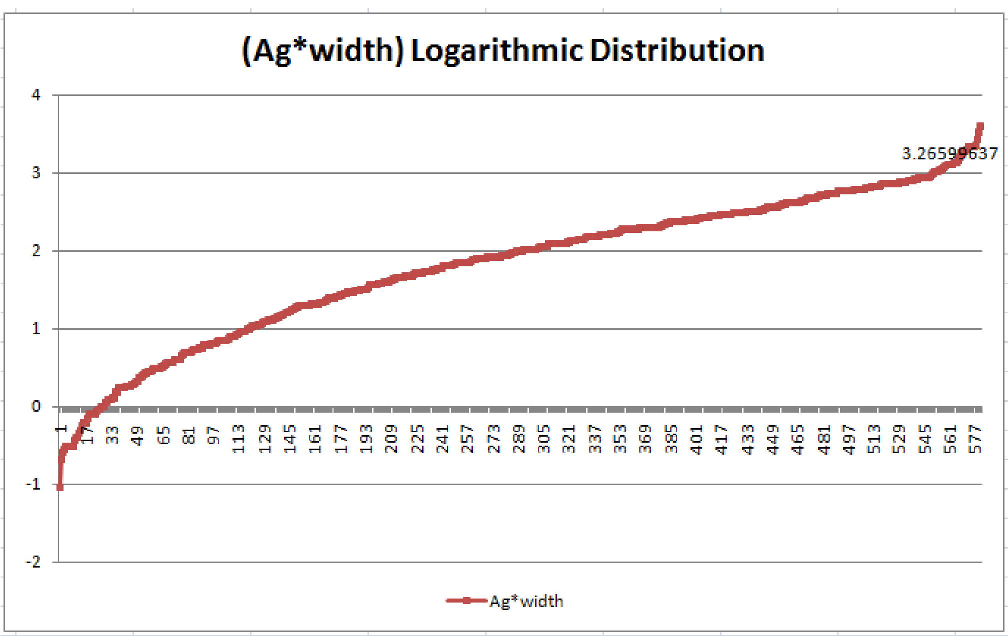

FIGURE 28: Logarithmic distribution of silver x width

In Figure 29 it can be seen that for a logarithmic value of 0.67, a gold grade of 4.70 will correspond to it. As such, in our case we will use a capping for gold of **4.70.**

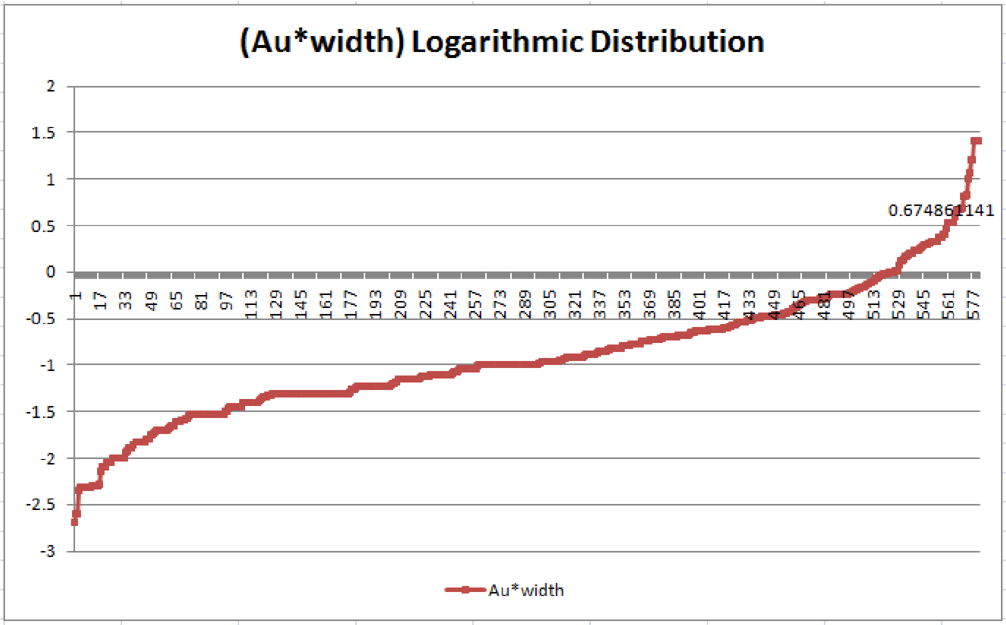

FIGURE 29: Logarithmic distribution of gold x width

D. Specific Gravity:

Density values for the present inferred resource estimate for the Las Bolas – Los Hilos Property are from specific gravity measurement data obtained from selected mineralized core sample intervals. All were submitted to ALS Chemex Labs in Vancouver for specific gravity determination.

In converting volumes into tonnages an average specific gravity of 2.7 was used in this preliminary inferred resource.

E. Element Correlation:

This type of analysis consists in visualizing the values of one element as a function of another. In order to achieve this, both elements must have been measured in the same location. This analysis helps to see if there are correlations among elements and to detect atypical data (points that are farther from the main cluster).

From the scatter plot below we can observe an irregular correlation between gold and silver. This means that where there are high silver grades, there will not necessarily be high gold grades.

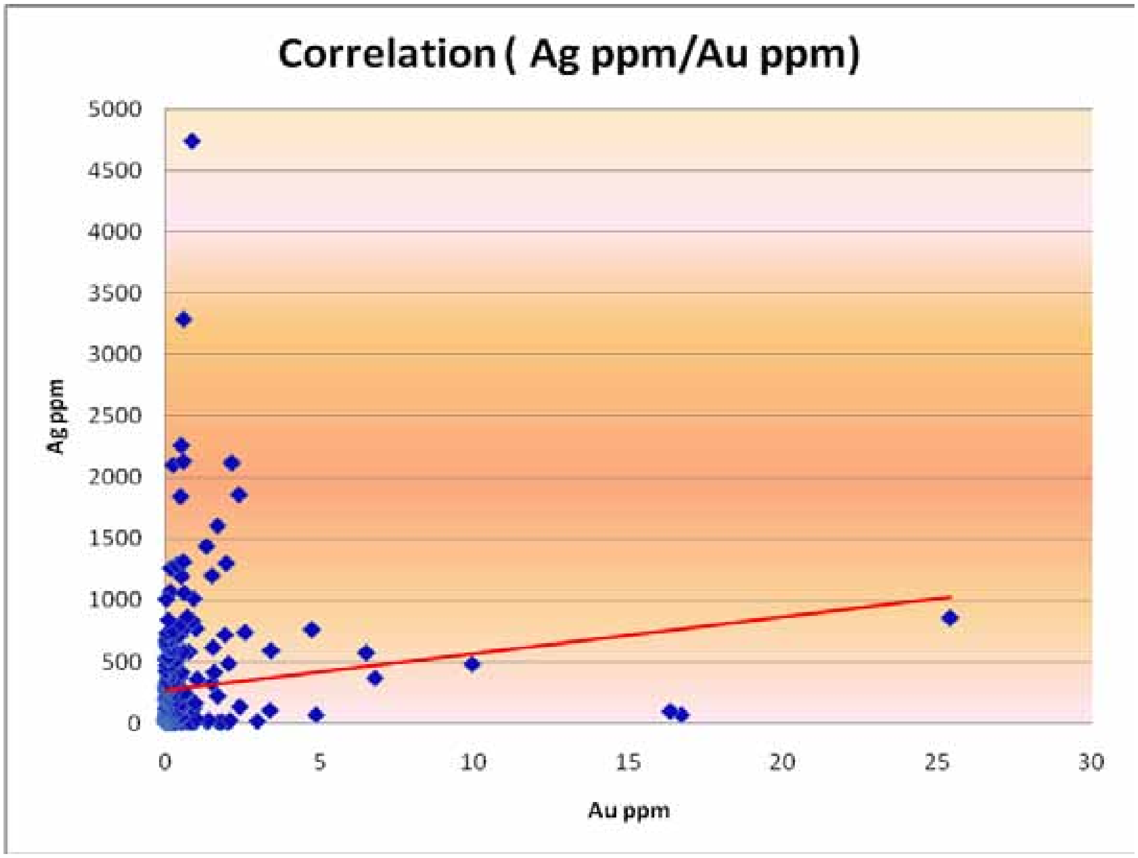

Figure 30: Gold / silver correlation plot

16.2 GEOSTATISTICAL ANALYSIS

Before beginning with the process of estimation, a geostatistical analysis of the samples used will be prepared. This geostatistical analysis will include the construction of a variogram that will result in a model. Unlike classical statistics, geostatistics rejects the idea that individual members of a population are positionally unrelated or random. Quite the opposite is true for mineral deposits, where individual members of a population are positionally dependent. It is this dependence that allows us to develop a mathematical model of a mineral deposit.

For the geostatistical analysis Discover Geological Consultants Inc. used DATAMINE software. Samples were made into one meter composites along the length of each drill hole. This was done in order that the sample data was composited to equal volumes, prior to preparing a variogram.

A. VARIOGRAM ANALYSIS

In this report variography was limited to the construction of linear variograms in the direction of the structures (veins). For this analysis only the underground samples were considered.

In the estimate, a variogram for silver was analyzed in order to find the maximum reach of the search ellipsoid at the time of interpolating grades. The reach of the variogram was a reference point in order to determine the maximum reach of the search ellipsoid.

The Las Bolas Vein was used as reference since it has the largest database. The linear variogram had an azimuth of 80 degrees in the direction of the strike of the vein.

Parameters considered in the construction of the experimental variogram included:

Element	Nugget	Spherical Model	
	Co	A1	C1
Ag	38028.64	44.83	104578.76

The following mathematical models (formulas) were used for each element:

Spherical formula with Nugget: $\gamma(h) = Co + C1\left[\frac{3}{2} x \frac{h}{a1} - \frac{1}{2} x \frac{h^3}{a1^3}\right]$ **$\forall$ h [0 y a1]**

$\gamma(h) = Co + C1$ **$\forall$ h>a1**

Exponential Formula: $\gamma(h) = C2(1 - e^{-\frac{h}{a2}})$

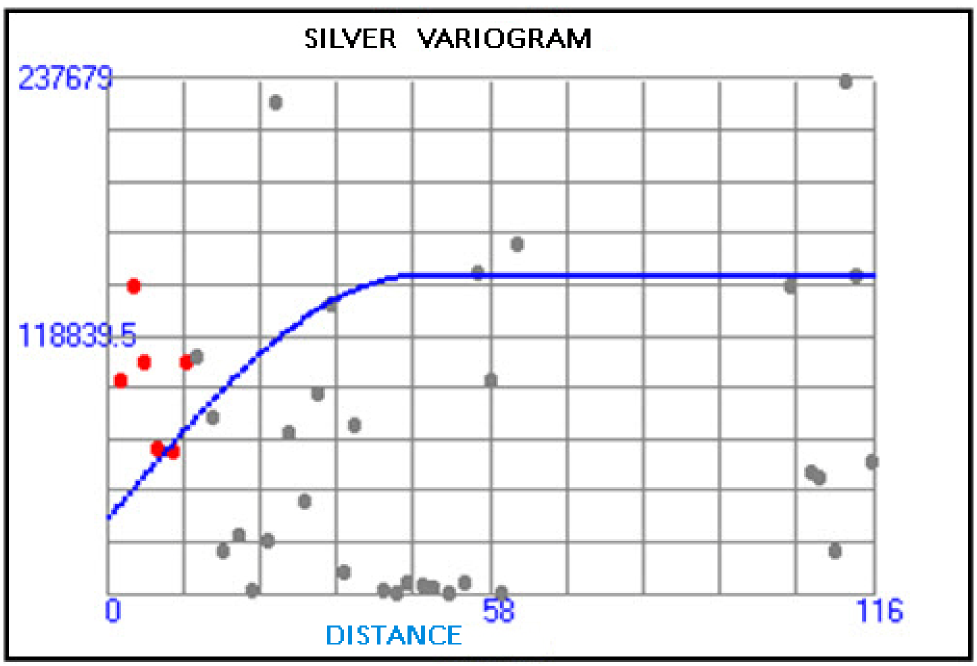

Figure 31: Silver Variogram

The ranges determined in the above variogram are a basis to support the resource classification. A range is the maximum distance that allows a mathematical formula to correlate the values of samples and the value of an estimated block. It can be thought of as a “zone of influence”. Beyond this distance, the mathematical relationship becomes random.

B. SOLID DEFINITION

For modeling the solid, geological cross sections were used. Geological interpretation indicates that metal grades are not lithologically controlled and have soft contacts. For the estimation it is not therefore necessary to prepare a lithological or alteration model as a barrier to the extent of the mineralization.

Before any modelling was done, the interpretation of the various veins was completed. This interpretation was done as a function of geological mapping and sampling of the underground workings.

Following are plan view maps of the different veins with their respective orientations:

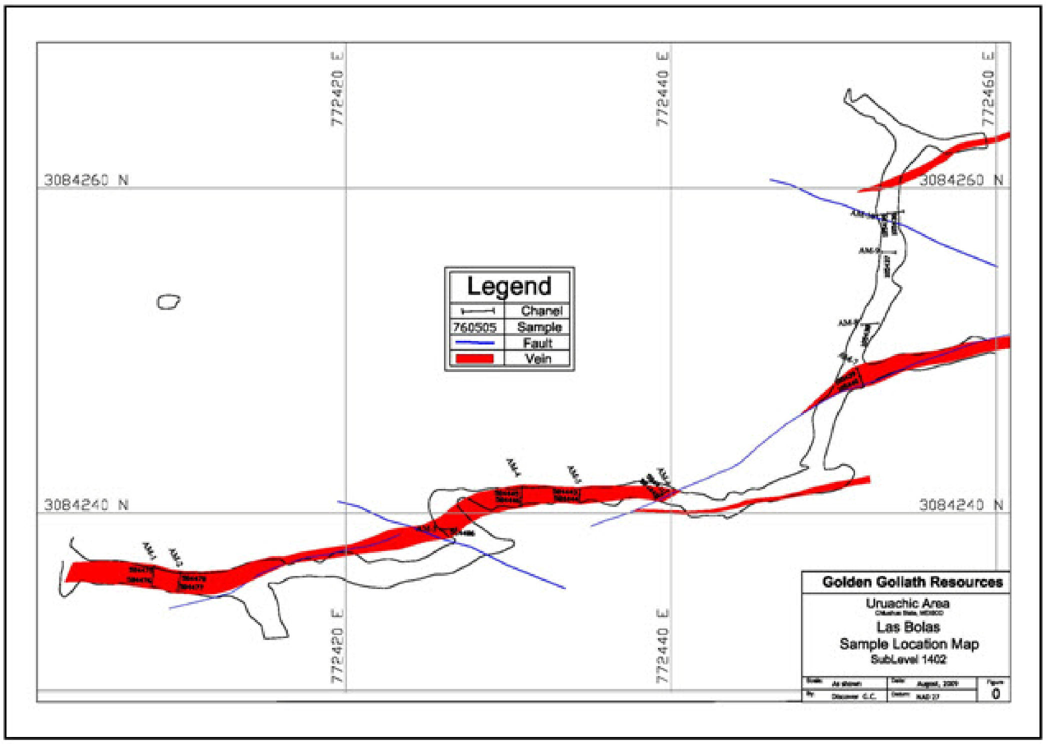

Figure 32: Las Bolas Vein - sublevel 1402. Vein trend 080 degrees and dip 85 degrees NW

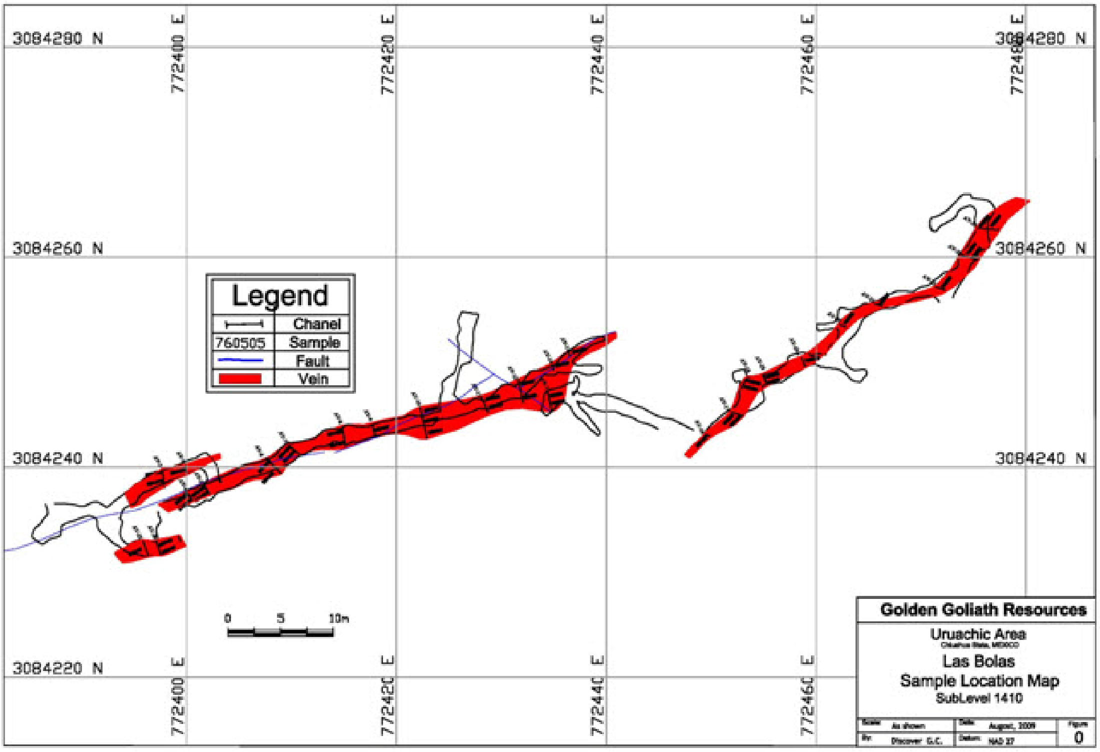

Figure 33: Las Bolas Vein sublevel 1410. Vein trend 080 degrees and dip 85 degrees NW

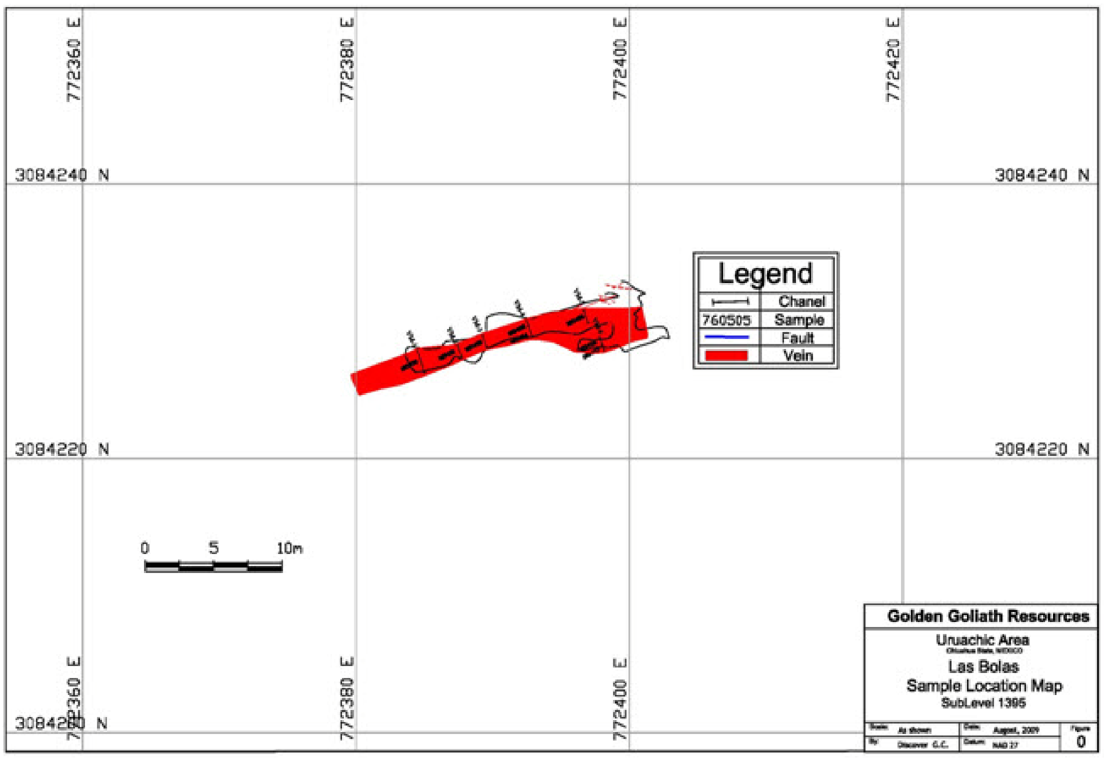

Figure 34: Las Bolas Vein sub-level 1395. Vein trend 080 degrees and dip 85 degrees NW

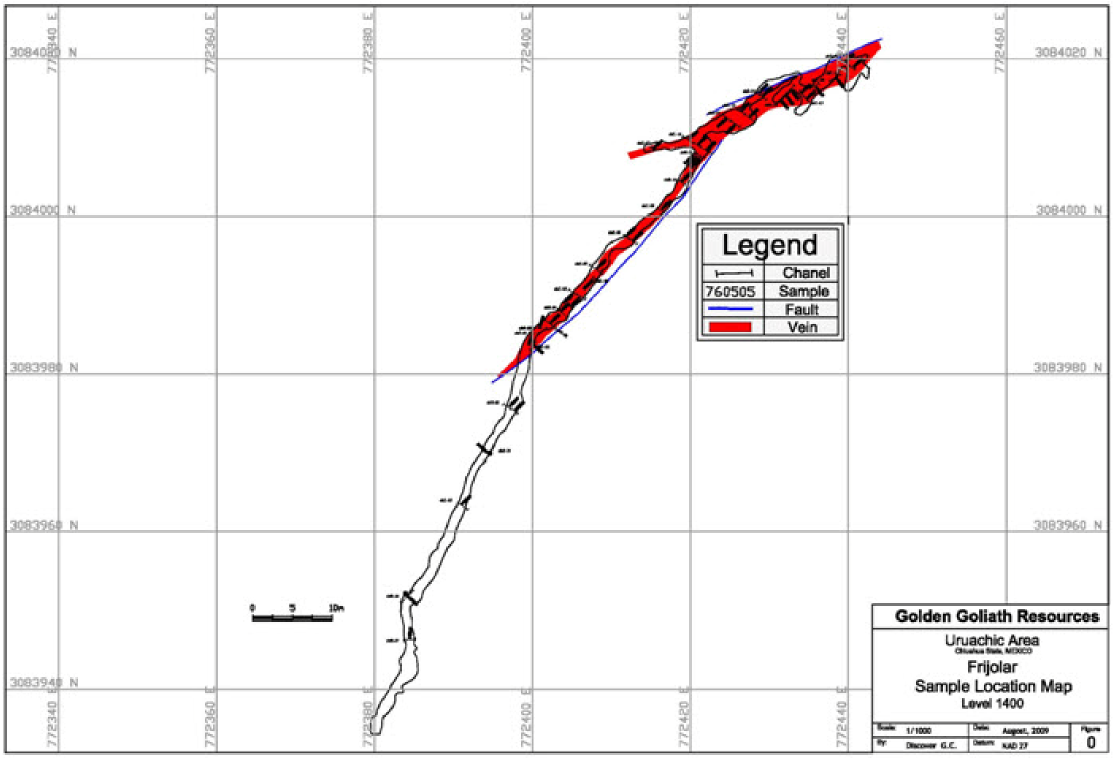

Figure 35: Frijolar drift- level 1400. Vein trend 045 degrees and dip 85 degrees NW

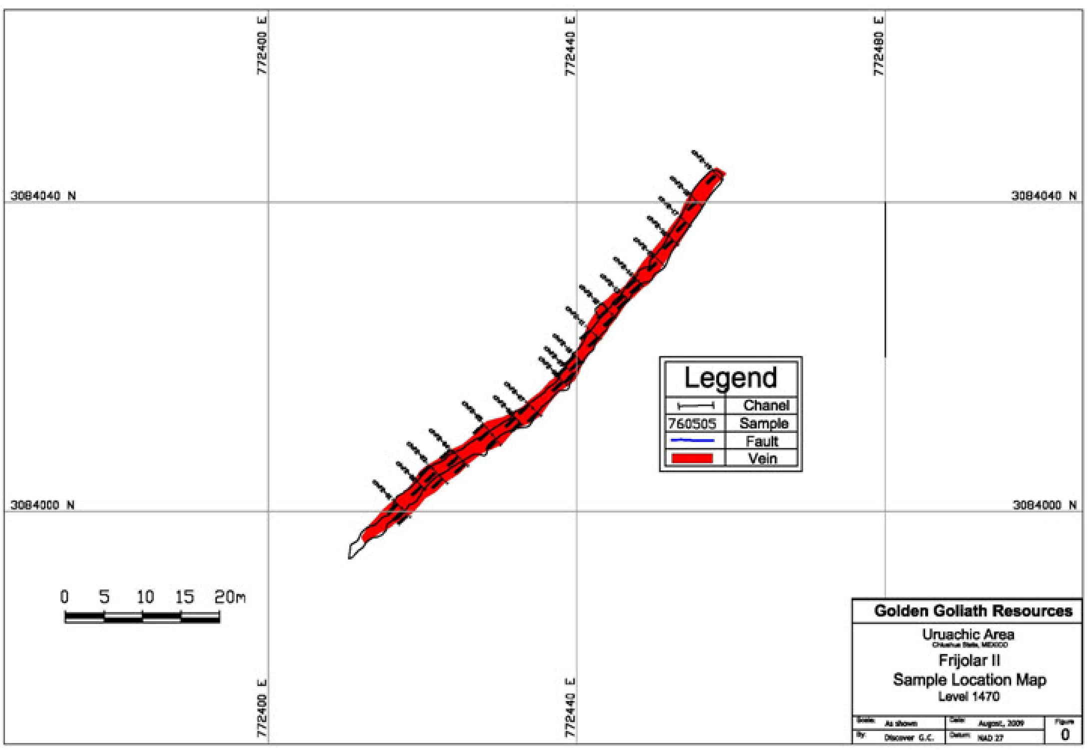

Figure 36: Frijolar II drift- level 1470. Vein trend 045 degrees and dip 85 degrees NW

C. BLOCK MODEL

The criteria used for determining the size of the blocks took into account the type of underground mining that may be used and the minimum width of the vein.

For the Las Bolas-Los Hilos Project, it is very probable that conventional mining methods could be used such as: Shrinkage, Cut and Fill, Sublevel Stoping, etc.

The dimensions of the blocks used are 2m for the x axis, 1m for the y axis and 2m in the z axis, with sub blocks of 1m x 0.5m x 1m respectively. The reasoning for using a 1m in the y axis is because the veins in that direction represent width and the minimum width is 0.5 meters.

Table 13 shows the block model parameters used for each vein. Figures 37 and 38 are 3-D views of the veins.

Las Bolas Block				Frijolar Block			
Size	2	1	2	Size	2	1	2
Origen	x	y	z	Origen	x	y	z
Maximum	772490	3084270	1470	Maximum	772560	3084110	1520
Minimum	772290	3084190	1350	Minimum	772350	3083960	1380
Range	200	80	120	Range	210	150	140
No. Of Cells	100	80	60	No. Of Cells	105	150	70

El Manto Block				Providencia Block			
Size	2	2	2	Size	2	2	2
Origen	x	y	z	Origen	x	y	z
Maximum	771650	3084300	1120	Maximum	772430	3083680	1360
Minimum	771620	3084280	1060	Minimum	772380	3083640	1300
Range	30	20	60	Range	50	40	60
No. Of Cells	15	10	30	No. Of Cells	25	20	30

TABLE 13: Block model parameters used for each vein

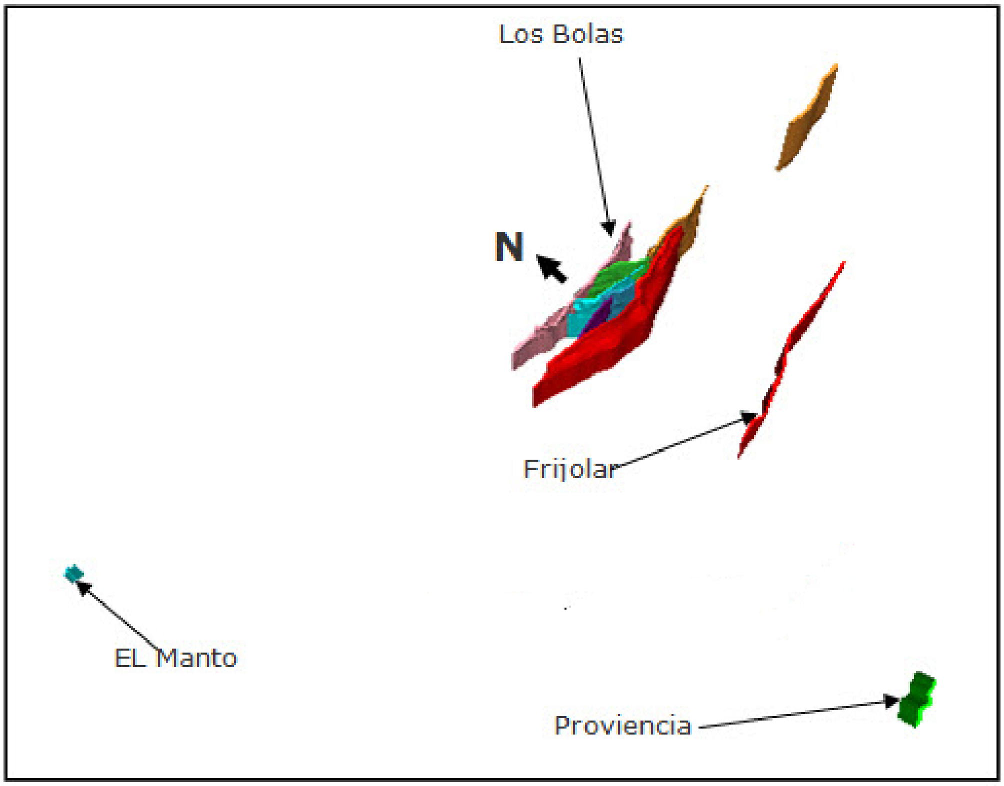

Figure 37: 3-D view of all veins included in resource

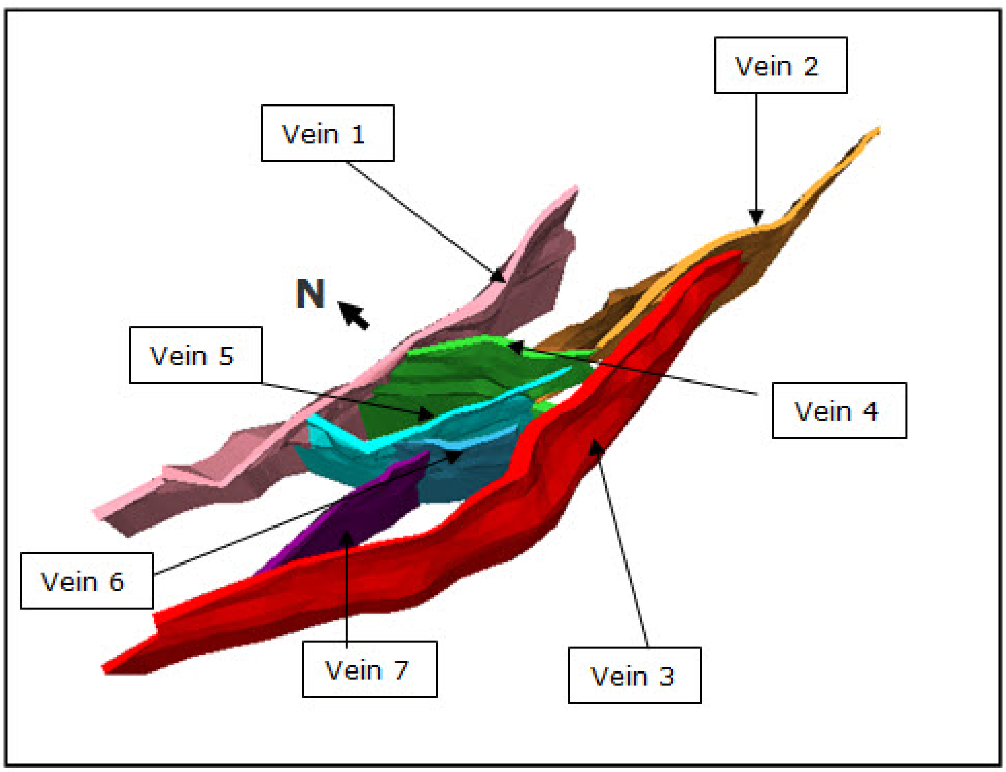

Figure 38: 3-D view of the Las Bolas vein system

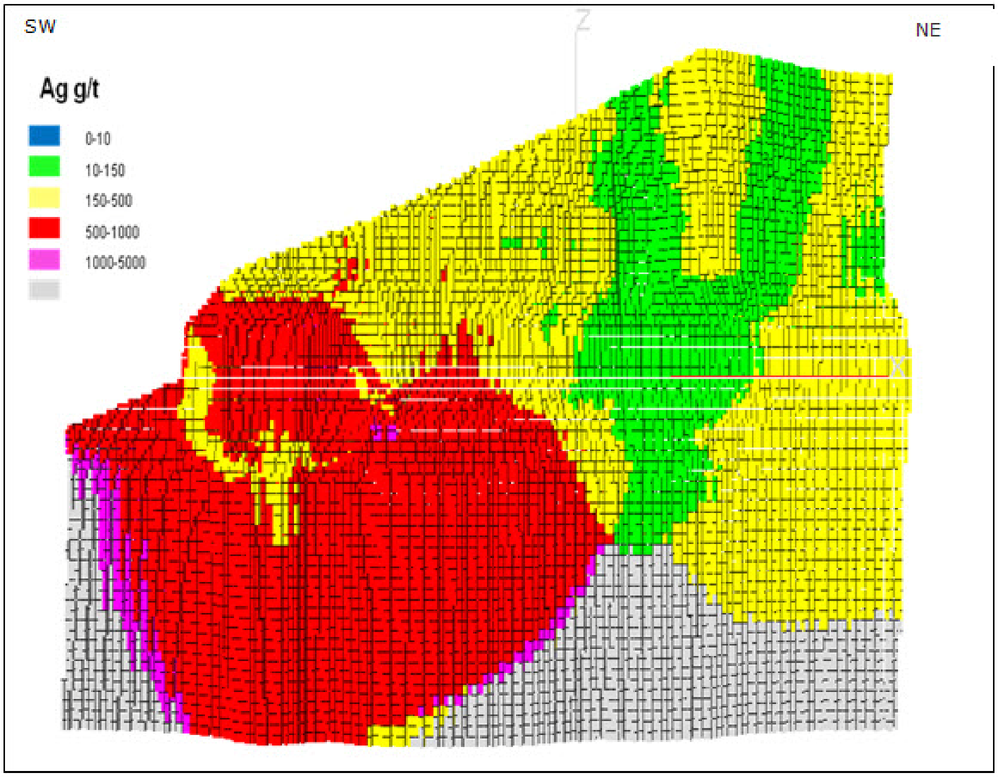

Figure 39: 3-D block model of Vein 1 – Las Bolas system

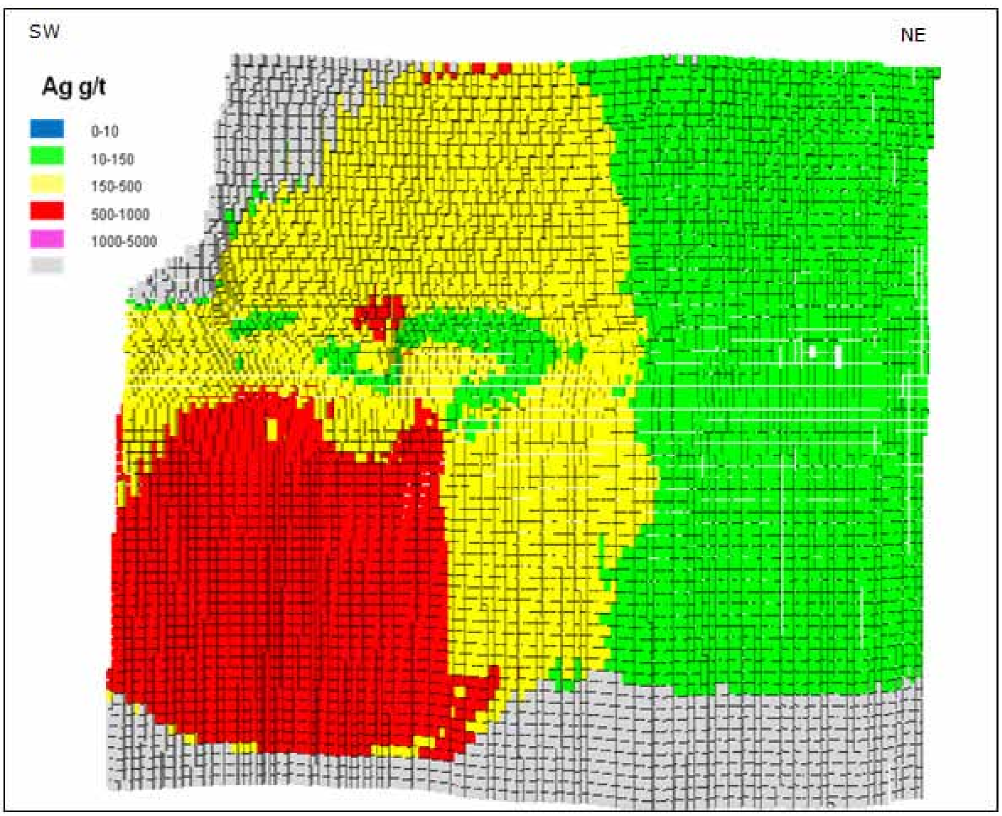

Figure 40: 3-D block model of Vein 2 – Las Bolas system

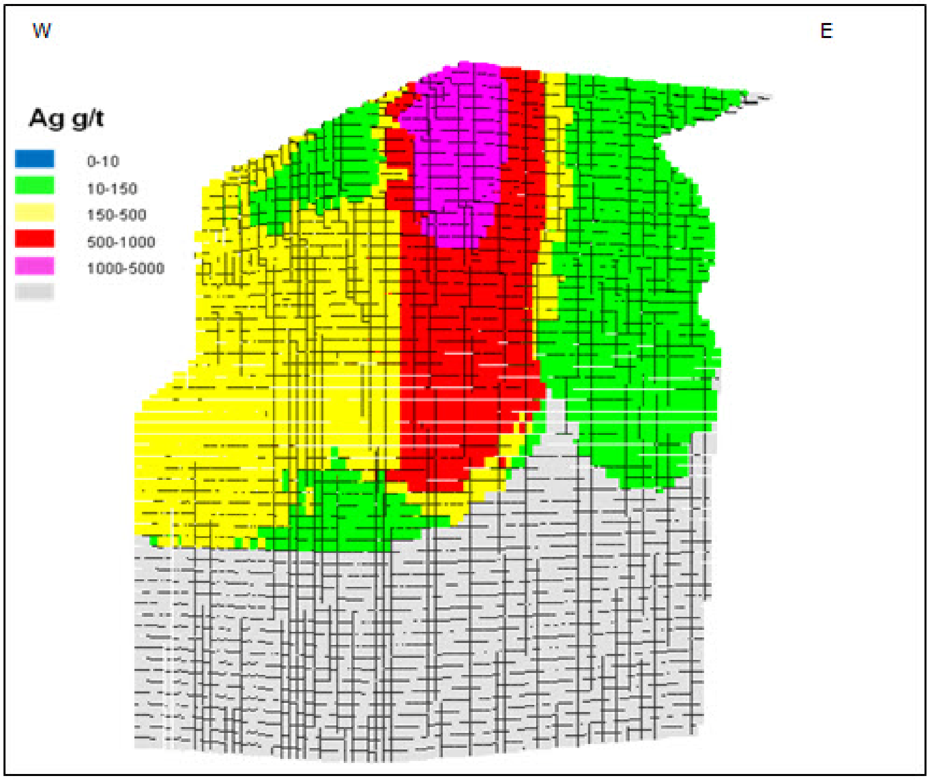

Figure 41: 3-D block model of Vein 4 – Las Bolas System

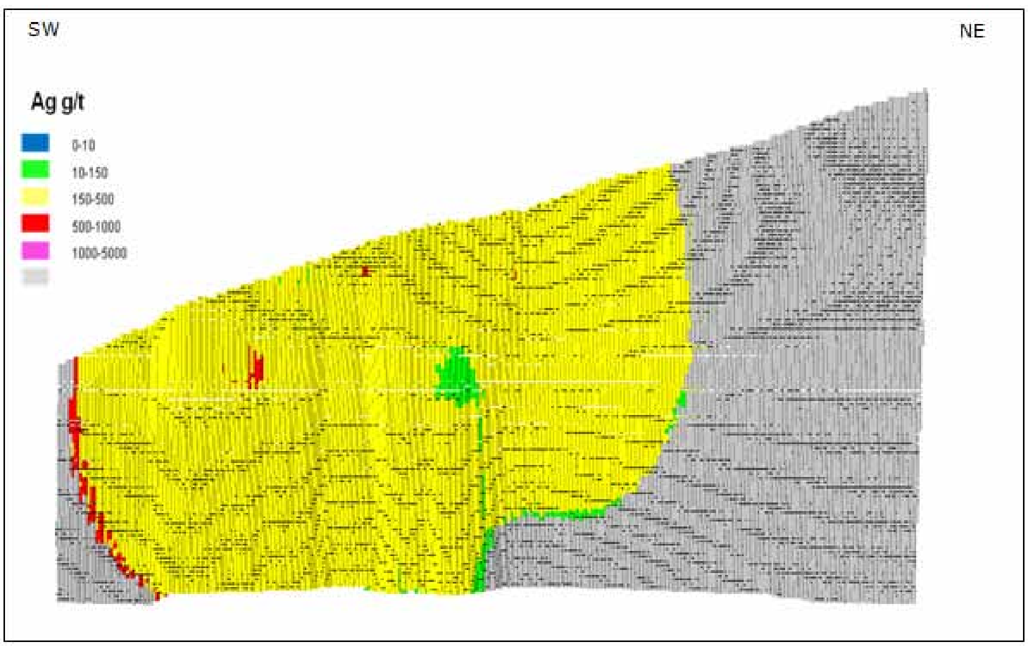

Figure 42: 3-D block model of Frijolar Vein

D. ESTIMATION METHOD

For the resource estimation, the inverse distance squared method was used with the search parameters obtained. Data from the silver variogram allowed the following parameters to be determined:

Search Volume: It defines the dimensions of the axes, within which, samples will have certain influence, and outside of these limits existing samples will not be considered. The ellipsoid search volume axes were determined as a function of the reach of the linear variograms. For example, at the Frijolar vein the reach of the linear variogram is approximately 20 meters, and in the Las Bolas vein approximately 50 meters

In this case we have determined the maximum limit of the ellipsoid to be 3 times the reach obtained for the Frijolar Vein which gives 60 meters.

The orientation of the search ellipsoid is the same for each vein. The ellipsoid is similar to a flattened sphere where the 60 meters are in relation to vein azimuth, dip and 4 meters are in reference to the thickness of a vein structure.

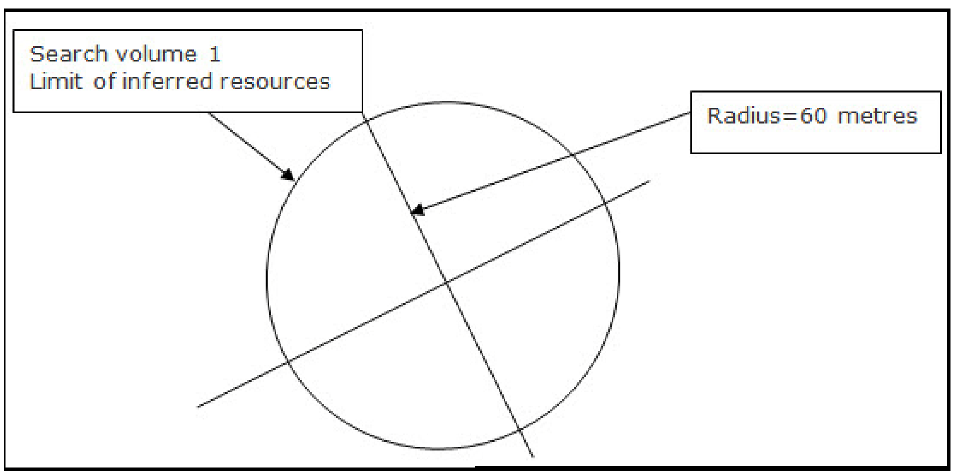

Figure 43: Ellipsoid search volume

Calculation Parameters: The minimum number of samples used for the resource estimation was 2 samples and the maximum 20 samples for the above volume (For Au and Ag). At Las Bolas Project the calculation parameters included:

Minimum No. of Samples	Maximum No. of Samples	No. of drill holes	Method used
2	20	2	Inverse Distance Squared

Having defined the search volume, the estimation parameters and the block size; the block estimation was defined using the inverse distance squared procedure.

In this procedure the value at any point is estimated by a weighted linear combination of the nearby sample value. The weight assigned to each nearby sample is inversely proportional to the square of its distance from the point being estimated. This same criteria was applied to all veins.

RESOURCE SUMMARY USING DATAMINE SOFTWARE

The inferred resources using silver cut-off grades are presented below in **Table 14** at increments of one ounce silver. These are provided mainly for illustration purposes, as no economic parameters have been included, except for metal equivalents which are based on US$900 gold and US$14 silver. In calculating silver equivalencies 100% metal recoveries have been assumed. No base metal credits were used for calculating silver-Equivalencies. The author believes that **a reasonable prospect for economic extraction** can be assumed to be in the 124.4 g/t silver cut off range which also contains gold credits.

The Inferred Resources estimated at the Las Bolas – Los Hilos Property at 124.44 g/t silver cut off, consists of a total tonnage of 478,000 tonnes with 434 g/t silver and 0.98 g/t gold. This Inferred Resource would contain an estimated 6.7 million ounces of silver and 15,000 ounces of gold. The silver equivalent ounces would be approximately 7.6 million.

SENSITIVITY TABLE FOR DIFFERENT SILVER CUT OFF VALUES						
CUT OFF	INFERRED RESOURCES			METAL CONTENT		
Ag g/t	Tonnes	Ag g/t	Au g/t	Ounce Ag	Ounce Au	Ounces Ag Equiv.
31.10	611537	356.44	0.88	7008076	17322	**8121615**
62.20	572712	377.26	0.92	6946625	16995	**8039183**
93.30	512891	412.15	0.97	6796300	15946	**7821380**
124.40	478409	434.07	0.98	6676460	15012	**7641523**
155.50	432709	464.96	1.05	6468465	14649	**7410206**
186.60	397470	490.97	1.13	6274049	14376	**7198244**
217.70	361905	519.50	1.22	6044695	14160	**6955009**
248.80	332611	544.80	1.31	5825946	13955	**6723072**
279.90	284916	590.58	1.50	5409877	13731	**6292603**

Table 14: Total inferred resources by silver cut-off

The inferred resources shown in **Table 14** (124.44 g/t silver cut off) are within a larger inferred resource which is below the established reasonable prospect for economic extraction and are provided here as a reference only. These resources are shown for each vein in **Table 15**. It consists of 612,000 tonnes with 356 g/t silver and 0.88 g/t gold, and contains an estimated 8.0 million ounces of silver and 17,000 ounces of gold. The silver equivalent ounces would be approximately 8 million.

INFERRED RESOURCES (LAS BOLAS - LOS HILOS PROPERTY) - Sept. 21, 2009						
VEIN NAME	Tonnes	Ag g/t	Au g/t	Silver oz.	Gold oz.	Silver oz. Equiv.
Frijolar	86356	278.72	0.10	773832	287	792267
Manto 1	419	37.84	0.04	510	0.5	541
Manto2	1323	82.05	0.12	3489	5	3804
Providencia	13092	63.77	0.29	26842	123	34771
Vein 1	173742	471.26	1.05	2632429	5881	3010490
Vein 2	104124	319.60	2.85	1069912	9551	1683876
Vein 3	113464	208.05	0.16	758951	576	795950
Vein 4	39891	374.07	0.26	479748	334	501246
Vein 5	39672	391.19	0.13	498958	163	509436
Vein 6	19208	853.16	0.49	526875	301	546227
Vein 7	20247	363.38	0.18	236545	120	244271
TOTAL =	611537	356.44	0.88	7008076	17322	8121615

Table 15: Total Inferred Resources per vein

17.0 OTHER RELEVANT DATA AND INFORMATION

As per NI-43-101, part 2.3 (2a and 2b) the author will comment on the **potential target** of the mineralization at the Las Bolas – Los Hilos Property.

In estimating a potential target the following parameters have been considered:

a. Thus far a total of 10 veins have been identified (Figure 44) from drilling, underground workings, surface geological mapping, trenching and prospecting.

b. The vein length and continuity along strike has been estimated from drill data, geological mapping, underground development and prospecting.

c. The approximate depth of the veins has been established based on mineralization occurrences at different elevations. From the top of the Los Hilos Vein to the bottom of where El Manto Vein is located, there are approximately 600 vertical meters. For our estimate we have considered 400 vertical meters vertical for the upper range and 300 meters for the lower range.

d. Average vein widths are based on the widths of the lower inferred resource blocks for the Las Bolas, El Manto, Frijolar, Providencia and Corazon Veins. The width of the other five veins is based on underground workings and surface geological mapping.

e. The average s.g. values are based on those determined for the inferred resource estimate (s.g = 2.70).

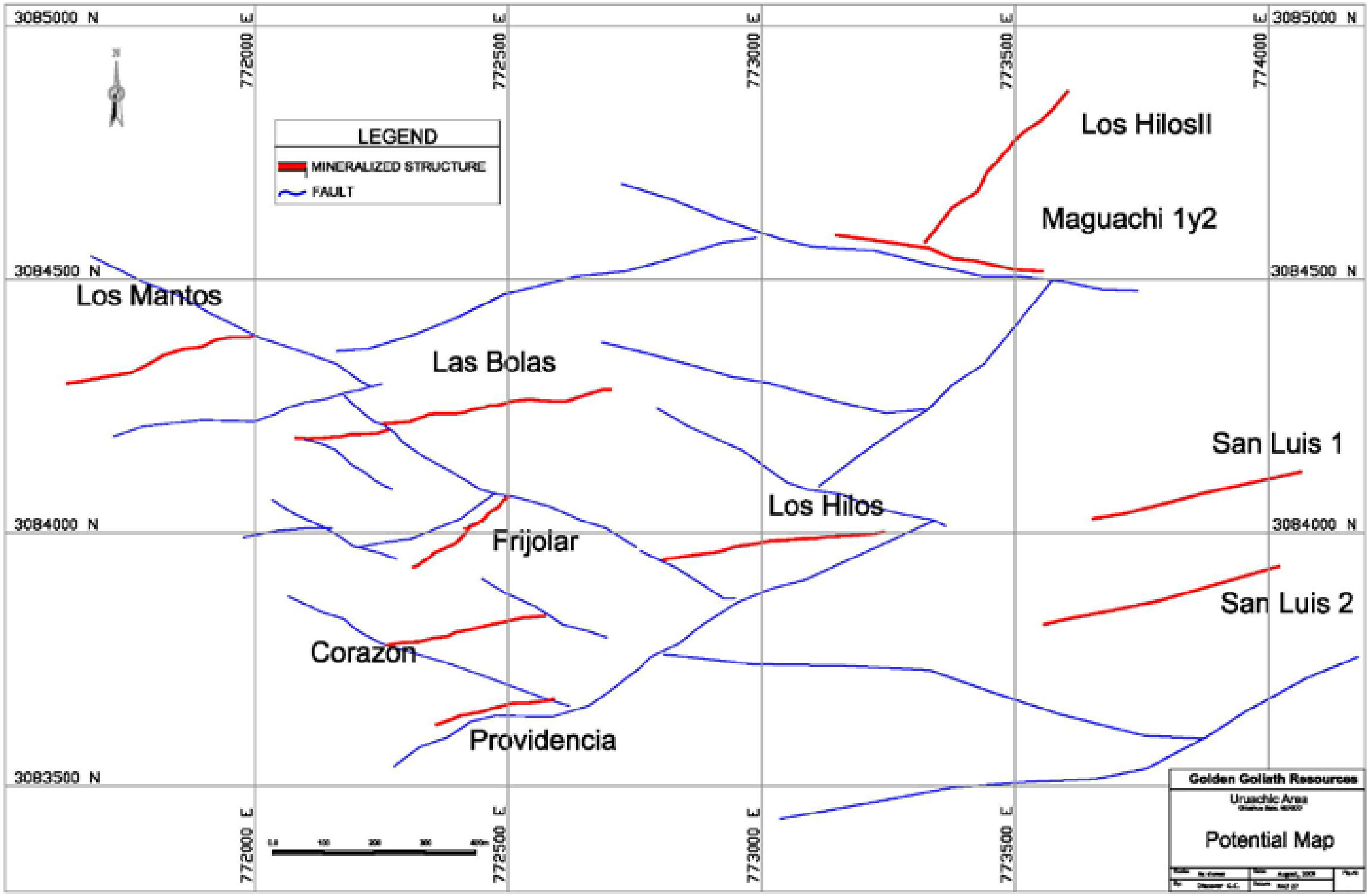

Figure 44: Potential target map showing 10 veins

f. Average grades in the **upper range** have been capped at 300 g/t silver for the Las Bolas, El Frijolar, El Corazon and the El Manto Veins. An average grade of 90 g/t silver has been considered for the Los Hilos Vein, 20 g/t silver for the Los Hilos II Vein, 151 g/t for the Providencia Vein and 28 g/t silver for the Maguchi 1 and 2 veins. All these grades are based on actual sampling results from surface and/or underground data. The weighted average for the upper range has then been estimated at **213 g/t silver**. As for the **lower range**, grades were considered to be 25% lower than those grades in the upper range. A weighted average of **151 g/t silver** was estimated for the lower range grades.

The potential target has considered the 10 veins shown in Figure 44 above, but it is important to mention that in close proximity there are several other mineralized structures (veins) that have yet to be tested by drilling.

LAS BOLAS - LOS HILOS POTENTIAL TARGET					
Upper Range:					
VEIN NAME	Length (m)	Width (m)	Depth (m)	S.G.	Tonnes
Las Bolas Vein	1,200	2.0	400	2.7	2592000
El Frijolar Vein	800	2.0	400	2.7	1728000
El Corazon Vein	1,200	2.0	400	2.7	2592000
Los Hilos Vein	600	5.0	400	2.7	3240000
Los Hilos II Vein	600	1.5	400	2.7	972000
Providencia Vein	800	2.0	400	2.7	1728000
El Manto Vein	500	2.0	400	2.7	1080000
Maguchi 1 and 2	500	1.5	400	2.7	810000
San Luis 1 Vein	500	1.5	400	2.7	810000
San Luis 2 Vein	500	1.5	400	2.7	810000
			TOTAL =		16362000

Table 16: Upper Range Potential Target (tonnage)

LAS BOLAS - LOS HILOS POTENTIAL TARGET					
Lower Range:					
VEIN NAME	Length (m)	Width (m)	Depth (m)	S.G.	Tonnes
Las Bolas Vein	600	2.0	300	2.7	972000
El Frijolar Vein	400	2.0	300	2.7	648000
El Corazon Vein	600	2.0	300	2.7	972000
Los Hilos Vein	300	5.0	300	2.7	1215000
Los Hilos II Vein	300	1.5	300	2.7	364500
Providencia Vein	400	2.0	300	2.7	648000
El Manto Vein	250	2.0	300	2.7	405000
Maguchi 1 and 2	250	1.5	300	2.7	303750
San Luis 1 Vein	250	1.5	300	2.7	303750
San Luis 2 Vein	250	1.5	300	2.7	303750
			TOTAL =		6135750

Table 17: Lower Range Potential Target (tonnage)

It could then be stated that a potential target for the veins may be in the range of 16 to 6 million tonnes. Grades would range from 213 g/t silver in the upper range to 151 g/t silver in the lower range. As an example the potential target could then be approximately 112 million ounces of silver in the upper range and 30 million ounces in the lower range.

<u>Cautionary statement</u>: Investors are cautioned that the potential quantity and grade indicated above is conceptual in nature. It has been provided only for illustration purposes. At this time, there has been insufficient exploration to define a mineral resource below the current inferred resources, and it is uncertain if further exploration will result in the discovery of these mineral resources.

18.0 INTERPRETATION AND CONCLUSIONS

Gold and silver mineralization at the Las Bolas- Los Hilos Property is present as an early stage mesothermal silver-lead-zinc system, which is structurally controlled and has been overprinted by a later low sulfidation gold-silver epithermal system. The mineralization is confined mainly along fault zones as veins, silica stockworks and breccias.

Relatively deep mineralization tends to be preferentially in high-grade veins. At higher elevations these feeder veins grade into wider stockworks, veinlet and disseminations toward the less competent, more permeable, overlying latite flows and tuffs of the Lower Volcanic Series. Near surface mineralization shows a strong element of structural control, but mineralization widens out owing to development of breccia and fractures adjacent to the main mineralized conduits. Steam-heated clay-illite-hematite alteration with no significant gold or silver values also is present at the surface and is a characteristic feature of epithermal mineralization.

The high gold-silver-lead-zinc massive banded sulphide mineralization observed in the **El Manto** zone appears to be related to deep seated hydrothermal solutions (mesothermal). Diamond drill hole BDD-08-03 shows this style and type of mineralization to be emplaced at or near the contact of the Precambrian basement rocks (gneiss) with the bottom of the lower volcanics of Cretaceous age. The sulphide mineralization is concordant (manto type**)** to the overlying volcanics. Cadmium content is high and may be related to the sphalerite. Other anomalous to high content include bismuth, tungsten, antimony and arsenic. Hydrothermal graphite was observed in some fractures with slicken sides. This variety of graphite is formed from the direct deposition of solid, graphitic carbon from subterranean, high temperature fluids.

Silver mineralization along adits and sub-levels has been observed to be mainly composed of in-situ oxides with areas of secondary enrichment. The writer believes areas with considerable secondary silver enrichment still lie below the Las Bolas Adit just above or near the current water table.

Deposits with similar features discussed above are present through the Sierra Madre Occidental. The Las Bolas-Los Hilos Property is located within this precious metal belt. Examples include, the **Pinos Altos** Au-Ag deposit which is located approximately 45 kilometres northwest of Uruachic and the **Ocampo** Au-Ag deposit which lies approximately 29 kilometres north of Uruachic.

To date there are no reserves at the Las Bolas-Los Hilos Property. This report focuses on recently estimated preliminary inferred resources. The data used for this resource estimation included selected diamond drill holes from the 2008 drill program. The drill holes selected had recoveries along mineralized zones of at least 80%. Most of the RC holes did not fall into this category, and as such, could not be used in the estimate.

In the author’s opinion the duplicate-sample analyses show acceptable reproducibility for both metals. Check analyses at a secondary laboratory agree well with the original assays. Further check analyses from the underground assays and the diamond drilling program are required in order to improve the quality for this part of the assay database.

The assay database is of acceptable quality for estimating inferred resources at this time, although additional checking and verification is needed.

With the new understanding of the mineralization a block model was designed for each axis. The volume search parameters were estimated as a function of the reach of the modeled variogram. Also, as a function of the search volume, and the number of samples used, a minimum and maximum number of samples were determined for the search volume with a minimum of 2 and a maximum of 20 samples. A specific gravity (s.g.) of 2.7 was used for the mineralization based on 6 core samples submitted to ALS Chemex for s.g. determination.

Having completed the above steps, an interpolation of the block model was done using geostatistical analyses with DATAMINE software.

The total Inferred Resources estimated at the Las Bolas – Los Hilos Property at 124.44 g/t silver cut off, consists of a total tonnage of 478,000 tonnes with 434 g/t silver and 0.98 g/t gold. This Inferred Resource would contain an estimated 6.7 million ounces of silver and 15,000 ounces of gold. The silver equivalent ounces would be approximately 7.6 million.

19.0 RECOMMENDATIONS

In the author's professional opinion, the property discussed in this report is of merit, and thus it is strongly recommended that a detailed exploration program, as outlined in this report, be undertaken.

After review of all geological work done at the Las Bolas-Los Hilos Property the author recommends the following:

a. In order to improve the quality of geological data, all diamond drill holes from the 2008 exploration program should be re-logged.

b. In all future exploration work a QA/QC program needs to be implemented. In particular, commercial standards with different silver and gold values should be included and blank rock can be obtained commercially from a landscape store.

c. If possible all 2008 drill hole collars should be surveyed using total station.

d. All underground workings should be surveyed by a professional surveyor. This in order to improve the quality of data, if the current inferred resources were to be upgraded.

e. Because of the very fractured nature of the bedrock, it is recommended that all future drilling be done with diamond drill equipment (preferably starting with PQ or HQ), as RC drilling has proved to be unsuccessful. It must be noted that any drilled interval needs to have at least 80% recovery to be considered representative; otherwise the data cannot be included into future resources.

f. All future drill holes require collar and down-hole surveys.

g. There is room for improvement of the drill logs. Core logging should be done by experienced geologists.

h. During diamond drilling geological supervision is a must to improve the reliability and quality of data.

i. Also if the current inferred resources were to be upgraded, it is recommended that systematic underground chip channel sampling be done under the direction of a QP.

j. Future drill programs should consider taking an s.g. measurement for every core sample taken.

k. One of the most important recommendations is that all future database be well organized, and put into an adequate format for future resource estimates. This data will have to be validated by the Company.

L. The Los Hilos Vein and the El Manto areas require further geological analysis and interpretation.

M. All drill hole, surface and underground data should be incorporated into systematic cross sections. Every section should then include geological interpretation as this will assist in future drill programs.

The author strongly recommends a diamond drill program in order improve the quality of data and to increase the current inferred resources. The drill program will consist of approximately 20 holes for a total of 5,000 meters. The duration of the drill program will be approximately 6 months. It is also recommended that phase one of the program see the initiation of preliminary metallurgical studies.

Figure 45 shows the areas recommended for diamond drilling. In particular, the author would like the 6 RC drill holes shown in **Table 18** to be twined with a core hole. This to validate the RC drill hole grades.

No. of Hole	BHID	FROM (m)	TO (m)	Au g/t	Ag g/t	LENGTH (m)	BLOCK	TARGET
1	B03-11	0	19.68	0.04	326.72	19.68	B03-11-G1	Guadalupana
2	B03-5	17.71	23.62	0.03	180.00	5.91	B03-5-GB1	Gambusino
3	B04-13	94.48	102.36	0.06	146.50	7.88	B04-13-G1	Guadalupana
4	B04-3	169.29	187	2.87	137.81	17.71	B04-3-GB2	Gambusino
5	BCR06-10B	96.45	102.36	0.08	399.67	5.91	RC06-10B-O1	West Zone
	BCR06-10B	116.14	122.04	0.15	59.29	5.90	RC06-10B-O2	West Zone
	BCR06-10B	125.98	129.92	0.49	69.50	3.94	RC06-10B-O3	West Zone
6	BRC06-2	80.7	90.55	0.06	137.60	9.85	RC06-2-GB1	Gambusino

Table 18: Previous RC drill holes to be twined

Table 19 includes 3 diamond drill holes that should be drilled from the same collar location for drill holes BDD-08-02, BDD-08-08 and BDD-08-13. This is to test the vertical continuity of mineralization below the previous drill holes and determine the shape and dip of the veins.

No. of Hole	BHID	FROM (m)	TO (m)	Au g/t	Ag g/t	LENGTH (m)	BLOCK	TARGET
7	BDD-08-02	54.9	64.15	0.03	208.54	9.25	BD08-02-GB3	Gambusino
8	BDD-08-08	95.33	98.95	0.28	101.13	3.62	BD08-03-O1	West Zone
	BDD-08-08	160.85	163.60	0.73	248.32	2.75	BD08-03-O2	West Zone
9	BDD-08-13	126.5	129.6	0.21	85.75	3.10	BD08-13-O3	West Zone

Table 19: Recommended drill holes to test vertical continuity of mineralization

It is strongly recommended that underground exploration be undertaken by means of cross cuts. These tunnels can be developed perpendicular to the trend of the vein systems, such as at Las Bolas.

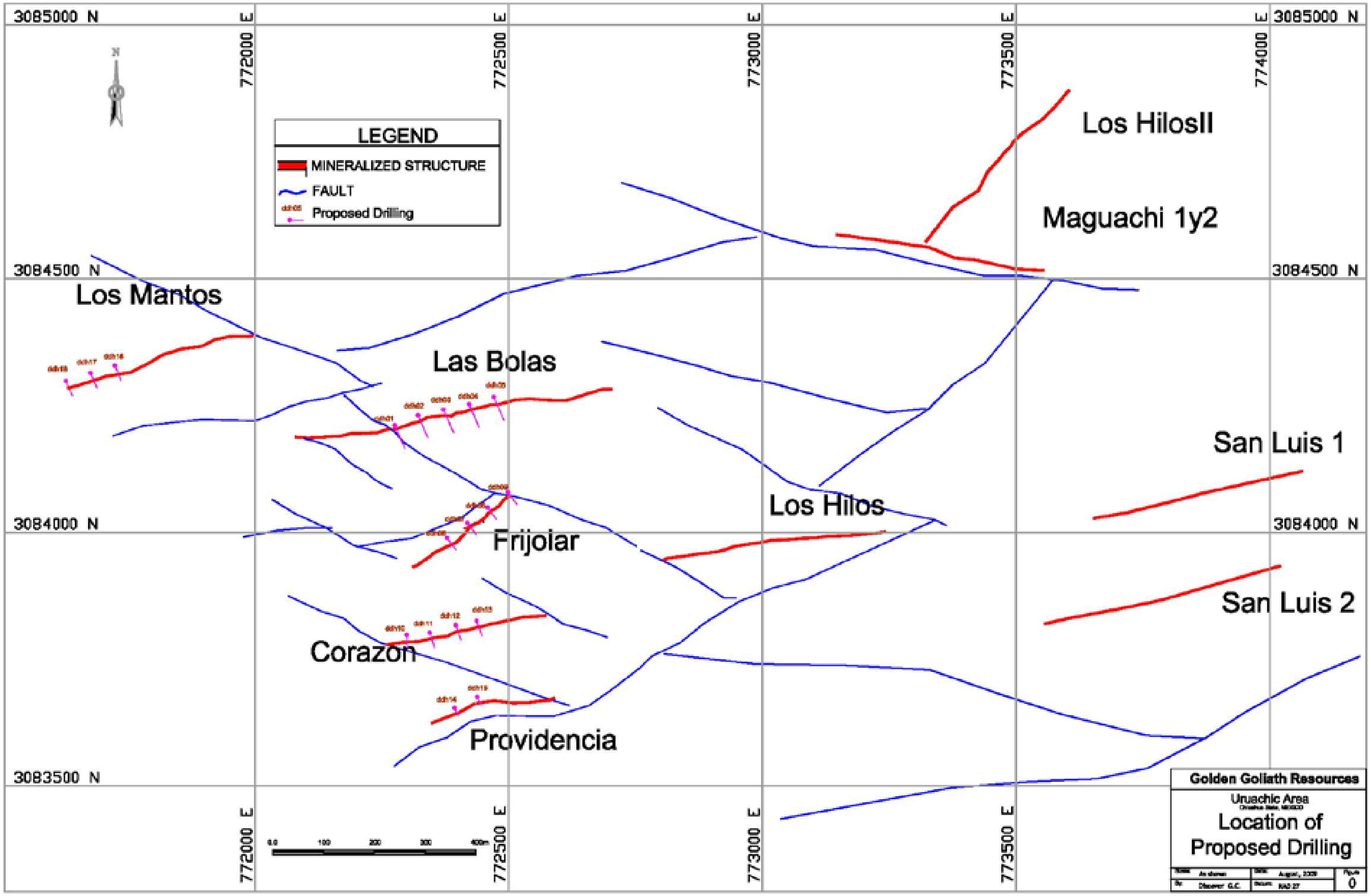

Figure 45: Location of proposed drill holes

EXPLORATION PROGRAM BUDGET (in US funds)

Surface diamond drilling (HQ) 2,500 @ $ 160/m = $ 400,000

Underground diamond drilling (HQ) 2,500 meters @ $ 160/m = $ 400,000

Drill Samples 400 @ $ 32/sample (includes s.g. samples) = $ 12,800

Access roads and Pad building (D-7) 4 Km = $ 50,000

Camp, fuel, food, etc = $ 40,000

Staff salaries and Consulting fees:

Geological Consultant (QP): $ 15,000/month x 6 months = $ 90,000
Senior Project Geologist: $ 10,000/month x 6 months = $ 60,000
Two junior geologists: $ 3000/month x 2 x 6 months = 36,000

Local labor and administrative support: $ 25,000/month x 6 months = $ 150,000

Airfare and travel expenses: $ 20,000

Underground exploration: 100 meters (2.10m x 180m section) x $ 1000/m = $ 100,000

Underground rehabilitation: 200 meters (2.10m x 180m section) x $ 1000/m = $ 200,000

Underground Samples 300 @ $ 28/sample = $ 8,400

Community Relations = $ 15,000

Metallurgical Tests = $ 150,000

SUBTOTAL = $ 1,732,200

Contingency 10% = $ 173,220

TOTAL = $ US 1,905,420

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21.0 Date and Signature Page

Respectfully Submitted,

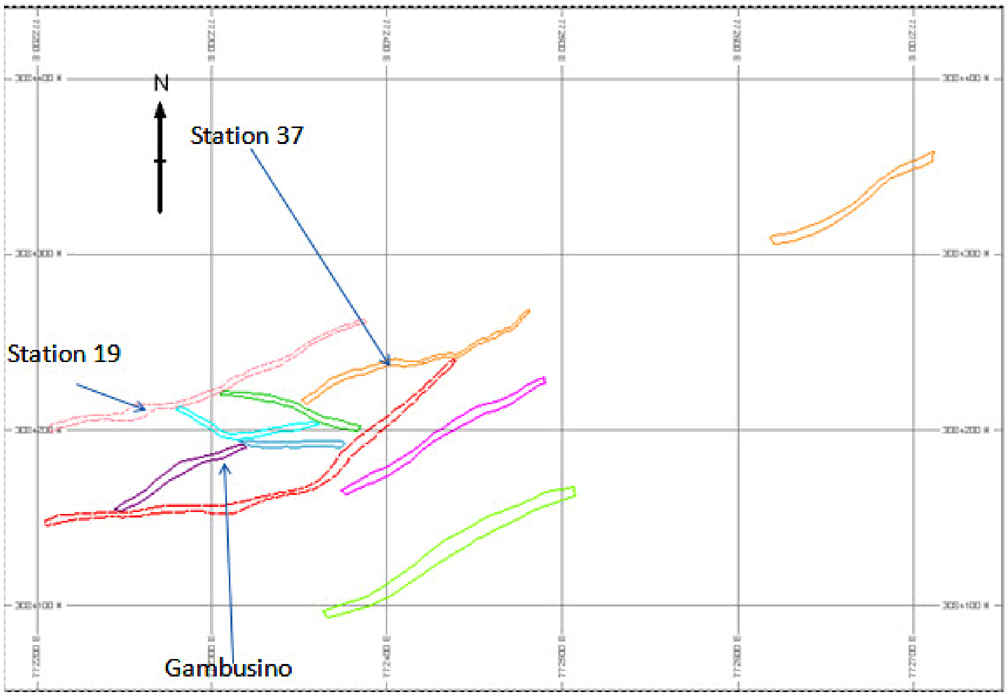
DISCOVER GEOLOGICAL CONSULTANTS INC.

"Victor Jaramillo"

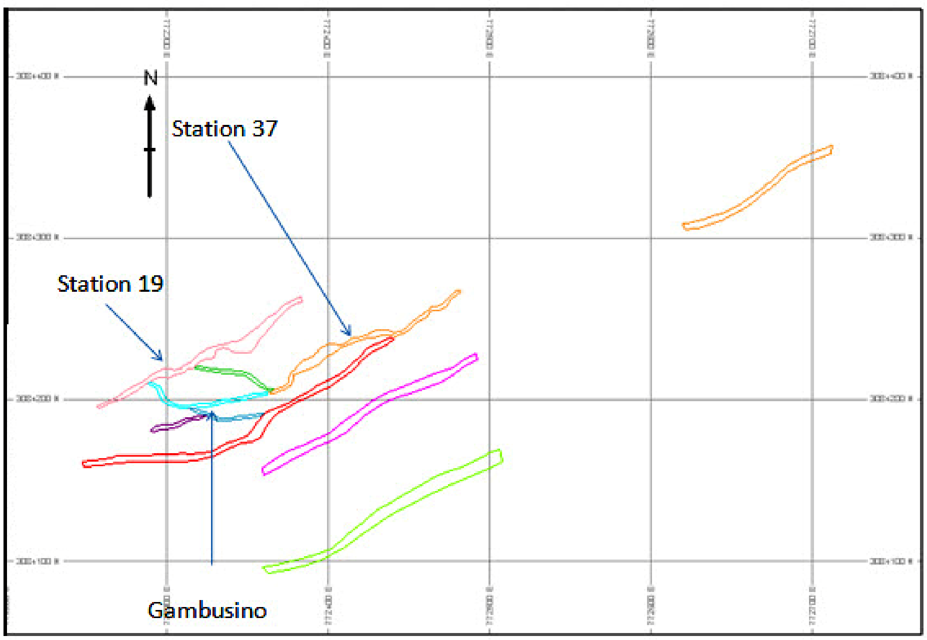
Victor A. Jaramillo, P.Geo
September 21, 2009

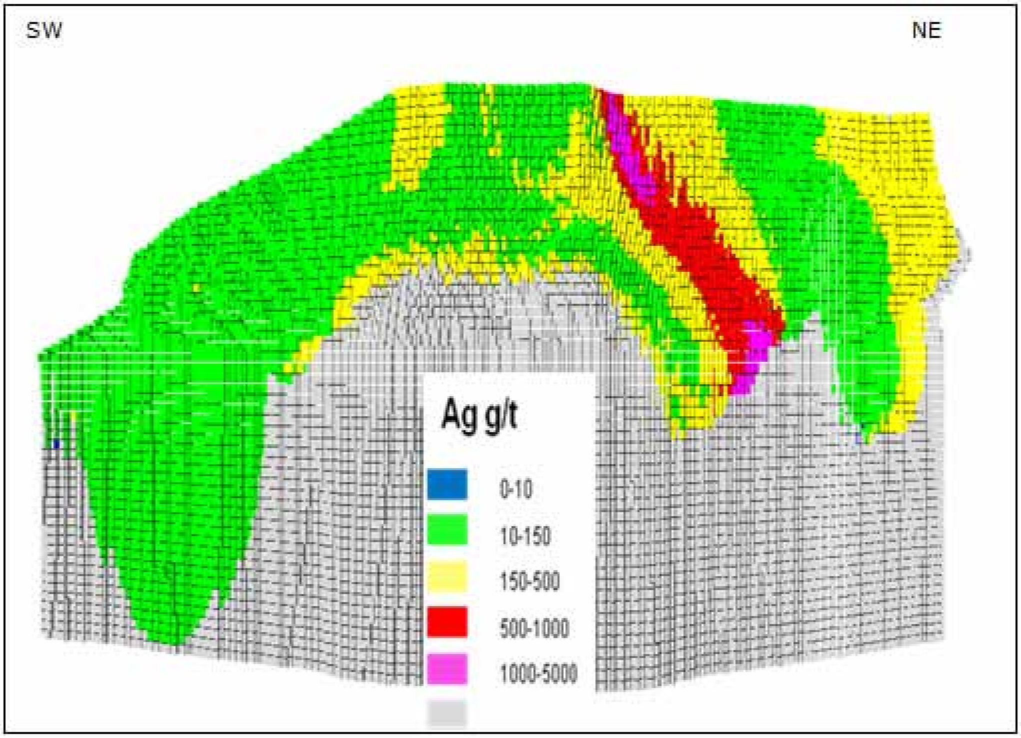
22.0 Illustrations

Plan view of mineralized structures in Level 1360

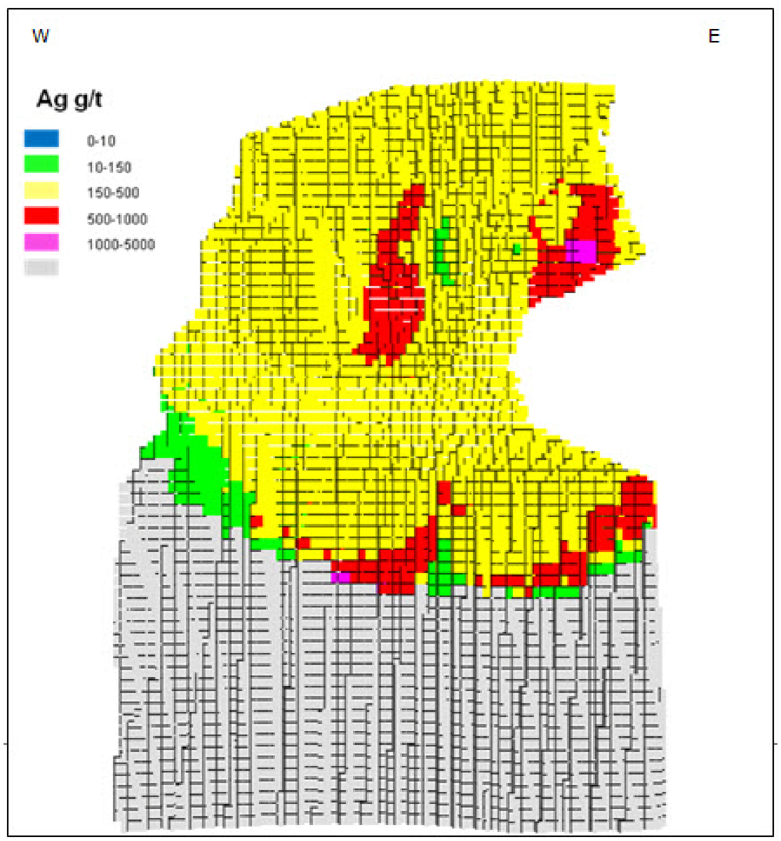


Plan view of mineralized structures in Level 1420

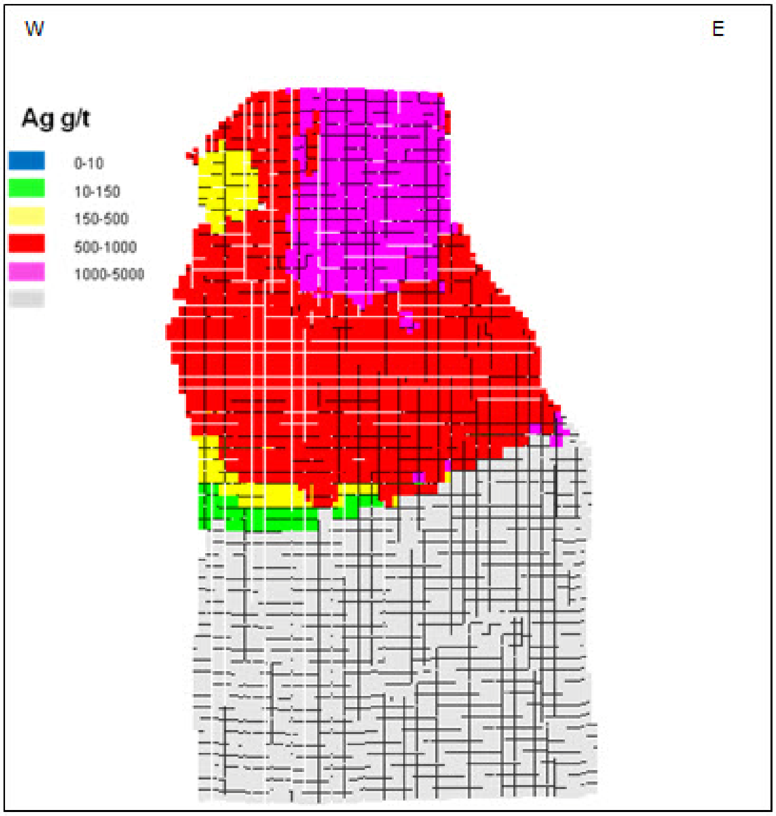




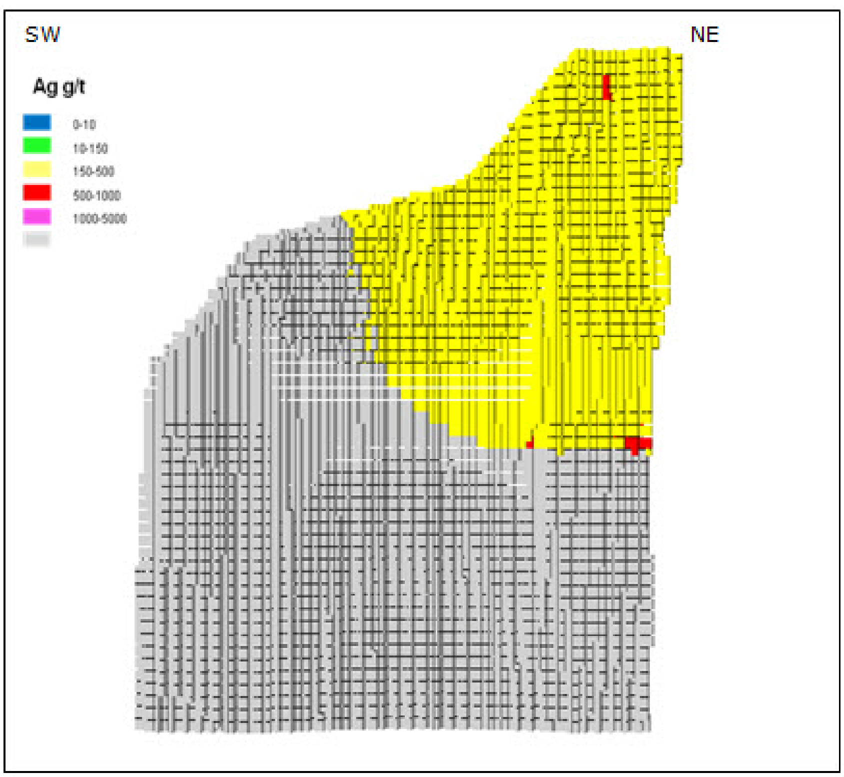
3D Block Model – Vein 3 Las Bolas



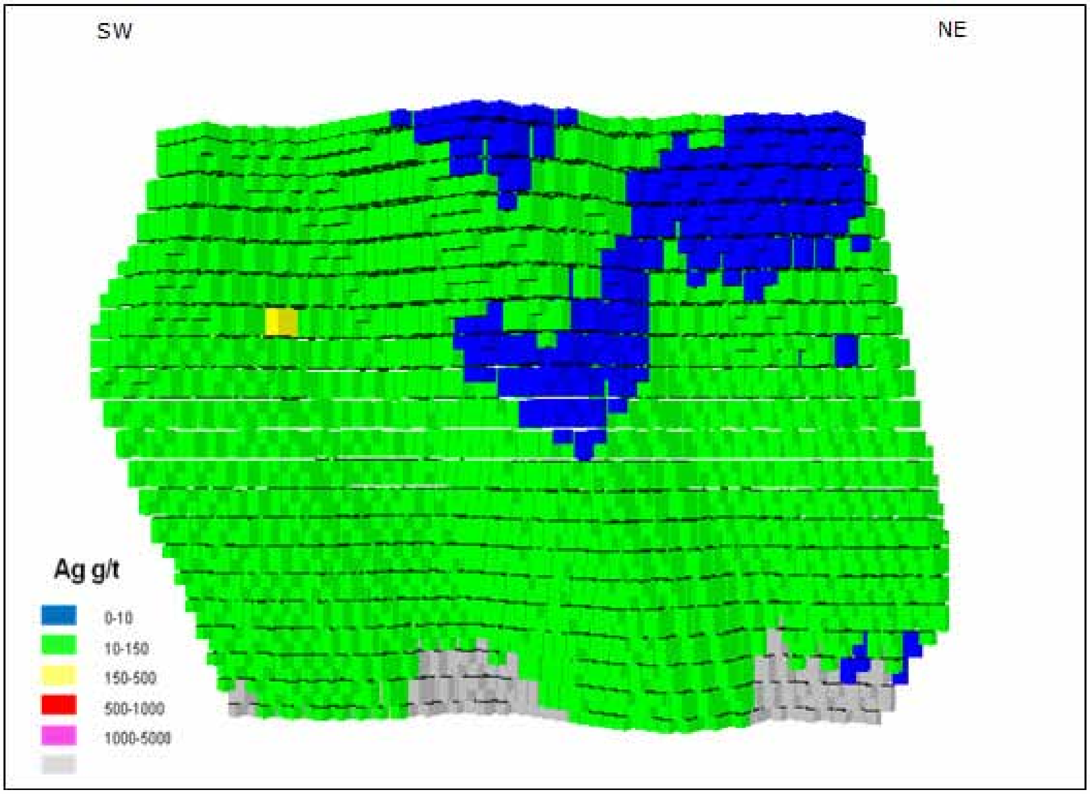
3D Block Model – Vein 5 Las Bolas



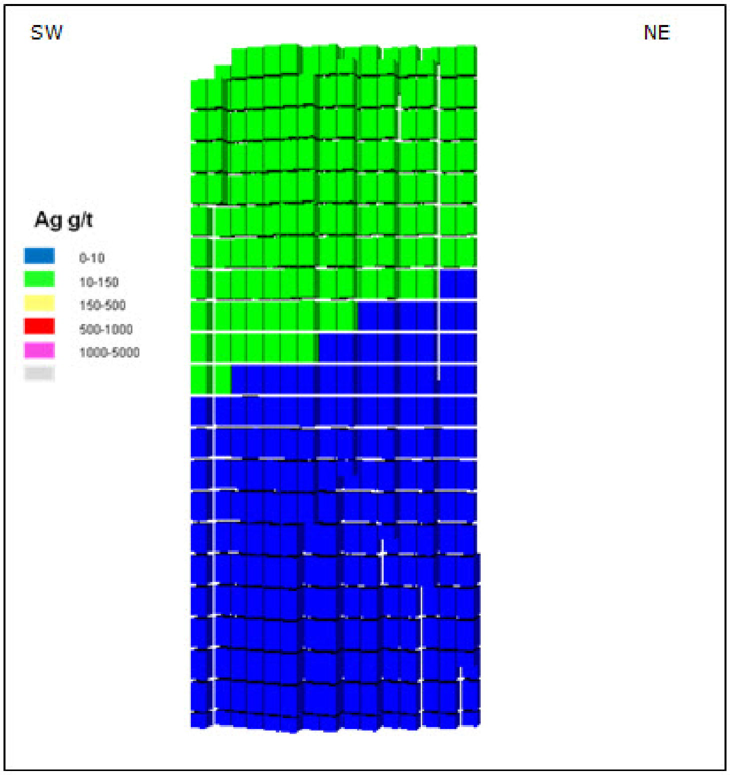
3D Block Model – Vein 6 Las Bolas



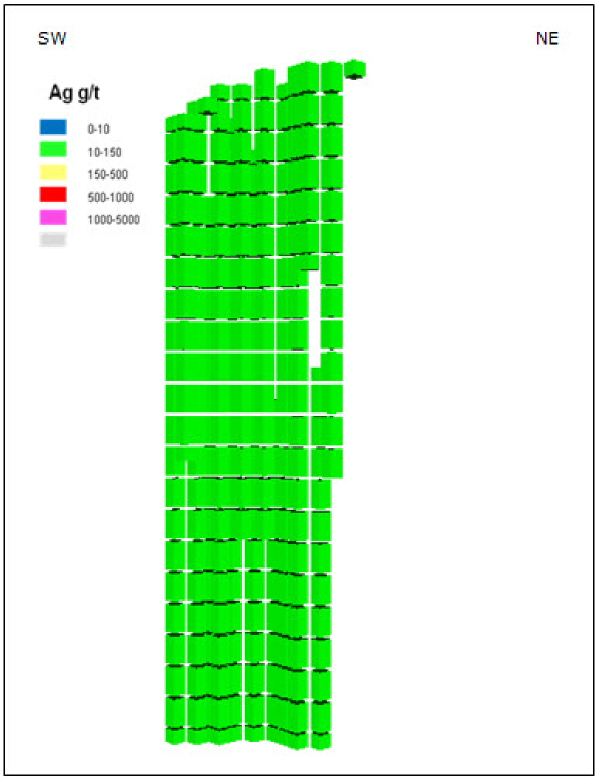
3D Block Model – Vein 7 Las Bolas



3D Block Model – Providencia Vein



3D Block Model – El Manto Vein



3D Block Model – El Manto II Vein

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CERTIFICATE OF AUTHOR

I, Victor Jaramillo, P.Geol. do hereby certify that:

I am a President of:
Discover Geological Consultants Inc.
Suite 1705 - 289 Drake Street, Vancouver,
BC Canada, V6B 6A7

I graduated with a Bachelor of Science Degree in Geology from Washington and Lee University in 1981. In addition, I obtained a Master of Science Applied Degree in Mineral Exploration in 1983 from McGill University.

I am a professional geoscientist, registered with the Association of Professional Engineers and Geoscientists of British Columbia (License No. 19131).

I am a Fellow of the Geological Association of Canada (GAC), a Fellow of the Society of Economic Geologists (SEG), a member of the Geological Society of Nevada and a member of the Geological Society of America.

I have worked as a geologist for a total of 27 years since my graduation from university. I have read the definition of "Qualified Person" set out in National Instrument 43-101 ("NI-43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purpose of NI 43-101.

I have had previous experience in the preparation of resource estimations in gold and base metal deposits. These include:

a. The Sinchao Property Technical Report (October 30, 2008) for Sinchao Metals Corp.

b. The Invicta Property Resource Update Technical Report (August 29, 2008) for Andean American Mining Corp.

c. Resource estimation for the Santa Rosa gold property (Report June 2000) for Andean American Mining Corp. Audited by Mr. Lindsay Bottomer, P.Geo.

d. Diverse property resource evaluation of small producing mines in Peru (1993-1995) for Britannia Gold Corp. Examples include the Arirahua gold mine, the Ocona gold mine and the Nueva California Gold Mine.

e. Directed multiple resource and reserve estimations at the Madrigal Mine in Peru (1987-1988). This mine was formerly operated by Homestake Mining. As chief mine geologist was responsible for all geological operations, including ore grade quality control, supervision of exploration, and mineral resource reserve estimates. This mine produced 1,000 tonnes/day of Cu-Pb-Zn-Ag mineralization.

f. Diverse resource evaluations of mid-sized producing mines (1984-1986) for St. Joe Minerals International in Peru. As Regional Exploration Geologist was responsible for property and mine evaluation. Participated in resource estimates on the Santander skarn polymetallic Mine, the Montenegro silver mine, among others.

The author's experience in metallurgical testing is limited to working at mines with flotation circuits and at heap leaching operations. The author is not a metallurgist and as such cannot give any advice on this matter. The metallurgical portion of the report is a short summary of very preliminary tests.

I am responsible for the preparation of sections 1 to 21 of the technical report titled The Las Bolas – Los Hilos Technical Report and dated September 21, 2009 (the "Technical Report") relating to the Las Bolas – Los Hilos Property. Previously the author visited the Property on June 19 to the 25^{th}, 2009 (for 7 days).

I have not had prior involvement with the property that is the subject of the Technical Report.

I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

I am independent of the issuer applying all of the tests III section 1.4 of National Instrument 43-101.

I have read National Instrument 43-101 and Form 43-101 F1, and the Technical Report has been prepared in compliance with that instrument and form.

I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Dated this 21st day of September, 2009

Victor Jaramillo

Signed "Victor Jaramillo"
Victor Jaramillo, P.Geo.

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CONSENT OF AUTHOR

To:

British Columbia Securities Commission
Alberta Securities Commission
TSX Venture Exchange

I, Victor Jaramillo do hereby consent to the filing of the written disclosure of the technical report titled "The Las Bolas – Los Hilos Technical Report" and dated September 21, 2009 (the "Technical Report"). and any extracts from or a summary of the Technical Report in the news release of Golden Goliath Resources Ltd. dated , September 24, 2009 (the “News Release”).

I also confirm that I have read the News Release and that it fairly and accurately represents the information in the Technical Report that supports the News Release.

Dated this 24th day of September, 2009

Signed "Victor Jaramillo"

Victor Jaramillo, P.Geo.