The YAGO GOLD – SILVER PROPERTY TECHNICAL REPORT

STATE OF NAYARIT - MEXICO

- Prepared for -

Consolidated Spire Ventures Ltd.
6th Floor - 890 W. Pender Street
Vancouver, BC
V6C 1J9

- Prepared by -

Victor Jaramillo, P.Geo

June 30, 2008

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SUMMARY

Victor Jaramillo, P.Geo., a geological consultant, was retained on June 1, 2008 with the terms of reference for this assignment consisting of undertaking a geological review of previous work done at the Yago Property ("Yago Property"), followed by a technical 43-101 compliant report. On June 1, 2008 Consolidated Spire Ventures Ltd. retained the writer to prepare a 43-101 compliant report on the PV Property.

Between March 9th and May 18th, 2007 the author was on site at the Property. He reviewed, in detail, background information such as old reports, drill data, geophysical and geochemical data, and maps concerning the property. From this visit the author was able to review all geological and drill data. A follow-up exploration drill program has been recommended.

On February 12, 2007 Consolidated Spire Ventures Ltd ("Spire") signed an Option Agreement with Almaden Minerals Ltd. and its wholly owned Mexican subsidiary Minera Gavilan S.A. de C.V., whereby Spire can acquire up to 60% interest in the Yago Property. The Property comprises 16 claims that total approximately 9,707.91 hectares.

The Yago Property is located in the state of Nayarit, Mexico, on the Pacific coast approximately 50 kilometers north of the city of Tepic. The Yago property lies within the coastal lowlands of the West Coast of Mexico.

The principal exploration target at the Yago Property is low sulphidation, epithermal, gold-silver quartz veins. The mineralized shoots within the quartz veins extend below the lowest developed levels. Potential for extension of the known high-grade gold-silver shoots to depth and for location of other well mineralized shoots, within the veins on the property is considered excellent.

To date, only shallow exploration and mining has been carried out on the vein systems at the Yago Property. Based on epithermal vein system models, it is concluded that there is excellent potential for gold and silver-bearing mineralized shoots to extend to at least 300 meters below the current erosion level with gold grades expected to increase with depth.

Based on the results of exploration to date on the Yago Property and the information obtained from mining of quartz-adularia veins in the La Sarda Vein area, the writer believes an exploration program to further evaluate the potential of the property is highly recommended.

The author recommends the following exploration work:

Diamond drilling at Yago should continue with deeper drilling at the La Sarda, Esperanza and the Sagitario Veins. Trenching in the Sagitario Vein Area should continue to define new drill targets as there are several other veins that need to be explored.

An exploration program is highly recommended as follows:

Phase I : (Timing approx. 3 months)

Continue the trenching and line-cutting program along the Magnolia, Esperanza and Sagitario Veins in a northeasterly direction.

The purpose will be to map and sample the continuity of the veins along strike and to determine their structural attitudes such as displacements.

Phase II : (Timing approx. 3 to 4 months)

The phase II exploration program will include diamond drilling and should start approximately one month after the start of phase I.

Diamond Drilling:

A total of approximately 10 diamond drill holes, each approximately 300 meters deep (for a total of 3,000 meters) of HQ diameter should be drilled in selected areas based on surface and underground geology. Priority should be given to the open ore shoots in the Esperanza, Magnolia and Sagitario Veins.

As part of the diamond drill program, and all of the future sampling programs it is recommended that a full quality assurance and quality control (QA/QC) program be implemented. The surface location of all drill holes should be permanently marked and surveyed, and down hole deviation tests be completed at regular intervals during the drilling process.

The proposed budget is as follows:

Phase I: $ 177,320 US
Phase II: $ 753,610 US

Total Exploration budget: $ 930,930 US

1.0 INTRODUCTION

1.1 GENERAL

At the request of Mr. Brian Buchanan, President of Consolidated Spire Ventures Ltd. ("Spire"), a private Canadian company based in Vancouver, Victor Jaramillo, P.Geo., was retained on June 1, 2008 with the terms of reference for this assignment consisting of undertaking a geological review of previous work done at the Yago Property ("Yago Property"), followed by a technical 43-101 compliant report.

On February 12, 2007 Consolidated Spire Ventures Ltd ("Spire") signed an Option Agreement with Almaden Minerals Ltd. and its wholly owned Mexican subsidiary Minera Gavilan S.A. de C.V., whereby Spire can acquire up to 60% interest in the Yago Property. The Property comprises 16 claims that total approximately 2,731.3 hectares.

1.2 TERMS OF REFERENCE

Mr. Brian Buchanan, President of Spire requested the author review previous field work data, the company's 2007 exploration efforts and to prepare a NI 43-101 compliant report. Spire is a publicly trading company listed on the Toronto Venture Stock Exchange (symbol TSX.V: CZS). All currencies are in Canadian dollar denominations and measurements are in metric units (unless noted otherwise).

1.3 SCOPE, SOURCES OF INFORMATION AND DISCLAIMER

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.

More recently, the author visited the Yago Property between March 9th and May 18th, 2007.

The author has only reviewed the land tenure in a preliminary fashion and has not independently verified the legal status or ownership of the properties.

The results and opinions expressed in this report are based on Victor Jaramillo's recent field visit and the geological data listed in the "Sources of Information".

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. V. Jaramillo reserves the right, but will not be obliged, to revise the report and conclusions if additional information becomes known subsequent to the date of this report. V. Jaramillo does not assume responsibility for Spire's actions in distributing this report.

2.0 RELIANCE ON OTHER EXPERTS

The author of this report is relying on a previous internal report prepared by him in 2005. The report is entitled "Geological Summary Report on The Yago Gold – Silver Property, Nayarit, Mexico. It was prepared for ALB Holdings Ltd. of Vancouver (a private company). Also, on information from field work completed by Spire last year and managed by the author.

3.0 PROPERTY DESCRIPTION AND LOCATION

The Yago Property is located in the state of Nayarit, on the Pacific coast of Mexico, approximately 240 km northwest of the city of Guadalajara, Jalisco and 50 kilometers north of the city of Tepic (**Figure 1**), and approximately 3 kilometers to the northeast of the town of Yago.

The claims are located east of the Town of Yago, which is located by paved road approximately seven km east of highway 15. Numerous good quality gravel roads provide access to the property itself.

The Property lies within the coastal lowlands of the West Coast of Mexico. The area is characterized by low relief with low rounded hills rising up to 200 meters above the lowlands.

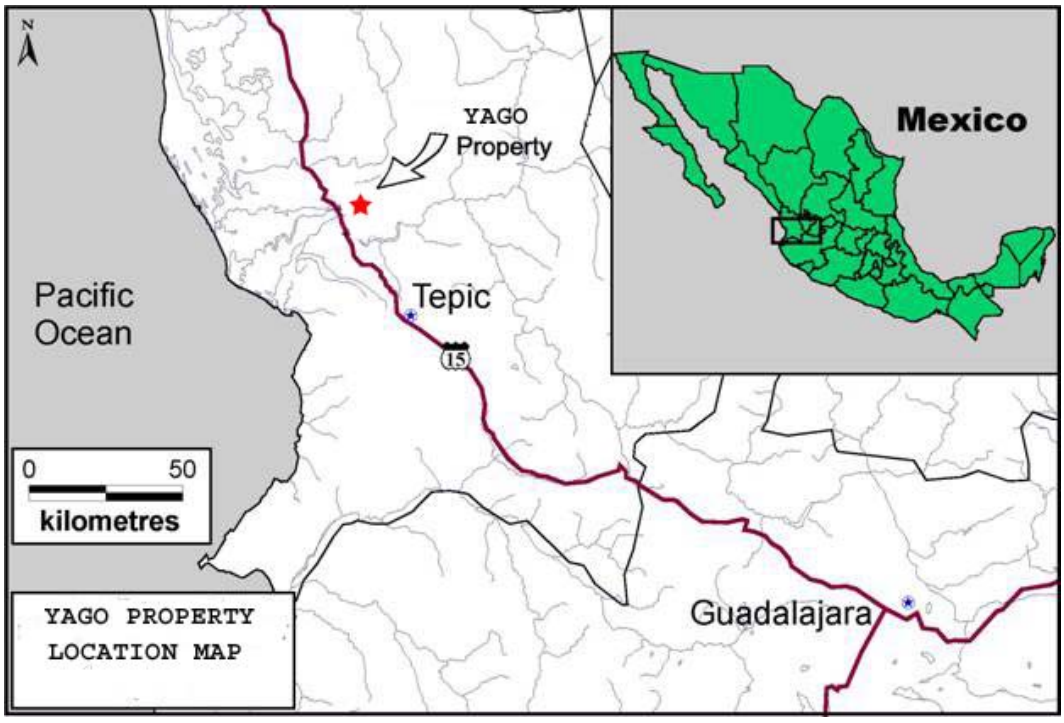

FIGURE 1 : Yago Property Location Map

Surface rights to the property area are mostly held by local farmers and negotiations would have to be done with them to gain access rights (building roads, drill pads, trenches, etc).

On February 12, 2007 Consolidated Spire Ventures Ltd ("Spire") signed an Option Agreement with Almaden Minerals Ltd. and its wholly owned Mexican subsidiary Minera Gavilan S.A. de C.V., whereby Spire can acquire up to 60% interest in the Yago Property. The Property comprises 16 claims that total approximately 2,731.3 hectares.

A general property map is shown in **Figure 2** and information regarding the claims is summarized in **Table 1** below.

Claim Name	Type	Title No.	File No.	Area (Hectares)	Expiry Date
SAGITARIO	EXPLOIT.	219840	3/1.3/494	96.7719	21-Abr-2053
LA GUADALUPE	EXPLOIT.	180099	321.1/3-42	18	22-Mar-37
LA SARDA	EXPLOIT.	162577	59/3743	9	06-Jul-28
LA CUCARACHA	EXPLOIT.	194422	3/1.3/221	84	29-Dic-41
YAGO I	EXPLOIT.	200955	3/1.3/254	465.7668	16-Oct-44
AMPLIACIÓN LA SARDA	EXPLOIT.	226221	3/1.3-0380	9	01-Dic-55
NUEVO SAN JUAN	EXPLOIT.	218233	3/1.3/543	35.5988	16-Oct-52
LA NUEVA MAGNOLIA	EXPLOIT.	218232	3/1.3/542	9	16-Oct-52
AMP. LA NUEVA MAGNOLIA	EXPLOIT.	218227	3/1.3/541	16	16-Oct-52
AMP. NUEVO SAN JUAN	EXPLOIT.	218254	3/1.3/544	6.4169	16-Oct-52
TEPIC 4	EXPLOR.	219437	59/6722	14.9151	05-Mar-53
TEPIC 3 FRACCIÓN I	EXPLOR.	220036	59/06715	34.9507	26-May-53
TEPIC 3 FRACCIÓN II	EXPLOR.	220037	59/06715	27.0496	26-May-53
TEPIC 5	EXPLOR.	220289	59/06728	13.0882	02-Jul-53
DON ALONSO	EXPLOR.	213559	59/06540	21.7568	17-May-51
TEPIC 7		228596	59/07001	1869.9784	11-Dic-56
TOTAL = 16 Claims			**TOTAL =**	**2731.3**	**HECTARES**

TABLE 1: List of Yago Property Claims

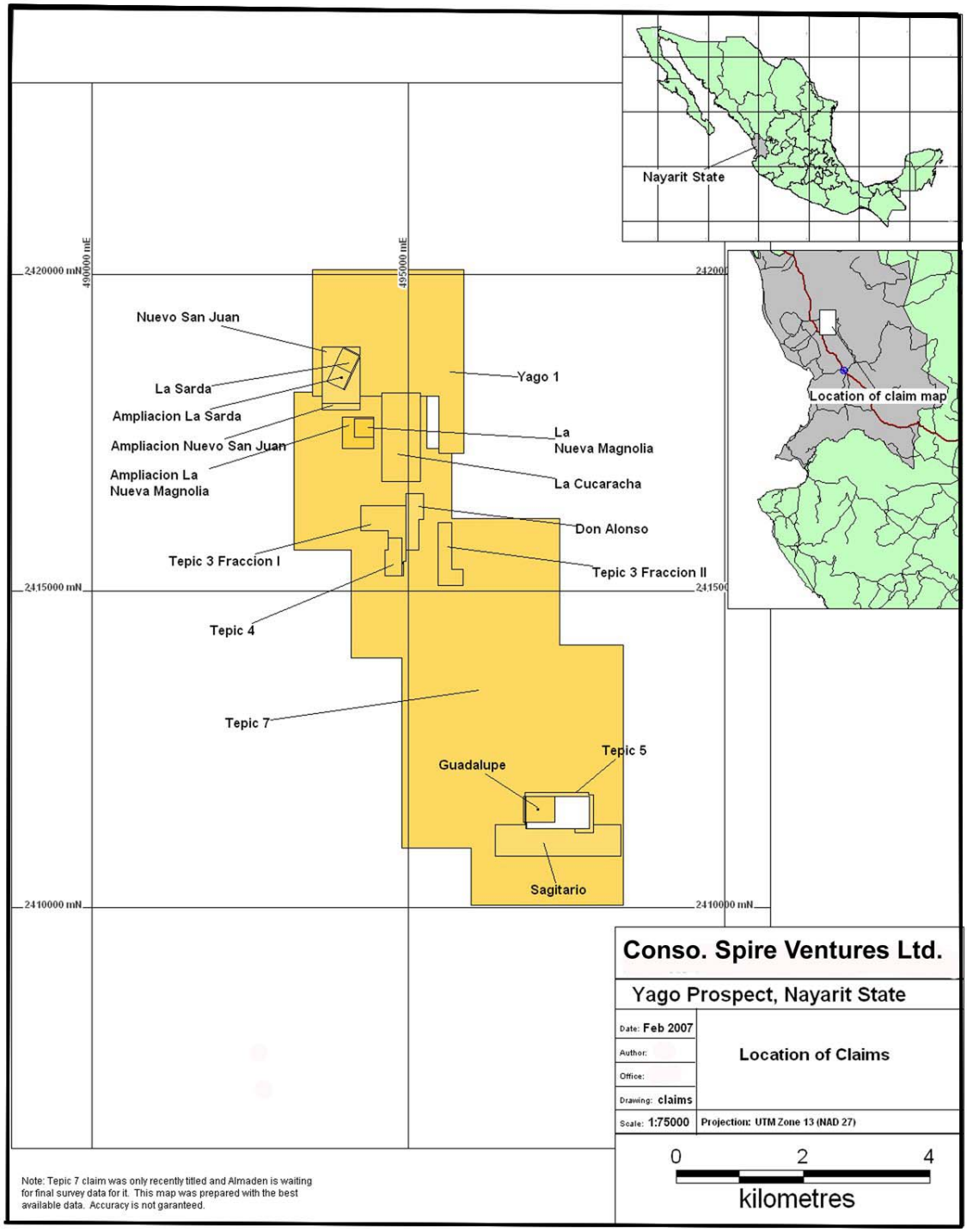

FIGURE 2: Yago Property Claim Map

4.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

Recently a four lane paved highway that connects Guadalajara, Jalisco to Mazatlan, Sinaloa has been completed. This highway cuts across the road to Yago approximately 4 km west of the town of Yago. This new highway is currently the shortest route to reach Yago and Santiago Ixcuintla driving from Mazatlan. Accommodation and supplies are available in the town of Santiago Ixcuintla, approximately 30 km north of the Yago Property.

The area is serviced by a network of roads with good access to local population centers. Highway 15, the main north-south route along the West Coast of Mexico, provides direct access to the major city of Tepic, 50 kilometers to the south, where a full range of services is available.

A railway passes through the village of Yago located within the claim group. Agriculture is the predominant local industry. The major crops are corn, tobacco, mangoes, coconuts and sugar. Small cattle ranches are found throughout the area. The main village within the claim area is Yago where limited supplies, food and accommodation are available.

The Yago property lies within the coastal lowlands of the West Coast of Mexico. The area is characterized by low relief with low rounded hills rising up to 200 meters above the lowlands. The surrounding lowlands, at an elevation of about 40 to 50 meters, grade westward to coastal mangrove swamps and sandy beaches. The region is drained by the Santiago River, which rises in the Sierra Madre Occidental and flows westward just south of the Yago property.

The climate is tropical and characterized by a dry and a wet season. From November to February, the region is dry and enjoys moderate temperatures ranging from lows of 15 to 25 degrees Celsius. From March to July, temperatures and humidity increases with daytime temperatures up to 47 Celsius. The wet season begins in late June to early July with almost daily rainstorms. During hurricane season, in September and October, the region is prone to heavy rains and periodic flash floods.

5.0 HISTORY OF THE YAGO PROPERTY AREA

The mining history of the area is not well documented. However, older local residents of Yago relate that mining was conducted by the Spanish and more recently by the Japanese. A local prospector, Mateo Salas, tells of small-scale underground mining of quartz-adularia veins and associated stockwork at Yago by a Japanese firm during the late 1800's and early 1900's (Sandberg, 1999). These operations are presumed to have been disrupted by the period of revolution from 1910 to 1912 and never resumed.

A Mexican mining company, **CIA Minera Nueva Vizcaya S.A.de C.V.** explored several gold-silver veins and carried out limited mining in the La Sarda Vein area during the period 1995 to 1999.

Underground development and limited mining was carried out mainly on the La Sarda, the Esperanza, the Magnolia Veins and to a lesser extent on the La Cucaracha Vein. This company

installed a 200 tonne per day processing plant including a crushing and grinding circuit and flotation cells. Only the La Sarda Vein was mined to any extent with workings accessed by a ramp extending to 100 meters below surface (Jaramillo,V., 2005).

Development and mining of the La Sarda, La Esperanza and La Magnolia Veins ceased in 1998 and limited development of the La Cucaracha Vein continued during 1999. All mining ceased in February 2000. Records of production indicate about 80 tonnes per day were produced from the La Sarda Vein amounting to a monthly total of between 2,000 to 2,500 tonnes (Sandberg, 1999). Although few details of the production history are provided, historical records indicate production of 7,613 ounces of gold for the period from October 1997 to October 1998 (Sandberg, 1999).

Limited production records and estimates from sections showing stopped areas indicate that in the order of 60,000 tonnes were mined from the La Sarda Vein, 15,000 tonnes from the Magnolia Vein and 3,000 tonnes from the Esperanza Vein.

A report dated 1996 on the Yago Property was prepared on behalf of **Minas San Luis S.A. de C.V.** This report established that samples submitted by the Nueva Vizcaya Lab when compared to same location samples submitted to Jacobs/Skyline labs showed considerable assay result differences. Jacobs/Skyline reported, as much as, three times lower values for gold and many more times lower for silver, than those reported by the Nueva Vizcaya Lab.

During 1997 the Yago property was acquired by Minera Gavilan S.A. de C.V. (a wholly owned subsidiary of Almaden Minerals Ltd). Almaden carried out a program of geological mapping and soil sampling in the Guadalupe-Tejona-Creek Zone and the La Korina areas.

In 1998 the property was optioned to **Santoy Resources Ltd**. A trenching program was carried out during June 1998 to evaluate the main north-northeast trending gold soil geochemical anomaly. In December 1998 Santoy drilled seven widely spaced (greater than 300 meters between holes) RC drill holes, on the Tejona-Guadalupe area, in the southern sector of the property. The drill holes were largely oriented at steep angles and were to test the potential for bulk-tonnage stockwork vein mineralization.

In December 1999 Almaden presented for option the Yago Property to **Minera Hecla S.A. de C.V.** a report was prepared by Valtierra, G.A. in February 2000. The author of this report, in order to verify the accuracy of analytical work done by Minera Nueva Vizcaya's on-site laboratory, submitted 35 sample pulps to Chemex Laboratories. Comparable results came out within acceptable industry levels. This showed that the analytical results given by the Jacobs/Skyline lab in 1996 were not accurate. This report indicated that from of a total of 2,922 samples taken by Minera Nueva Vizcaya, 90% corresponded to high grade mineralized shoots from the Sarda, Esperanza and Magnolia Veins. The following summary of mineralized gold-silver shoots was given:

La Sarda Vein: From surface was mined approximately 100 vertical meters and 600 meters along strike (levels 215 to 115). Three high grade ore shoots were identified.

a. La Sarda Shoot : 140 meters long
b. The San Juan Shoot: 150 meters long
c. The Santo Domingo Shoot: 75 meters long

The average width of these three shoots was 1.64 meters with 10.98 g/t gold and 153 g/t silver. Between levels 175 and 185 a small high grade (bonanza type) shoot was mined. It assayed 1 kg/t of gold and 20 kg/t silver (Valtierra, G.A., February 2000**).**

La Esperanza Vein: This vein structure was mined selectively following the high grade shoots. These are as follows:

a. Esperanza Shoot 3: It was 75 meters long and mined 30 vertical meters (levels 110 to 80).
b. Esperanza Shoot 2: It was 300 meters long and mined 30 vertical meters (levels 150 to 120).
c. Esperanza Shoot 1: It was 75 meters long and mined 30 vertical meters (levels 160 to 130).

The average width of these three shoots was 1.12 meters with 8.13 g/t gold and 68.73 g/t silver.

The Magnolia Vein: In this quartz vein silver grades were much higher than the previous two veins and also lower in gold. This vein was mined 100 meters along strike and to a depth of 100 meters (levels 120 to 20). **The average width of the mineralized shoot was 0.97 meters with 4.44 g/t gold and 546 g/t silver.**

There was no available data as concerns previous mining in the La Cucaracha Vein.

In February 2000, Almaden purchased the La Sarda, Amplacion La Sarda, La Magnolia and La Cucaracha claims and carried out a soil sampling program to aid in defining additional gold-silver bearing veins.
CAUTIONARY STATEMENT: The author would like to advise investors that the above numbers have not been verified independently. These are only given as historical data and are believed not to have followed current QA/QC protocols and NI 43-101 standards.

In May 2002, Almaden entered into an option agreement with Ascot Resources. Ascot started an exploration program that comprised prospecting north of the La Sarda area veins, an induced polarization/resistivity survey to delineate the strike extent of the La Sarda and Esperanza Veins, and 1,098.2 meters of diamond drilling in 6 holes on La Sarda Vein. This work was completed in March 2003. The IP/resistivity survey outlined the veins as narrow, high magnitude resistivity highs, and extended the La Sarda Vein at least 300 metres northeast of previous workings. The survey also identified a westerly offset to the La Sarda and La Esperanza Veins that may represent a deflection in the vein trace, opening possibilities for dilation. A similar survey conducted in the south area outlined narrow resistivity highs that correspond to the Guadalupe and the La Moraya Veins. The survey indicated that these veins extend northerly for approximately 225 metres and 375 metres, respectively.

Of the six diamond drill holes, one was lost before it reached its target depth and in another hole the vein intersection was ground and not recovered. An independent review of the drilling determined that the recoveries of vein intersections were below 50%.

On July 4, 2005 ALB Holdings Ltd. (a private Vancouver based company) signed a Letter of Intent to enter into an option agreement with Almaden Minerals Ltd. and its wholly owned Mexican subsidiary Minera Gavilan S.A. de C.V., whereby ALB could acquire up to 60% interest in the Yago Property (Jaramillo, V., 2005).

During July 10th to September 30th, 2005 ALB started a trenching program along the Magnolia Vein. This work was to verify the continuity and structural behaviour of the **Magnolia Vein** along strike. A series of **22 exploration** trenches (approximately 600 linear meters of trenching) were hand dug northeast of the Magnolia Vein inclined shaft. Of these trenches, 16 were successful in locating the Magnolia Vein.

This work confirmed the continuity of the Magnolia Vein at least for an additional **300 meters** beyond the known extent of the underground workings. Trenches were hand dug to depths ranging between 1.0 to 2.4 meters deep.

ALB's agreement with Almaden expired in November 2005, and as such ALB lost its rights for the Yago Property.

On February 12, 2007 Consolidated Spire Ventures Ltd ("Spire") signed an Option Agreement with Almaden Minerals Ltd. and its wholly owned Mexican subsidiary Minera Gavilan S.A. de C.V., whereby Spire can acquire up to 60% interest in the Yago Property.

6.0 GEOLOGICAL SETTING

6.1 Regional Geology

The state of Nayarit lies within the physiographic province known as the Sierra Madre Occidental, an extensive belt of mainly volcanic rocks overlying and intruding Precambrian to Jurassic basement rocks (Poliquin, 1998). A map illustrating the regional geology is shown in **Figure 3**. The Sierra Madre Occidental represents one of the largest volumes of unmetamorphosed volcanic rocks in the world, with estimates of more than 250,000 cubic km of rhyolite overlying more than 100,000 cubic km of dacite and andesite. Igneous rocks within the Sierra Madre Occidental province can be divided into three time groups: pre-Oligocene intrusions and andesite-dacite volcanics, Oligocene rhyolite-dacite tuffs, and Miocene to younger basalts and andesites.

The state of Nayarit and the Yago area are underlain by dominantly Oligocene volcanic rocks. Rocks in the Yago area are mainly dacite crystal tuffs, which form low hills near the coast. Prominent ridges composed of ignimbrite lie to the east. Early geological work in the Sierra Madre Occidental province indicated that most epithermal precious-metal mineralization is hosted by pre-Oligocene rocks and formed prior to Oligocene volcanism, however recent studies,

cited by Poliquin (1998), indicate that a large number of deposits are hosted in Oligocene rhyolite to dacite volcanic sequences.

6.2 Property Geology

Two main volcanic units underlie the Yago area. A crystal tuff unit, up to 90 meters thick, conformably overlies plagioclase porphyritic flows. The tuff and flow units appear to be sub-horizontal with tuff forming the large hills in the central area of the property and porphyritic andesite flows exposed in creek beds at lower elevations. Quartz-adularia veins and stockwork veining in outcrop and as float occupy an area roughly 1.5 by 2 kilometers within the central portion of the south vein area (Guadalupe-Tejona Veins). A second main area of quartz veins occurs in the La Sarda Mine area where 4 parallel veins have recently been subjected to exploration and mining development. The main vein systems are shown in **Figure 4** below.

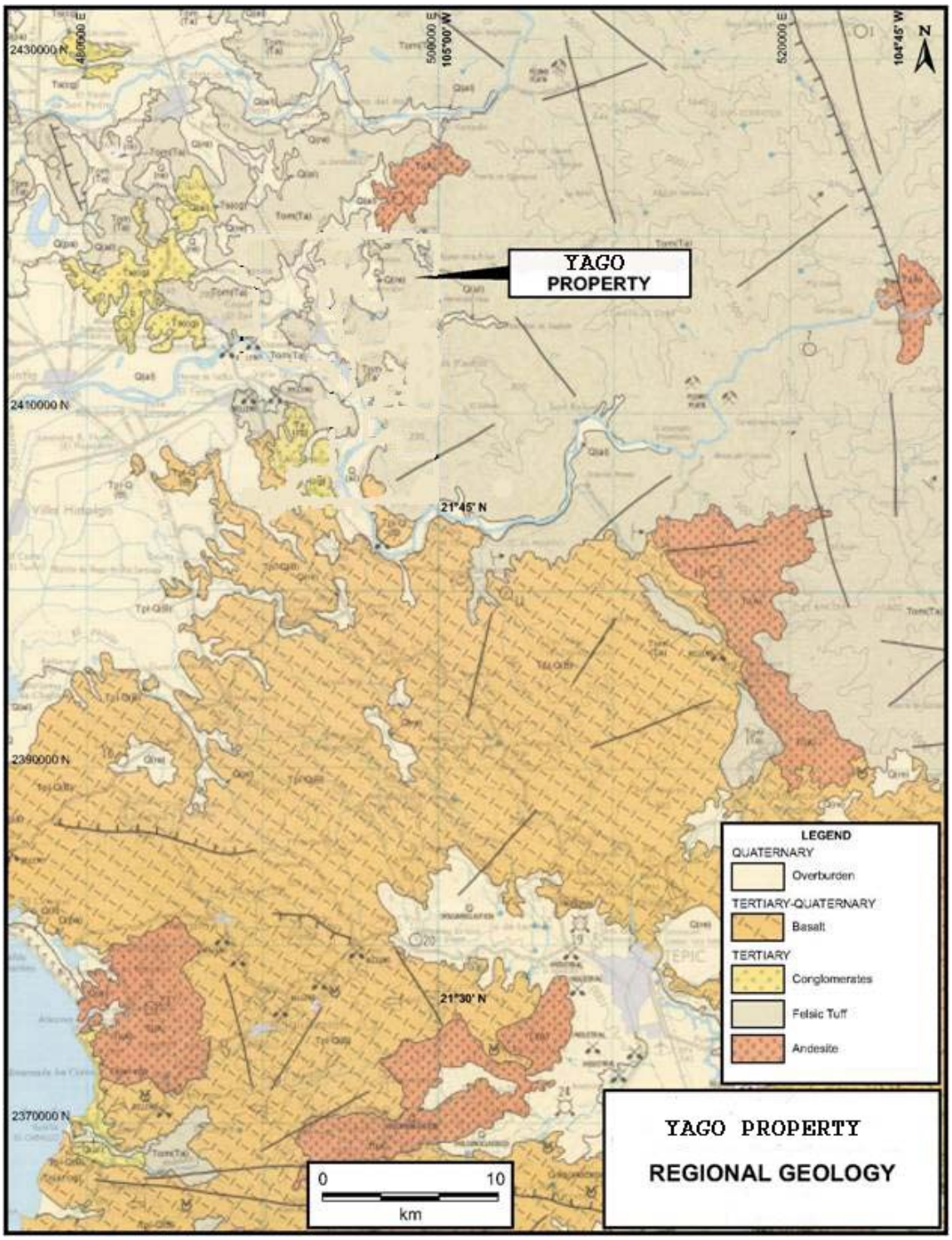

FIGURE 3: Yago Property Regional Geology Map (source: INEGI, 1974)

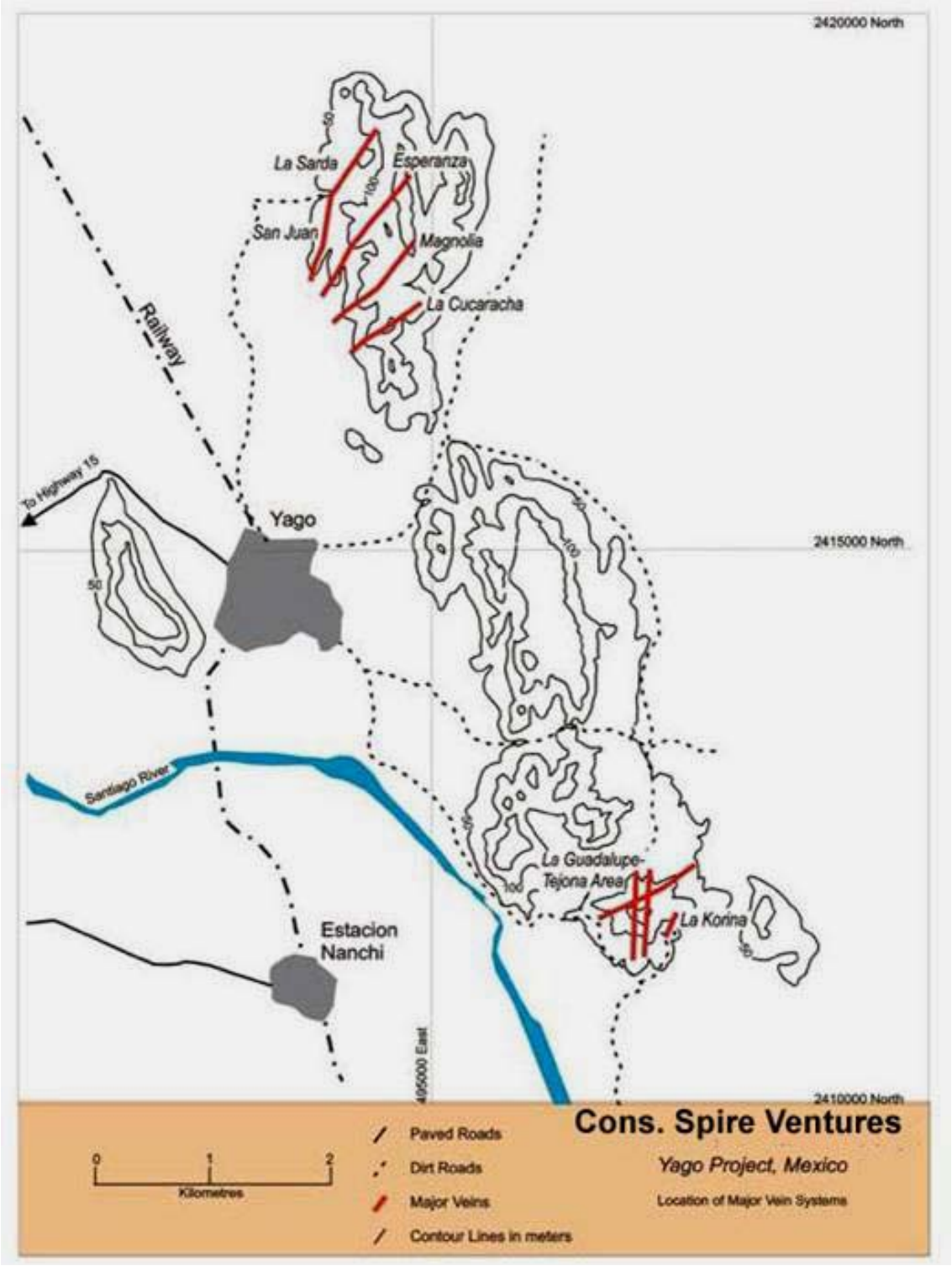

FIGURE 4: Yago North and South Veins (Poliquin, 2005)

7.0 DEPOSIT TYPE

The Yago Property is a classic **low sulphidation, epithermal, gold-silver quartz vein system.** The presence of high grade gold-silver banded quartz-adularia veins and stockwork veined country rocks bears many similarities to Sleeper, Nevada; McLaughlin, California; Hishikari, Japan and Golden Cross and Martha Hill, New Zealand, all of which were or are significant gold producers.

At the Yago property clay alteration of wall rocks is largely restricted to the envelopes of vein and stockwork zones. PIMA (Portable Infrared Mineral Analyzer) analysis of the altered vein envelopes indicates the near-ubiquitous presence of alunite with clay alteration primarily comprised of illite over smectite. The alunite may be either supergene or hypogene in origen, and indicate temperatures of 200 to 300 degrees Celsius at the time of formation. Argillic alteration is restricted to the stockworks and vein margins, while chlorite alteration dominates elsewhere.

Low sulphidation veins are formed by fluids that originate from hot magma that mix with a larger amount of groundwater. The resulting fluids interact with the rock for much longer than in high sulphidation fluids, in the process dissolving silica, which is later precipitated as quartz. Gold is precipitated by protracted boiling resulting in high grade gold silver deposits associated with veins. High grade gold and silver in these veins is precipitated over vertical intervals of generally 300 to 600 meters.

Figure 5 below illustrates classic low sulphidation epithermal vein systems and indicates the interpreted erosional level of the Veins at the Yago property. As such, potentially higher gold-silver grade zones would be expected near or below the – 200 meter level below surface.

8.0 MINERALIZATION AT THE YAGO PROPERTY

8.1 The North Area Vein Mineralization

The north area vein mineralization, the site of a small scale mining and milling operation, four gold-silver bearing, quartz-adularia veins occur in volcanic units consisting of tuff and andesite flows. The veins are known as the **La Sarda, La Esperanza, La Magnolia and La Cucaracha**. Only the La Sarda Vein has been mined to any extent with workings extending to 100 meters below surface. High-grade shoots extend to the lowest levels in the mine where a modest increase in both widths and grades is noted. **Figure 7** illustrates mine development on the vein.

Fluid inclusion data analyses by Jim Reynolds of Denver, Colorado, suggest that the level of erosion on the veins is shallow, probably no more that 100 to 150 meters. As a result, there is potential for the gold bearing veins to extend to depths of at least 300 meters below the current bottom levels.

The other 3 known parallel, banded quartz-adularia veins located immediately to the south of the La Sarda Vein also have the potential to host high-grade mineralized shoots.

The quartz-adularia veining at the Yago property is typically banded and brecciated. The banded nature of the veining is best developed below the 175 meter level at the La Sarda Vein and below the 150 meter level within the Esperanza Vein. The veins contain varying amounts of sulphide with pyrite most abundant. However, the overall sulphide content is low.

The principal veins on the Yago property are described in a report by Minera Hecla S.A. de C.V. dated February 2000. A summary of the vein descriptions taken from this report follows:

At the **La Sarda Vein**, three mineralized shoots within the northeast-trending vein structure were developed and a limited tonnage was mined. The La Sarda ore shoot was 140 meters in length, the San Juan shoot was 150 meters long and the Santo Domingo shoot was 75 meters long. The average vein width based on 2,386 samples was 1.64 meters and the average grade of the samples was 10.98 g/t gold and 153 g/t silver. A small high-grade (bonanza type) ore shoot was mined between the 175 and 185 levels. It assayed 1 kg/t gold and 20 kg/t silver.

There are 3 shoots on the **Esperanza Vein**. The No. 1 shoot is 75 meters in length and was mined from the 130 meter level to the 160 meter level. The No.2 shoot is 300 meters long with the central portion broken up by faulting and was mined from the 120 meter level to the 150 meter level. The No. 3 shoot is 75 meters long and was mined from the 80 meter level to the 110 meter level. The 308 samples taken from the shoots with average sample widths of 1.12 meters, assayed an average of 8.13 g/t gold and 68.73 g/t silver.

The **Magnolia Vein** is characterized by higher silver values than either the La Sarda-San Juan or the Esperanza Veins. The Magnolia Vein was mined along a length of 100 meters, from the 120 meter level to the 200 meter level. A total of 278 samples taken from the mineralized shoot averaged 4.44 g/t gold and 546 g/t silver over an average vein width of 0.97 meters.

During 2005 a trenching program confirmed the continuity of the Magnolia Vein for at least an additional **300 meters** beyond the known extent of the underground workings (See **Figure 6**).

Trenching and underground maps show the Magnolia vein to consist of cymoid lenses that have a pinch and swell nature. In trench 2 the Magnolia Vein reaches 7 meters wide, in trench 4 it pinches to 0.80 meters and in trench 5 it reaches 2.20 meters in width (V. Jaramillo, 2005).

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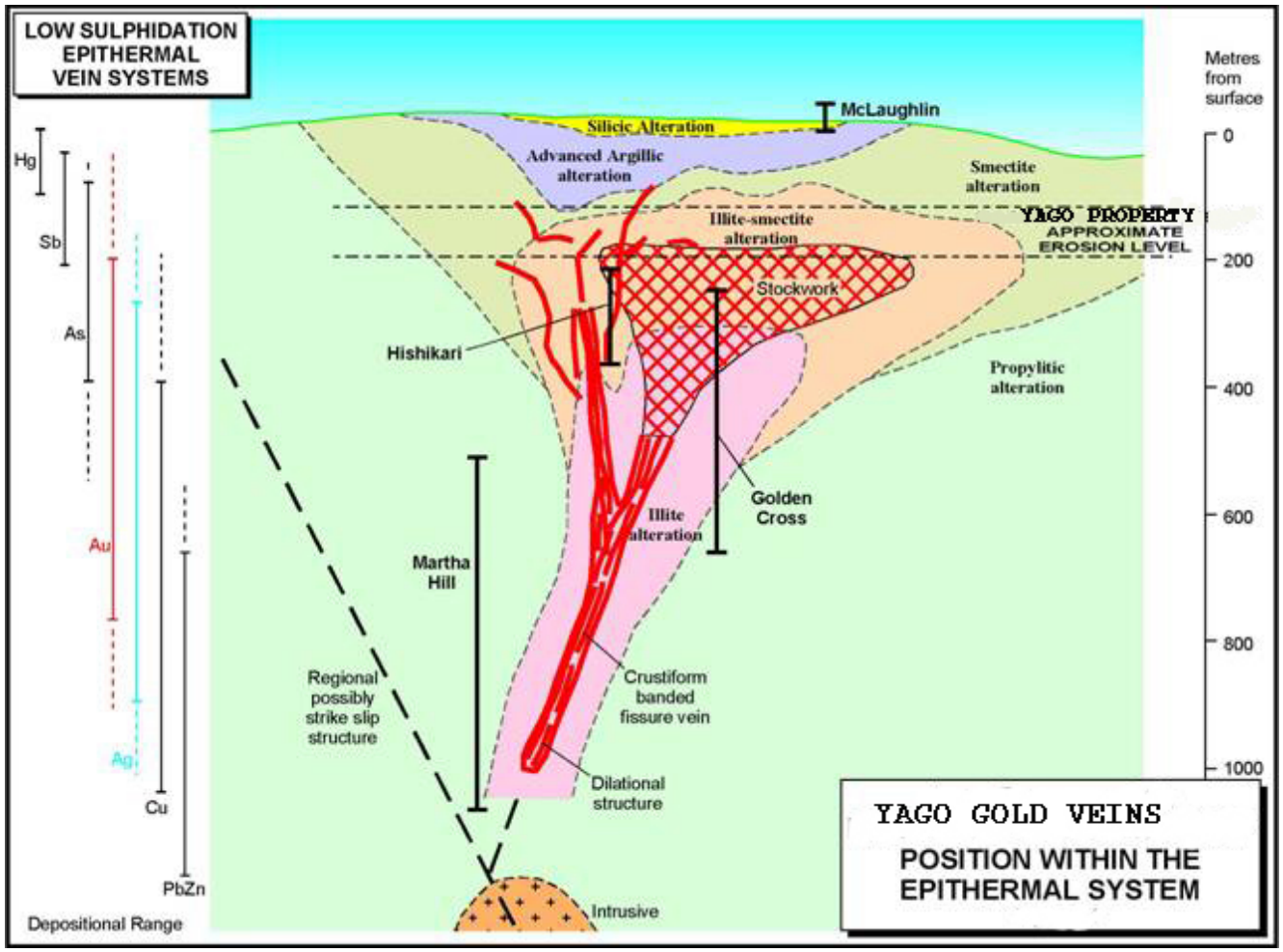

FIGURE 5: Low sulphidation epithermal vein system showing interpreted erosional level of the Veins at the Yago property based on clay alteration (Poliquin, 2005)

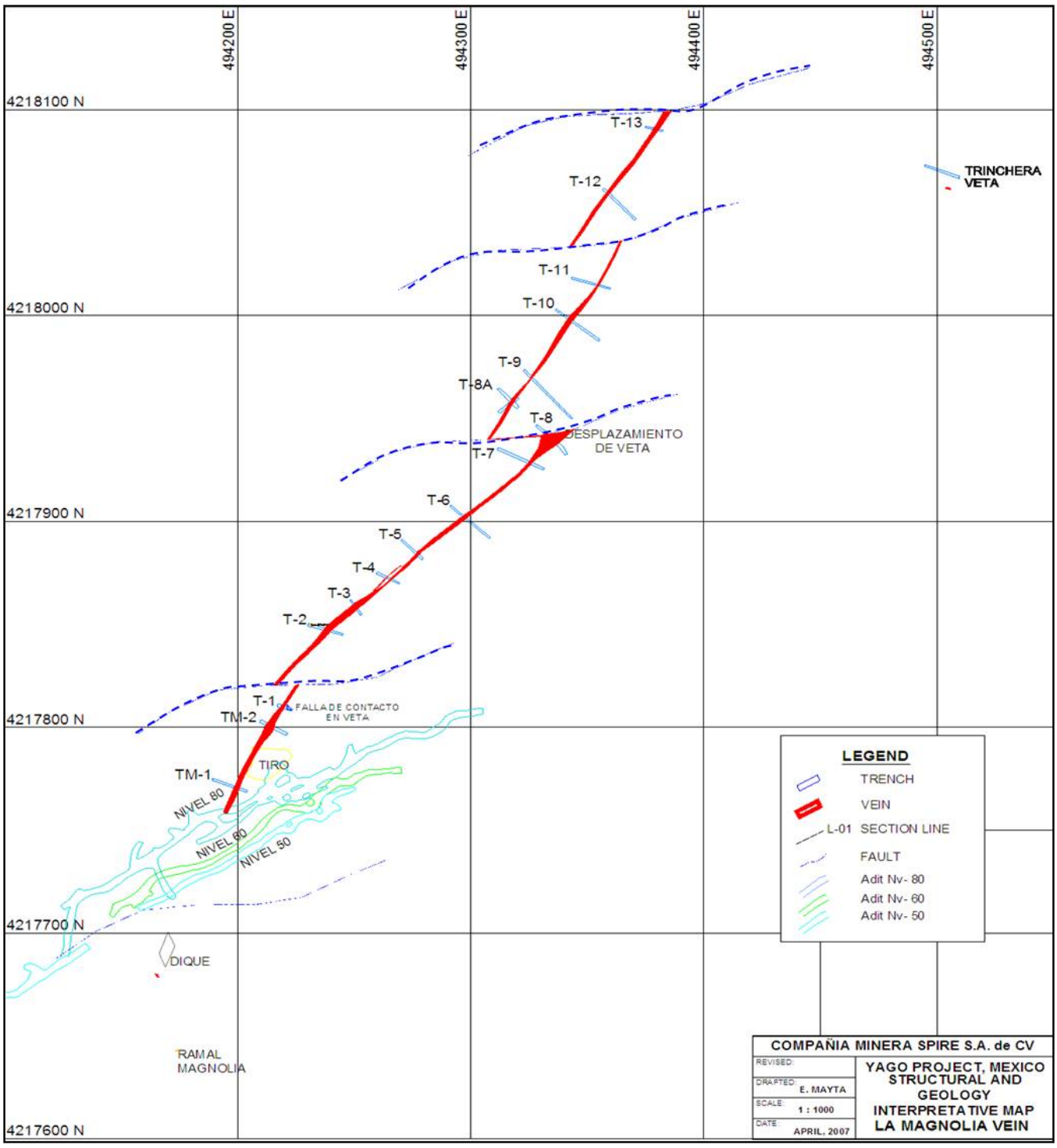

FIGURE 6: Magnolia Vein Surface Trenches hand dug during 2005 showing interpreted fault displacements

PLATE 1: Magnolia Vein old pit zone looking north. Below to the right of the image is an old muck pile beside an inclined shaft.

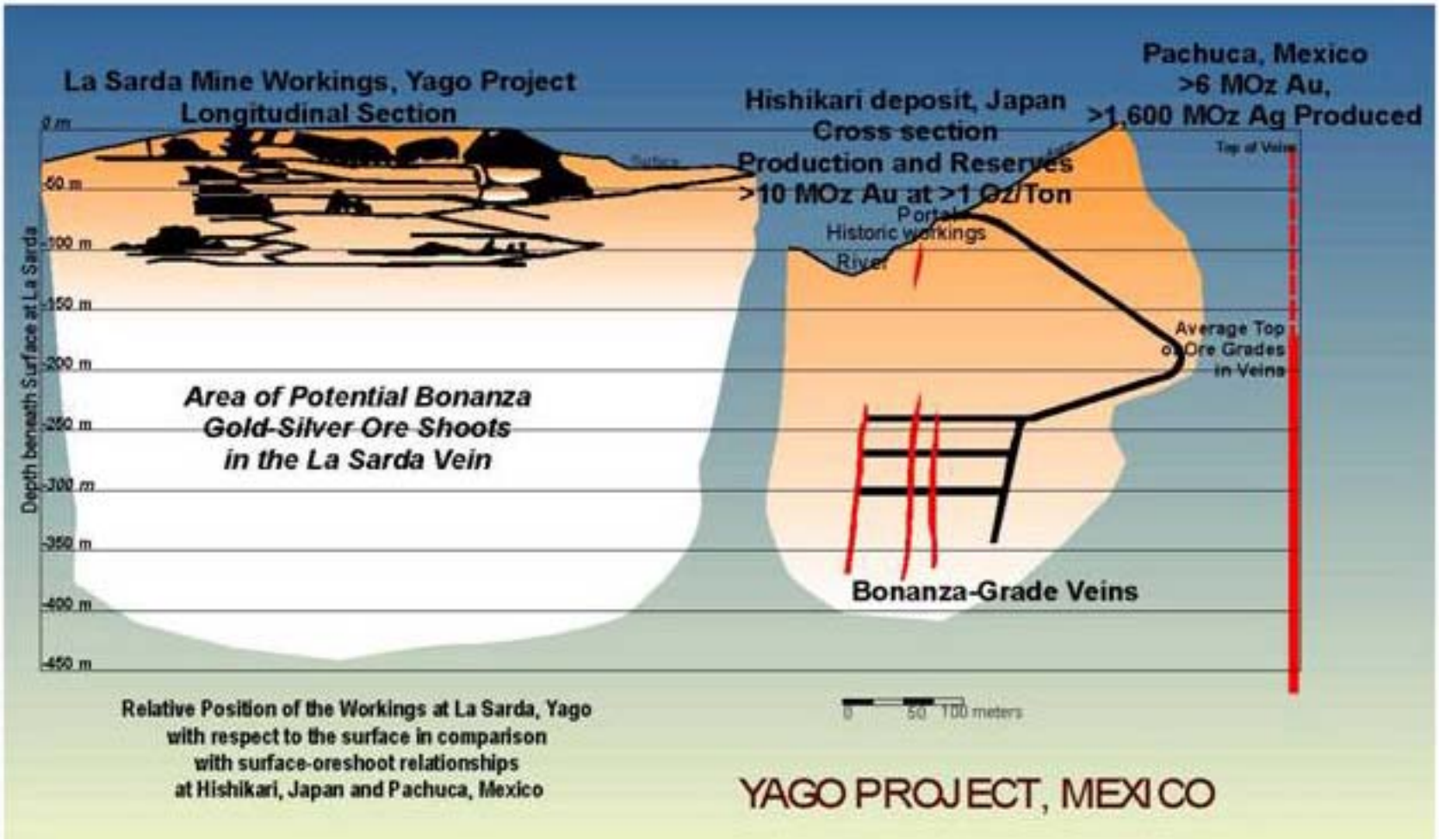

FIGURE 7: Mine Development of the Sarda Vein in comparison to established epithermal vein gold producers. (Poliquin, 2005)

8.2 The South Area Vein Mineralization

The south area is located approximately 7 kilometers south of the La Sarda Vein. Historic mine workings and mineralized quartz veins in outcrop and as float occur over an area of 1.5 by 2 kilometers (**see Figure 4 and 8**). The veins at this location are exposed at approximately the same elevation as the La Sarda Mine area and comprise broad areas of vein stockwork associated with banded, quartz-adularia veins that vary in width from less than 0.5 meters up to apparent true widths in excess of 5 meters.

The **Creek Vein** approximately 5 meters in true width is exposed in a creek bed in the northeast portion of the grid. Several veins and stockwork zones also outcrop along Cauipa Creek in the eastern portion of the grid. Much of the veining occurs as quartz-adularia banding on a scale of millimeters to centimeters. In places, narrow stockwork veining, less than 10 centimeters in width is also thinly banded. Veins and wall rocks are commonly brecciated and rehealed by quartz. In places occurrences of quartz replacing bladed calcite have been noted. The veins contain minor, variable amounts of sulfides with pyrite dominant.

Sphalerite, chalcopyrite, galena, covellite, pyrite and electrum were identified from samples taken from the Creek Zone. The sulfides are fine-grained (less then 1 mm in size) and are concentrated along quartz layer boundaries.

In the **Tejona and Guadalupe Vein** area, the site of historic mining, previous dump sampling yielded higher values with the best sample taken from the Guadalupe dump grading 45.19 g/t gold (Sample No. 0084). A grab sample from vein material at a dump located about 100 meters southwest of the Tejona Shaft returned 10.9 g/t gold (Sample No. 0062) and a sample of quartz vein with fine grained sulfides from a dump at the La Korina Vein site assayed 9.5 g/t (Sample No. 0105). (Source: King, H.L**.,** 2002).

The **Sagitario Vein** area was explored last year by Spire by systematic hand trenching and diamond drilling.

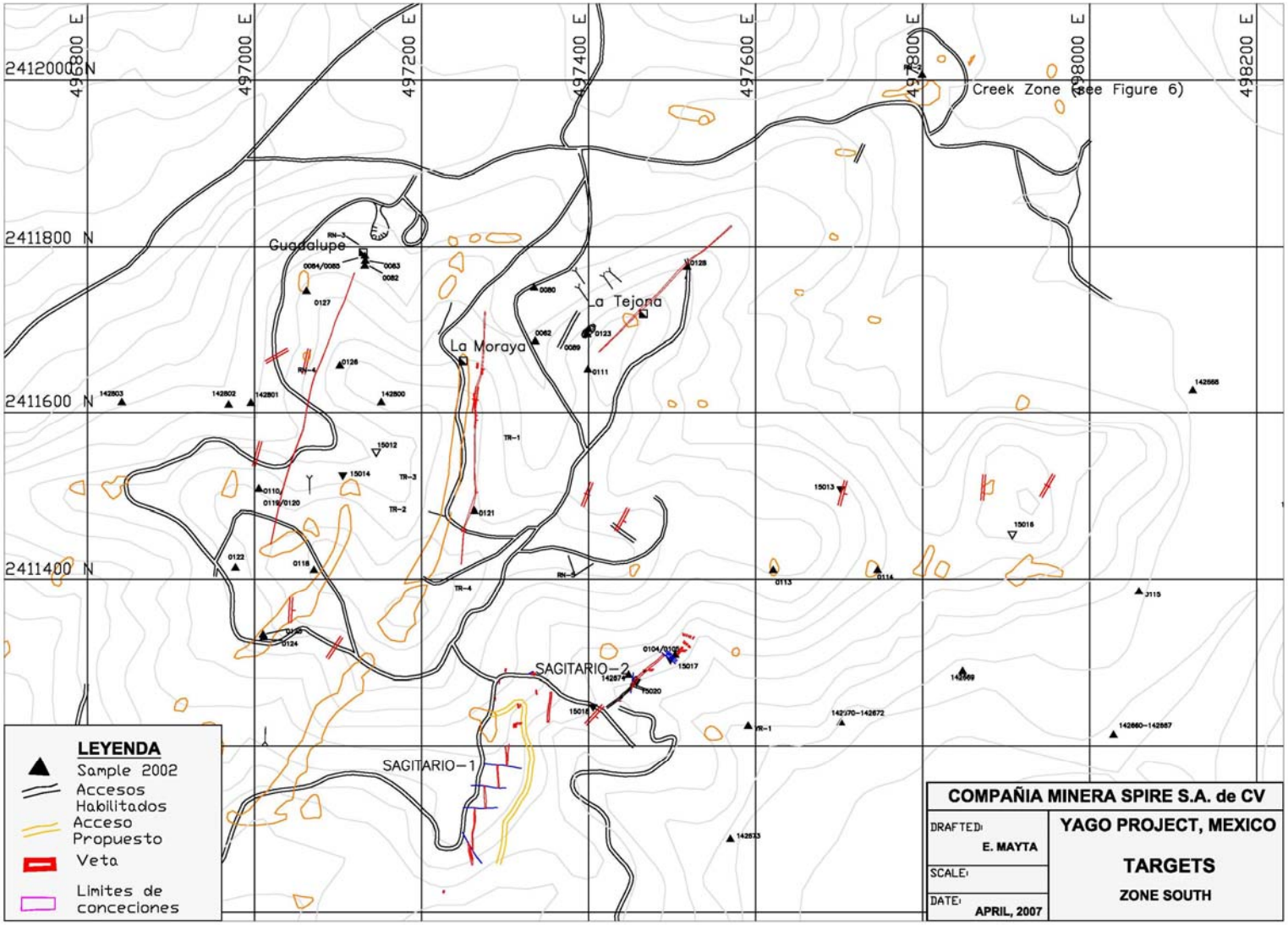

FIGURE 8: The South Area Vein Mineralization

9.0 EXPLORATION AT THE YAGO PROPERTY

During March to July 2007 Consolidated Spire Ventures Ltd. conducted the following geological exploration work at the Yago Property:

A. Topographic Surveying: A 600 hectare ground topographic survey using total station was completed in May 2007. It covered the four veins in the northern section of the Property. The objective of this work was to have good ground control for mapping and drilling. See **figure 9** below.

B. Geological Mapping and Trenching: Mapping in the northern vein area was completed, and systematic hand trenching was carried out in the southern section of the property in a new area called Sagitario. A total of 91 trench samples were taken, this includes samples for quality control.

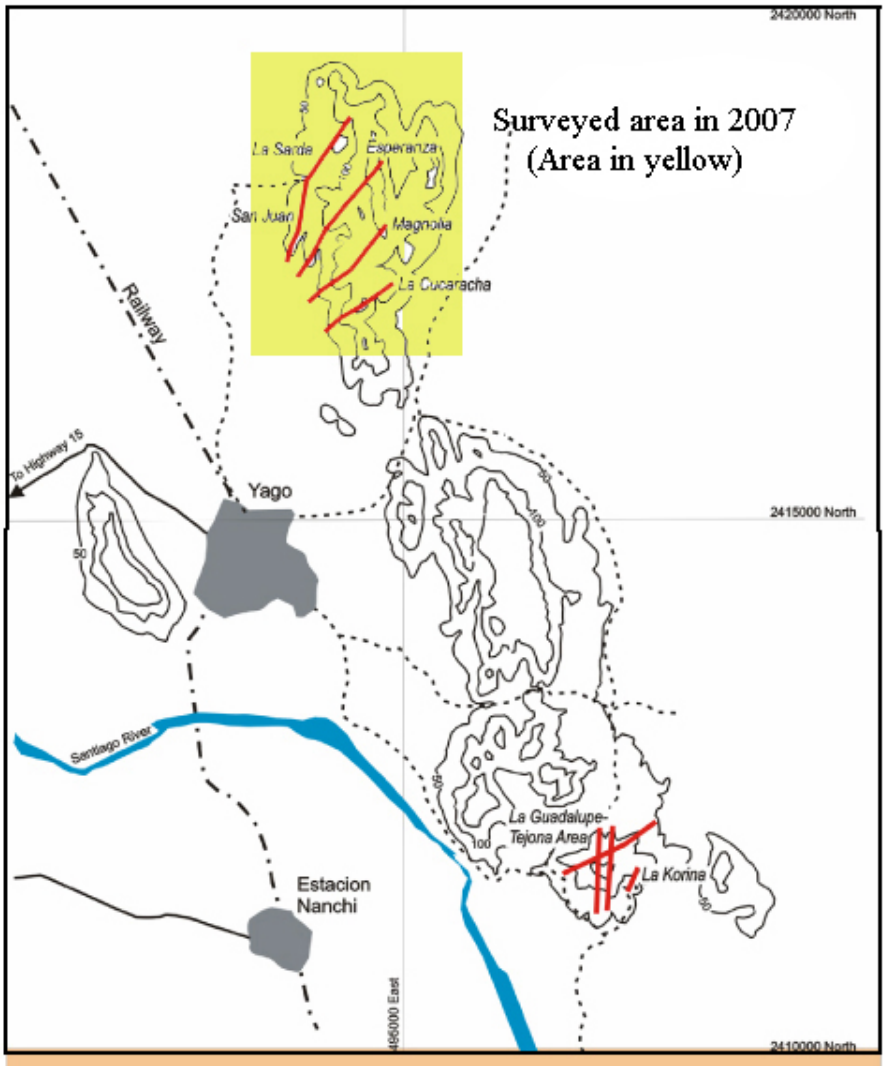

FIGURE 9: Surveyed area during 2007

Trench sampling consisted in taking chip rock channel samples across the vein width. Analytical results of the trenching in the Sagitario Vein area include:

Sagitario Vein Trench Results						
Trench	**Sample Nº**	**Vein No.**	**Litho**	**Width m. (*)**	**Gold g/t**	**Silver g/t**
TS1-2	754402	SAGITARIO 1	VEIN	0.94	2.51	163
TS1-3	754407	SAGITARIO 1	VEIN	1.00	0.70	75.3
TS1-4	754413	SAGITARIO 1	STWK	1.00	1.42	135
TS1-5	754416	SAGITARIO 1	VEIN	1.20	1.70	131
TS1-6	754419	SAGITARIO 1	VEIN	1.10	0.45	41.3
TS1-1A	754439	SAGITARIO 1	VEIN	0.80	1.08	199
TS2-1	754450	SAGITARIO 2	VEIN	1.10	0.89	192
TS2-1	754451	SAGITARIO 2	VEIN	1.10	2.24	551
TS2-2	754470	SAGITARIO 2	VEIN	1.30	4.71	441
TS2-3	754473	SAGITARIO 2	VEIN	1.80	4.13	171
TS2-5	754488	SAGITARIO 2	VEIN	0.20	1.625	25.2

TABLE 2: Sagitario Vein Trench Sample Results

* The above are true widths

The **Sagitario-1 Vein** has shown a continuity of approximately 300m along strike in **12 trenches** and remains open to the north and south. The vein strikes 005 to 010 degrees and has a width that ranges from **0.94m to 4.10m** and dips 65 to 80 degrees SE. It is composed of light grey quartz, amethyst quartz banding and open space filling quartz crystals.

PLATE 2: Sagitario-1 Vein trench sample

The **Sagitario-2 Vein** has shown a continuity of approximately 200m along strike in 6 trenches and remains open to the northeast and southwest. The vein strikes 030 to 045 degrees and has a width that ranges from **0.85m to 3.0m** and dips 65 to 70 degrees SE. It is composed of dark grey quartz, amethyst quartz banding and breccia zones.

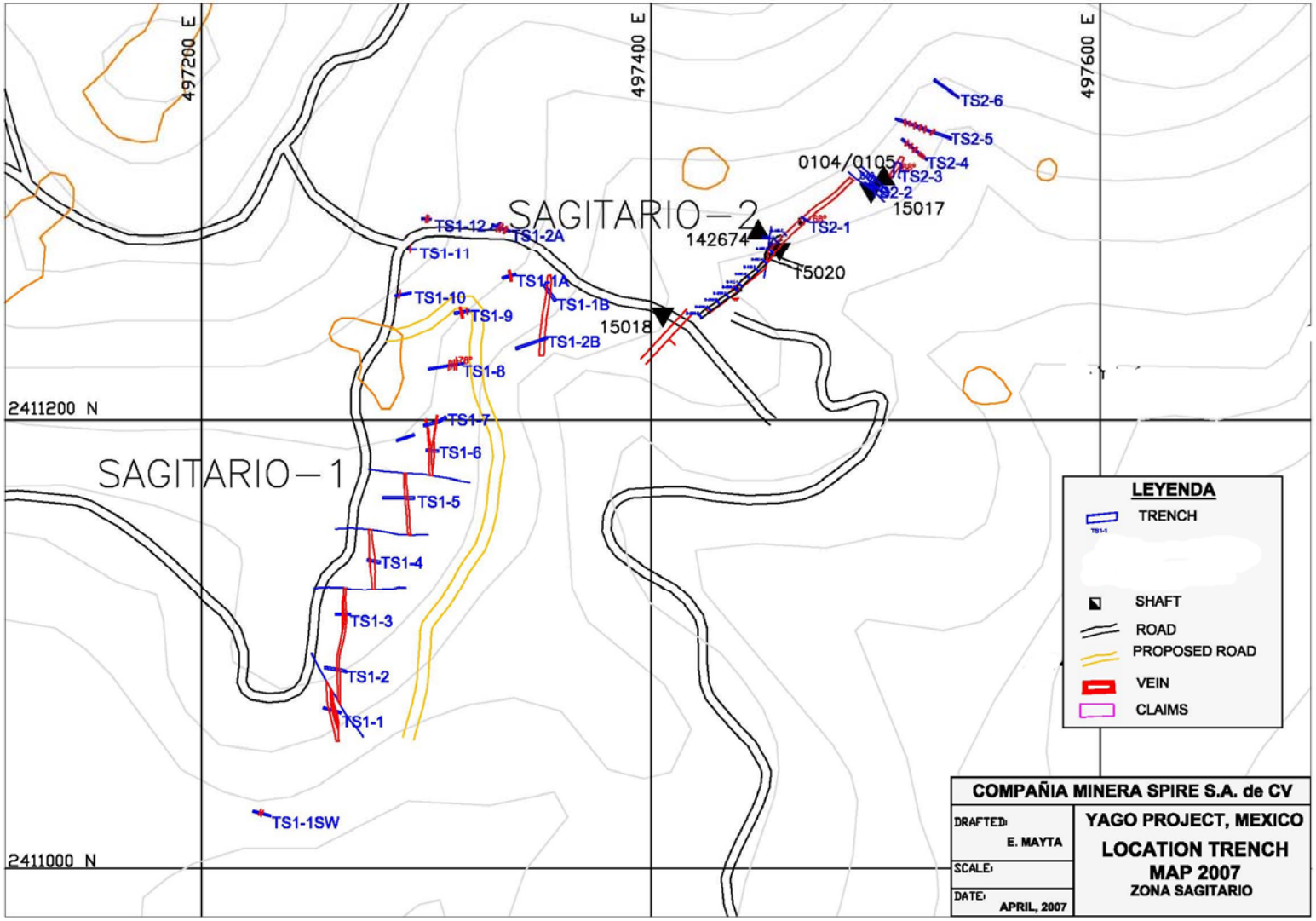

FIGURE 10: Sagitario Area Trench Location Map

In the Sagitario-2 Vein an old small adit was chip sampled along this vein. It returned the following analytical results:

Samples along small adit in Sagitario 2 Vein						
Trench	Sample Nº	Vein No.	Litho	Width m.	Gold g/t	Silver g/t
S-SW-01	754453	SAGITARIO 2	VEIN	0.35	0.85	142
S-SW-01	754454	SAGITARIO 2	VEIN	0.85	1.19	553
S-SW-01	754455	SAGITARIO 2	VEIN	1.25	0.52	158
S-SW-01	754456	SAGITARIO 2	VEIN	1.10	0.73	43.5
S-SW-04	754460	SAGITARIO 2	VEIN	1.7	2.79	262
S-SW-05	754461	SAGITARIO 2	VEIN	1.9	0.388	117
S-NE-02	754463	SAGITARIO 2	VEIN	1.85	0.778	216
S-NE-07	754469	SAGITARIO 2	VEIN	1.1	0.49	178

TABLE 3: Sagitario-2 Vein Adit Sample Results

* The above are true widths

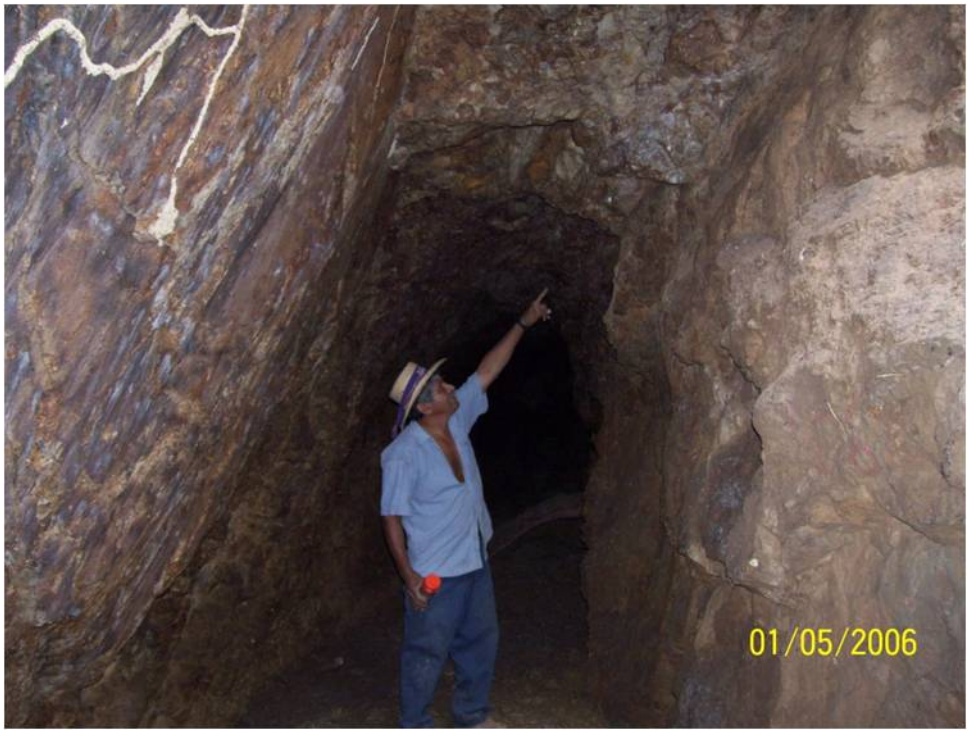

PLATE 3: Sagitario-2 Vein Exploration Adit

C. Diamond Drilling: During 2007 a total of ten short drill holes ranging from 35m to 160m long were drilled for a total of 945 meters. Details of this work are discussed in the following section on this report (Section 10).

10.0 DRILLING AT THE YAGO PROPERTY

Due to a late start a total of only 945m were drilled before the start of the rainy season in July 2007. As such, a total of only ten short drill holes ranging from 35m to 160m long were drilled. The deeper drill holes remain to be drilled. The Drill Company contracted from Hidalgo, Mexico (PERGEO) was late in getting setup and had too many mechanical problems during drilling.

In spite of the mechanical problems and the difficult fractured terrain, most of the core recovery was above 90%. All drill holes intercepted quartz veins ranging from 0.80m to 2.40m (true width). A total of 126 samples were collected, including quality control samples.

The Company believes that the quartz veins intercepted by the diamond drill program mostly lie within the upper level of the epithermal gold/silver system. Deeper drilling is expected to reach the boiling zone where gold tends to increase in content.

2007 Drill Hole Summary								
DDH	**Easting**	**Northing**	**Elevation (m)**	**Azimuth**	**Indination**	**Length**	**Zone**	**Vein**
DDH-07-M01	494295	2417654	89.44	345	-70	160.7	NORTH	MAGNOLIA
DDH-07-M02	494295	2417654	89.44	345	-45	130.7	NORTH	MAGNOLIA
DDH-07-E01	494457	2418535	131.95	315	-45	86.6	NORTH	ESPERANZA
DDH-07-E02	494457	2418535	131.95	315	-65	147.4	NORTH	ESPERANZA
DDH-07-S01	497325	2411129	92.53	280	-45	74.6	SOUTH	SAGITARI 01
DDH-07-S02	497325	2411129	92.53	280	-70	70.5	SOUTH	SAGITARI 01
DDH-07-S03	497487	2411264	73	325	-45	34.95	SOUTH	SAGITARI 02
DDH-07-S04	497487	2411264	73	325	-80	63.3	SOUTH	SAGITARI 02
DDH-07-S05	497490	2411216	75	309	-45	79.95	SOUTH	SAGITARI 02
DDH-07-S06	497490	2411216	75	309	-70	100	SOUTH	SAGITARI 02

TABLE 4: Summary of 2007 Drill Holes

Highlights of the 2007 drilling program are shown in the table below:

Drill Hole No.	**From (m)**	**To (m)**	**Width(*) (m)**	**Gold (g/t)**	**Silver (g/t)**
DDH-07-M01	137.15	138.6	**1.45**	**1.01**	**2.10**
DDH-07-M02	100.8	101.8	**1.00**	**0.24**	**8.50**
DDH-07-S01	34.6	37	**2.40**	**0.73**	**152.09**
DDH-07-S03	23.1	24	**0.90**	**0.43**	**64.10**
DDH-07-S04	36.6	37.5	**0.90**	**1.29**	**49.00**

TABLE 5: Highlights of the 2007 Drill Program

* The above are not true widths but lengths of intersection.

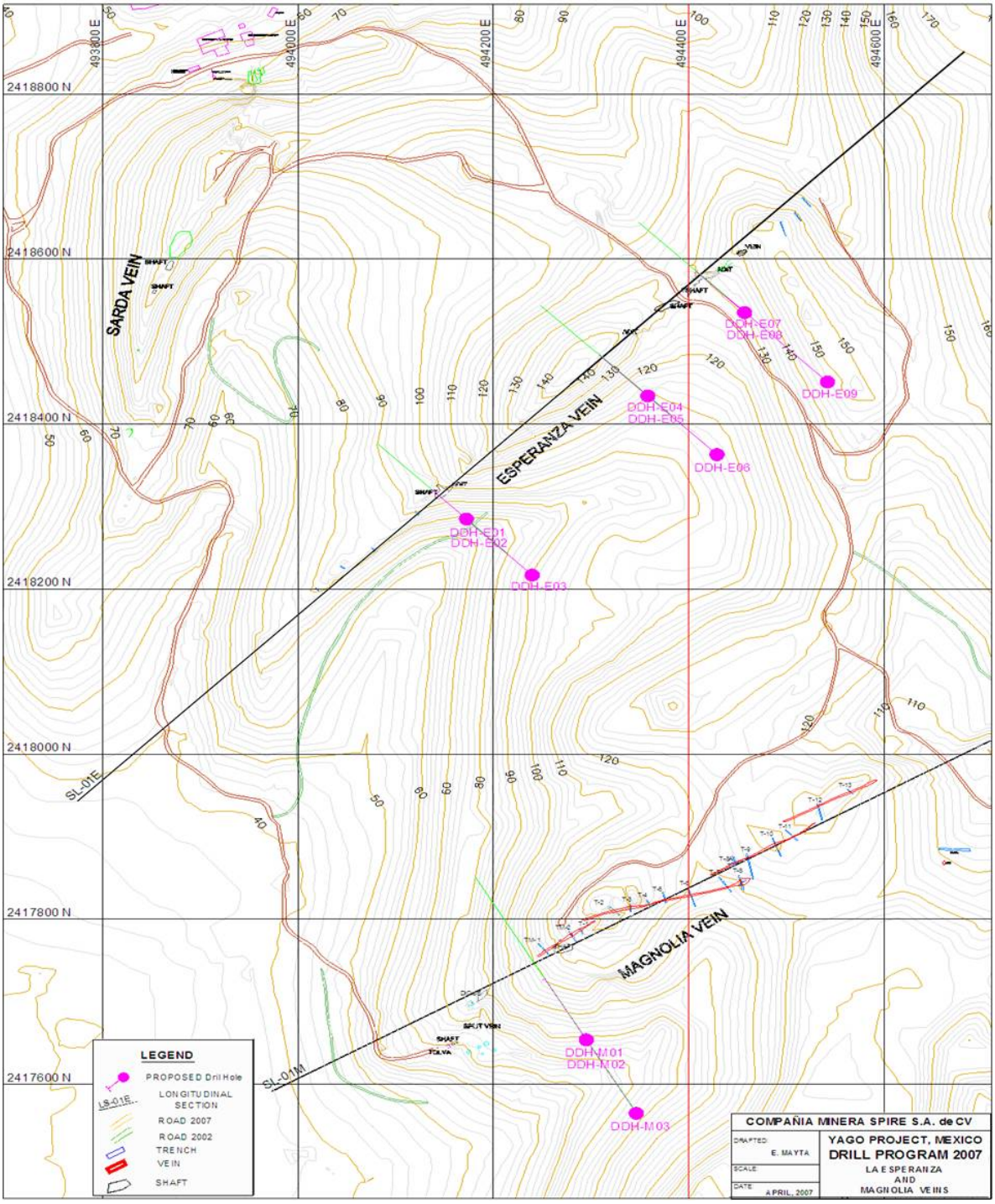

FIGURE 11: Map showing collar locations of the 2007 proposed drill holes at the Esperanza and Magnolia Veins. Due to a late start in the season, at the Magnolia Vein only two holes were drilled (M-01 and M-02) and likewise at the Esperanza Vein only two short holes were drilled (E-01 and E-02).

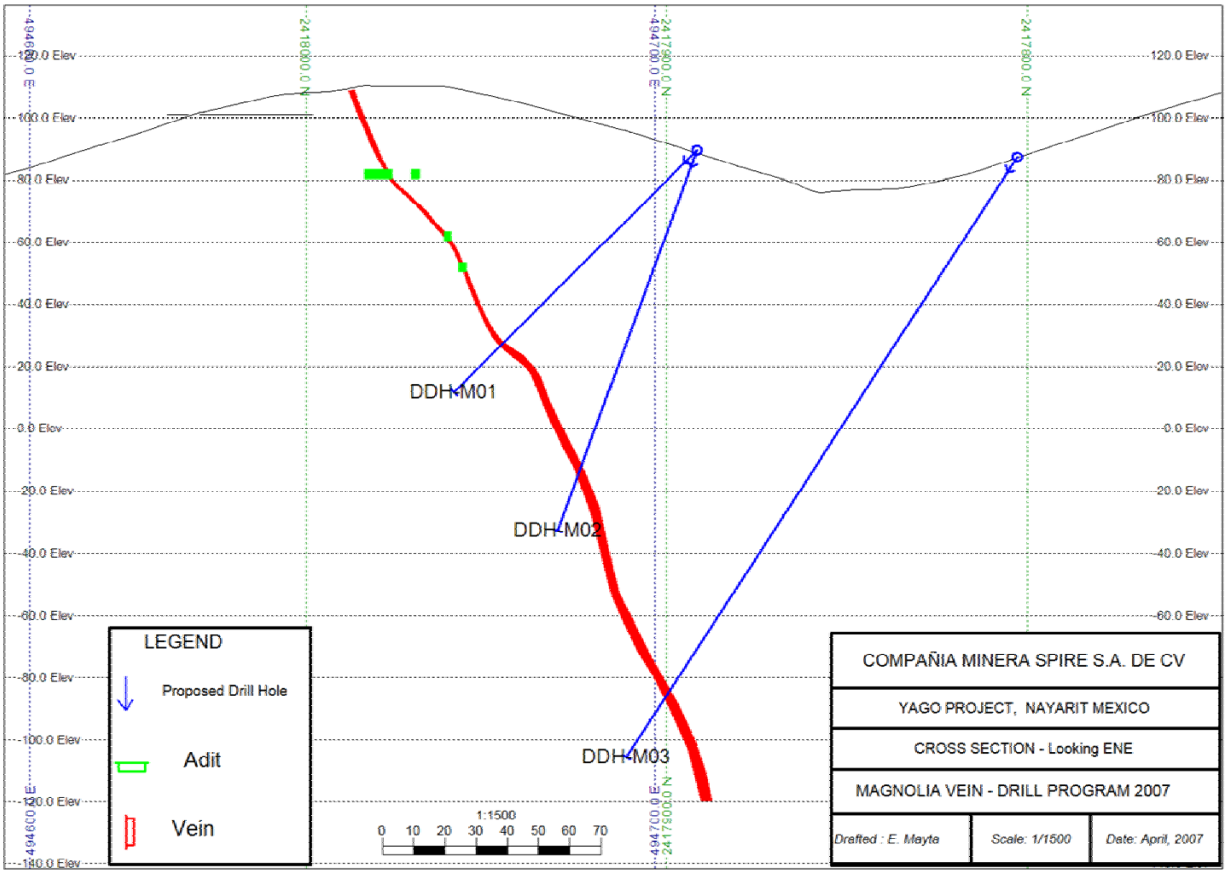

FIGURE 12: Magnolia Vein Cross Section.
Only drill holes M-01 and M-02 were completed.

The first drill hole on the Magnolia Vein (M-01) drilled below the old mined area did not intercept the main quartz vein, but rather quartz veinlets with silicification. The same occurred in the second drill hole (M-02). Geological interpretation suggests faulting may have displaced the lower section of the vein to the northwest.

The first drill hole on the Esperanza Vein (E-01) did intercept the quartz vein as projected, but it contained no gold or silver grades of interest. The second drill hole (E-02) did not reach the vein probably due to faulting, as occurred in the Magnolia Vein.

Because the drill contractor was later on not able to drill holes deeper than 120m, due to drill break-downs, the drill program had to be modified. As such, several programmed deeper holes for the Magnolia and Esperanza Veins had to be postponed.

It was decided to move the drill to the south area of the property to drill shallow holes in the Sagitario Vein Zone (see Figure 15). A total of 6 holes were drilled at Sagitario.

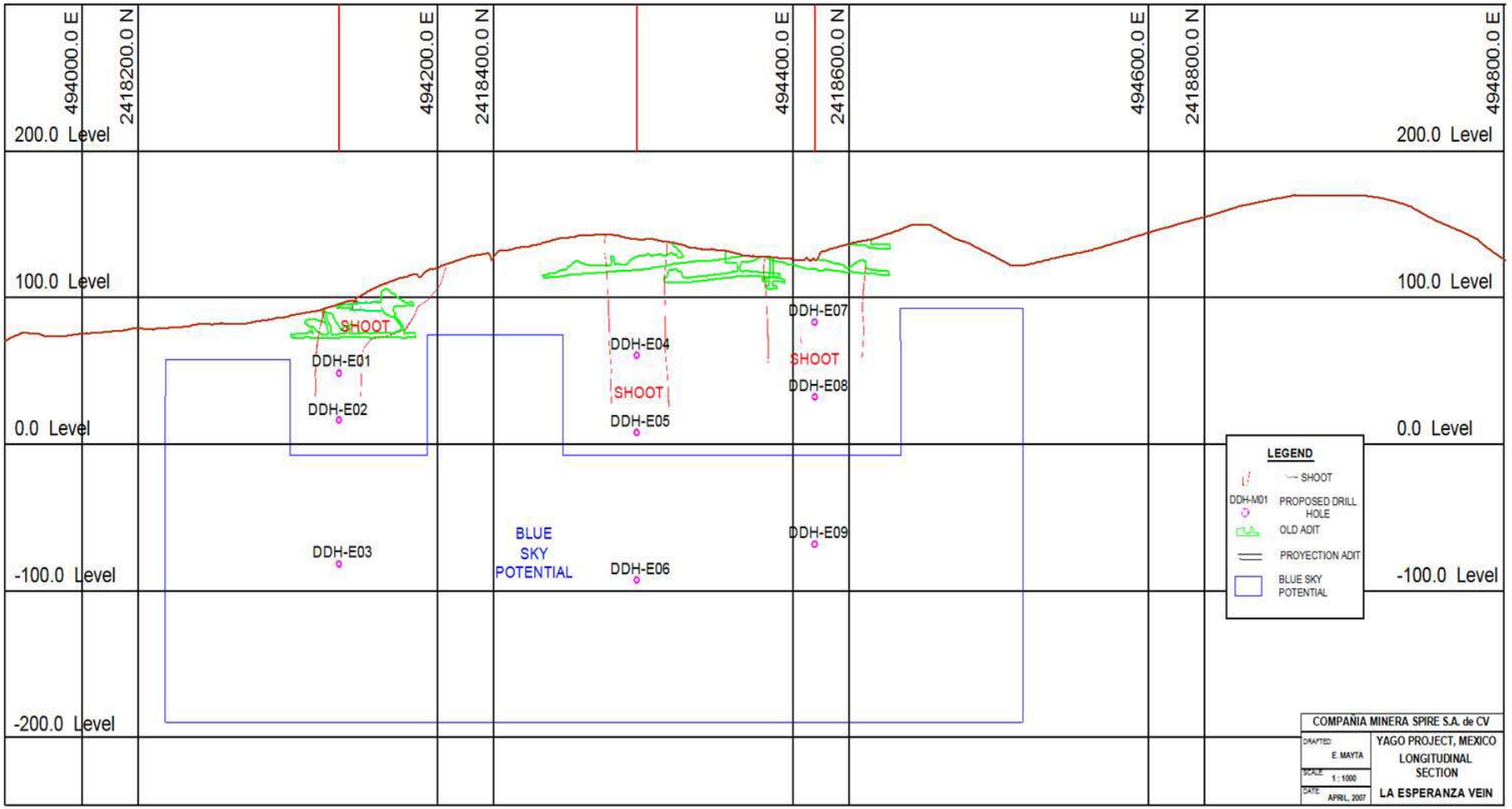

FIGURE 13: Esperanza vein longitudinal section showing old workings and approximate pierce points for the 2007 drill program. Only drill holes E-01 and E-02 were drilled as the rainy season began earlier than expected.

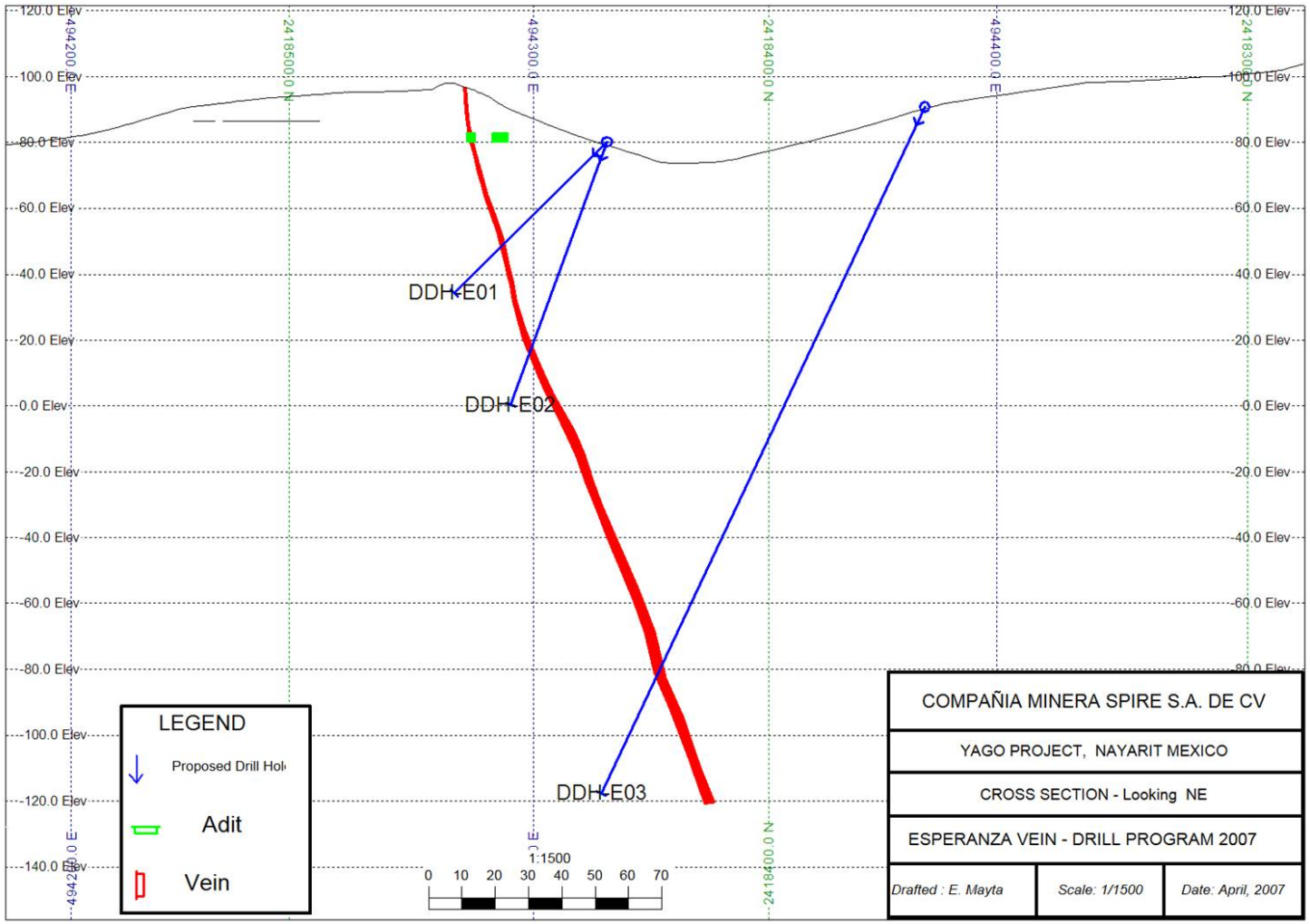

FIGURE 14: Esperanza Vein Cross Section. Only drill holes E-01 and E-02 were completed.

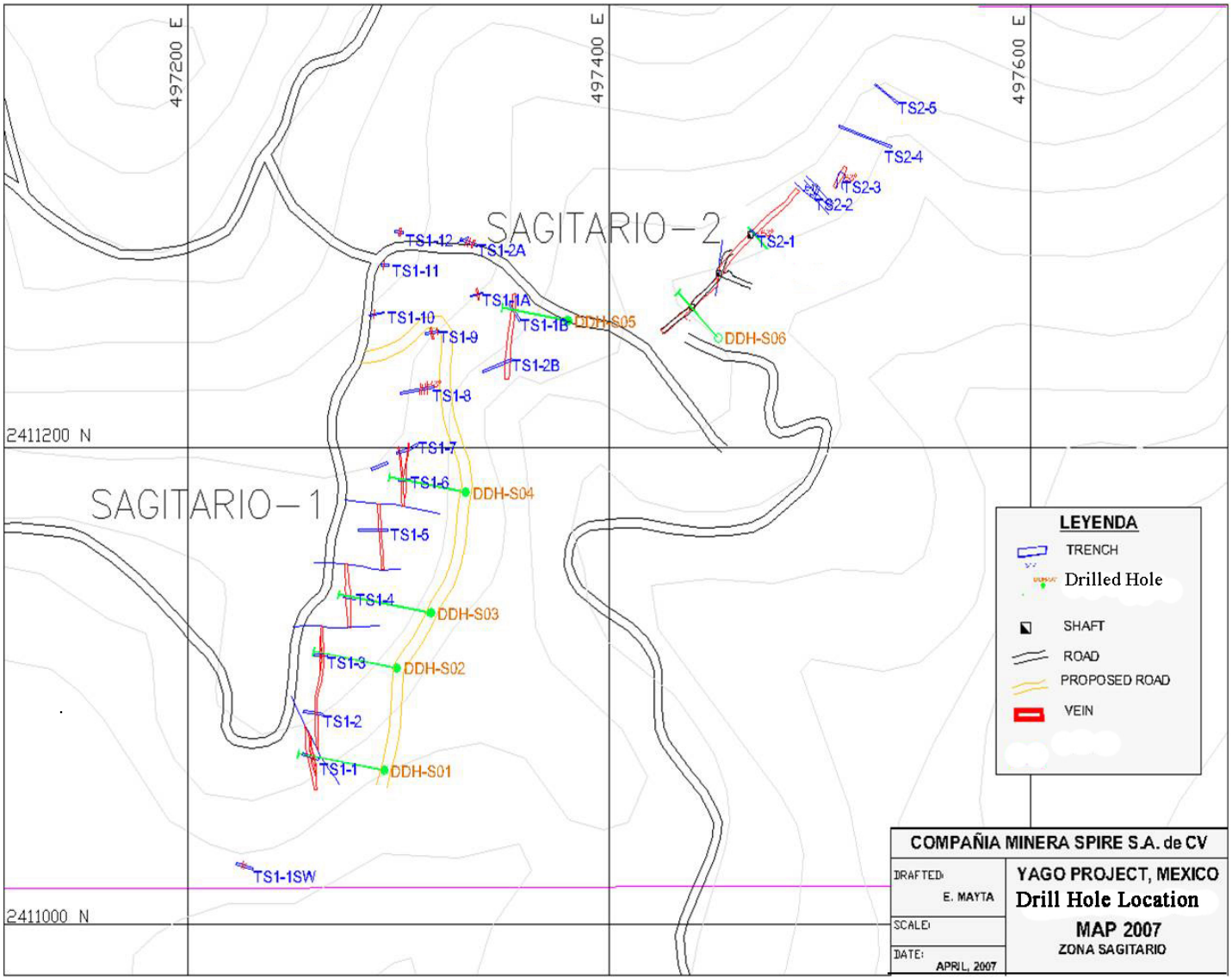

FIGURE 15: Sagitario Area Drill Hole Collar Location Map

11.0 SAMPLING METHOD AND APPROACH

Orange flagging tape was marked in black permanent ink with the sample identification number and tied around a representative rock from that specific trench sample location, and placed in the trench floor for future reference. Surface sample locations were recorded using a Garmin GPS 60CSx unit set to UTM coordinates, Datum WGS-84 Mexico, zone 13.

Sampling of diamond drill core was completed based on similar styles of hydrothermal alteration, style and/or densities of microcrystalline quartz veins.

The core sample duplicates involved first sawing the core sample in equal halves, and then quarter sawing or splitting the sample and taking two ¼ sized fractions of the sample interval for analysis. The trench duplicate samples were a replication of specific channel chip sample lines. All attempts were made to take the same volume of rock from the same sample line as the previous sample.

Rock and core samples were prepped at the ALS Chemex Lab facility in Guadalajara and shipped to the ALS Chemex Lab in Vancouver, Canada for analysis. All work was conducted following the procedures and standards outlined under NI 43-101. All sample batches sent to the lab included standards, blanks and duplicate samples.

All sampling during the 2007 exploration program was carried out under the supervision of Victor Jaramillo, P.Geo., Exploration Manager for Consolidated Spire Ventures and Edwin Mayta, Senior geologist.

The author believes that the sampling methods employed are of acceptable quality and are generally representative of the sites sampled.

12.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

All samples were shipped by bus from the city of Tepic to the ALS Chemex Lab in Guadalajara for preparation, and with final analyses being carried out by ALS Chemex Laboratories Ltd. in Vancouver, BC.

ALS-CHEMEX is a Canadian-Australian based laboratory with an excellent international reputation. Their quality system complies with ISO 9001:2000 and ISO 17025:1999. The author has used their preparation facilities in other countries on numerous occasions and has completed laboratory inspections of their preparation facilities.

Samples were analyzed for gold (Code Au-AA26) by fire assay - AAS finish using a 50 gram sample weight, 34 element ICP by aqua regia digestion (Code ME-ICP41), and for samples over 100 ppm silver (Code Ag-GRA22), by fire assay and gravimetric finish using a 50 gram sample weight.

ALS CHEMEX sample preparation procedures are as follows:

ALS Chemex

Sample Preparation Procedure – CRU-31

Method: Crushing

The entire sample is passed through a primary crusher to yield a crushed product of which greater than 70% is less than approximately 2mm. A split (split size is determined by the final preparation method and analysis requested) is then taken using a stainless steel riffle splitter.

The crushing code indicates the weight of the original sample.

ALS Chemex Code	Rush Code	Parameter	Sample Weight (lb)	Sample Weight (kg)
226	295	0-3 kg Crush and Split	0 - 6	0 - 3
294	272	4-7 kg Crush and Split	7 - 15	4 - 7
276	293	8-12 kg Crush and Split	16 - 25	8 - 12
273	271	13-18 kg Crush and Split	26 - 40	13 -18
270		19-26 kg Crush and Split	41 - 60	19 - 26
278		27-36 kg Crush and Split	61 -79	27 - 36

CRU-32 is used for crushing samples that may exhibit coarse gold effects. The sample is fine crushed to better than 90% -2mm.

ALS Chemex

Sample Preparation Procedure - Splitting

Method: Splitting

The entire sample is transferred to a tray and then repeatedly passed through a stainless steel riffle splitter until the required split size has been obtained. Sample reject is returned to its original package or, if necessary, to a more suitable container.

Chemex Code	Parameter
234	0-7 kg Sample Splitting
260	8-26 kg Sample Splitting

ALS Chemex

Sample Preparation Procedure – PUL-31

Method: Grinding

A crushed sample split (200 - 300 grams) is ground using a ring mill pulverizer with a chrome steel ring set. The ALS Chemex specification for this procedure is that greater than 85% of the ground material passes through a 75 micron (Tyler 200 mesh) screen. Grinding with chrome steel may impart trace amounts of iron and chromium into a sample.

ALS Chemex Code	Rush Code	Parameter
208	258	Assay Grade Ring Grind
205	255	Geochemical Ring Grind

ALS-Chemex Analytical Procedures used are as follows:

Au-AA25 – Precious Metal Analysis by Fire Assay and AAS
A 50 gram sample weight is mixed with fluxing agents including lead oxide, and fused at high temperature. The lead oxide is reduced to lead, which collects the precious metal. The precious metal is separated from the lead via cupellation. The precious metal content is determined by AAS.

Au-SCR21 – Precious Metal Analysis by Screen Fire Assay
Selected samples were analyzed by screen fire assay to determine presence of coarse gold. A 1,000 g sample was used for screen fire assay analysis.

ME-ICP41 – 34 Elements by Aqua Regia and ICP-AES
Sample pulps were treated by hot aqua regia acid digestion. Dissolved elements (34 elements) were analyzed by ICP-AES.

Ag-GRA22 – Silver by Fire Assay and Gravimetric Finish
A 50 gram sample weight is mixed with fluxing agents including lead oxide, and fused at high temperature. The lead oxide is reduced to lead, which collects the precious metal. The precious metal is separated from the lead via cupellation. The precious metal content is determined by gravimetric finish.

13.0 DATA VERIFICATION

Quality control procedures included inserting a blank, duplicate and standard with the each batch of 20 samples sent to the ALS CHEMEX Lab in Guadalajara for prep work.

The standards were commercially prepared by CDN Resource Laboratories Ltd., with an office at 10945-B River Road, Delta, B.C., Canada, V4C 2R8.

Tables with the standards, blanks and duplicates used for the 2007 drill program and their respective variogram are shown below.

Sample	Type	Au g/t	Ag g/t	Standard	Au g/t
E918020	Drilling	10	<0.2	CDN-G5-20	10 +-1.2
E918044	Drilling	10	0.2	CDN-G5-20	10 +-1.2
E918067	Drilling	10	<0.2	CDN-G5-20	10 +-1.2
E918094	Drilling	10	0.2	CDN-G5-20	10 +-1.2
E918121	Drilling	1.425	3	CDN-G5-IP5A	1.3 +-0.12
754421	Trench	1.44	3	CDN-G5-IP5A	1.3 +-0.12
754435	Trench	1.40	2.8	CDN-G5-IP5A	1.3 +-0.12
754459	Trench	1.405	2.9	CDN-G5-IP5A	1.3 +-0.12
754492	Trench	1.39	2.8	CDN-G5-IP5A	1.3 +-0.12

TABLE 6: Standards used in the 2007 Drill Program

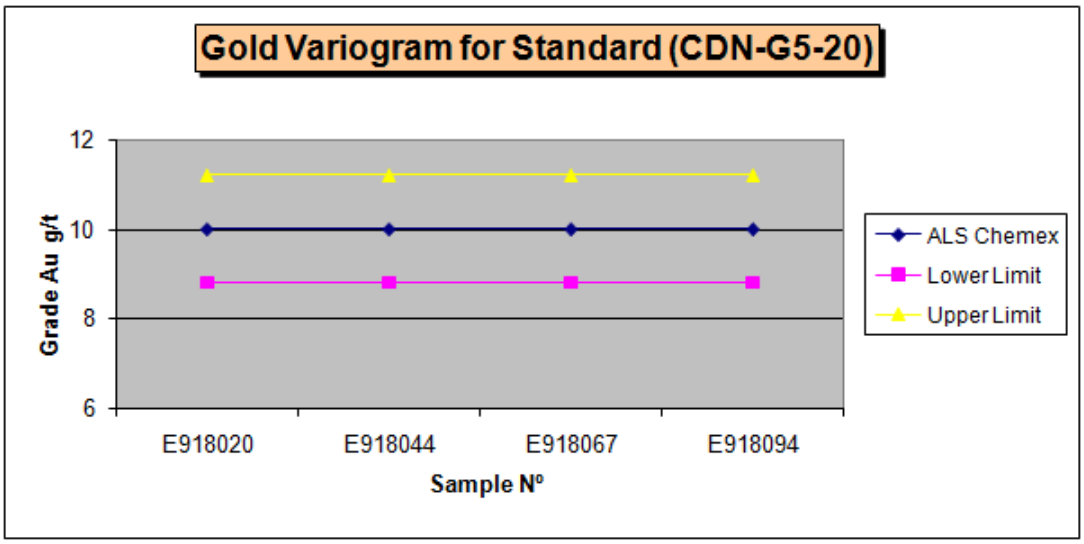

FIGURE 16: Gold Variogram for Standard CDN-G5-20

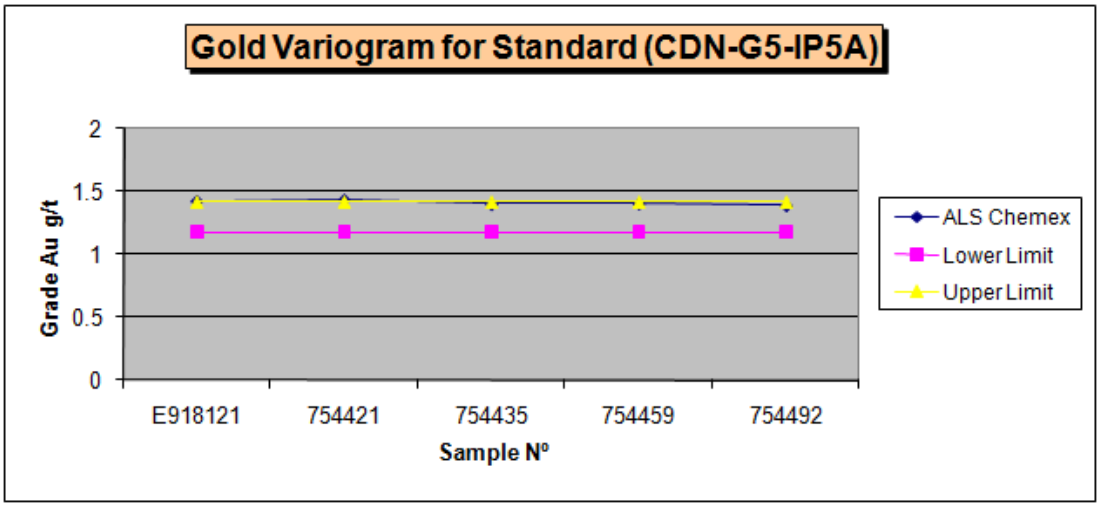

FIGURE 17: Gold Variogram for Standard CDN-G5-IP5A

DUPLICATE SAMPLES							
Sample (1)	Type	Au g/t	Ag g/t	Sample (2)	Type	Au g/t	Ag g/t
E918017	Drilling	1.005	2.1	E918018	Drilling	0.355	1.8
E918040	Drilling	0.004	1.3	E918041	Drilling	0.008	1.6
E918058	Drilling	0.331	69.5	E918059	Drilling	0.111	8.3
E918089	Drilling	0.077	2.2	E918090	Drilling	0.096	2.2
E918111	Drilling	0.094	1.3	E918122	Drilling	0.094	1.2
754410	Trench	0.24	35.7	754411	Trench	0.24	35.7
754430	Trench	0.03	0.3	754437	Trench	0.03	0.2
754456	Trench	0.73	43.5	754457	Trench	0.63	48.8
754473	Trench	4.13	171	754474	Trench	2.87	164

TABLE 7: Duplicate Samples taken during the 2007 Drill Program

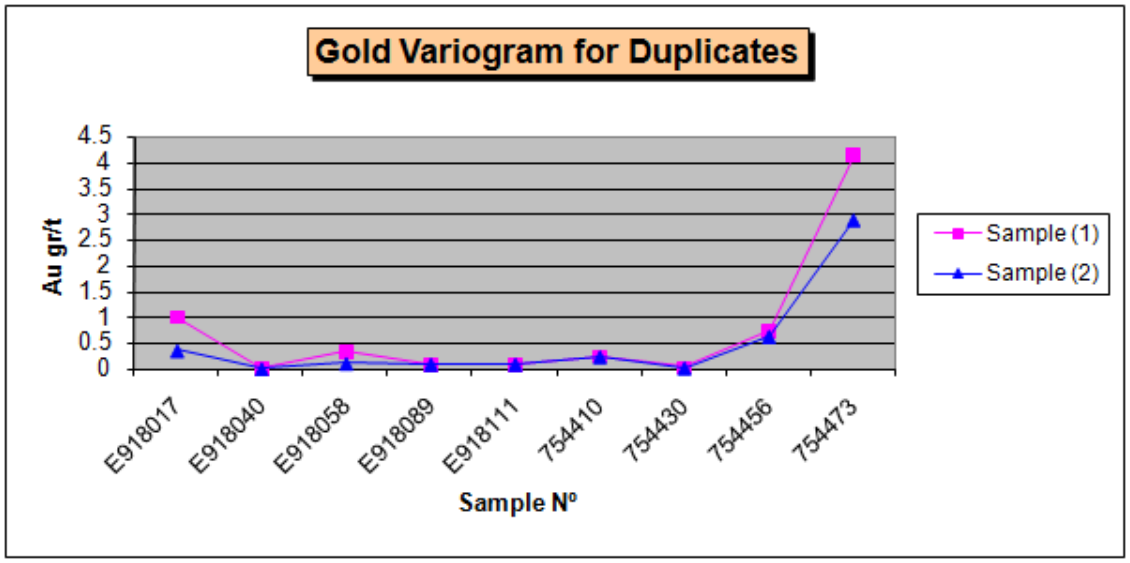

FIGURE 18: Gold Variogram for Duplicate Samples

BLANKS (Reported by ALS Chemex)			
Sample	**Type**	**Au g/t**	**Ag g/t**
E918019	Drilling	0.003	0.2
E918043	Drilling	0.001	0.2
E918066	Drilling	0.001	0.2
E918093	Drilling	0.002	0.2
E918120	Drilling	0.003	0.2
754436	Trench	0.004	0.2
754458	Trench	0.005	0.7
754491	Trench	0.079	1.1

TABLE 8: Blanks used in the 2007 Drill Program

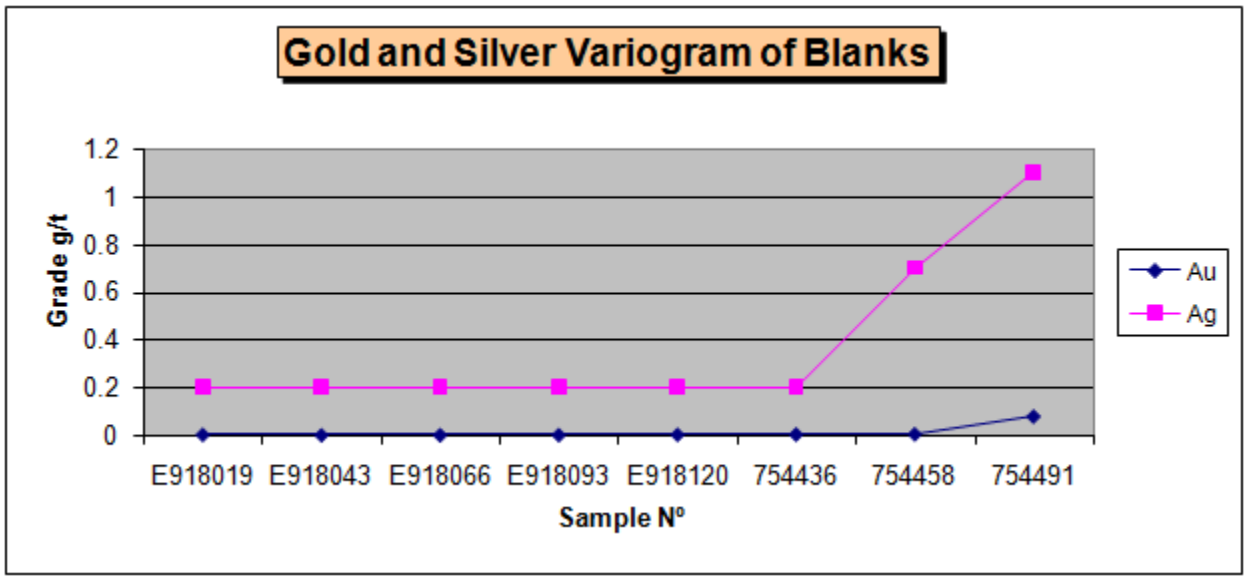

FIGURE 19: Gold Variogram for Blank Samples

Figures 16 and 17 show that there is an acceptable range of values reported by ALS Chemex labs as compared to the standards used by Spire.

Figure 18 shows a good correlation between samples and their duplicates.

Figure 19 shows an acceptable range for most of the blank sample results, except for samples 754458 and 754491 that indicate mostly silver contamination. This is being addressed with the lab.

14.0 ADJACENT PROPERTIES

At the date of this report, there is no specific information available on any adjacent properties. Preliminary research indicates that there are two very small privately held concessions within the Yago group of claims. See **Figure 2**.

15.0 MINERAL PROCESSING AND METALLURGICAL TESTING

No metallurgical testing has been performed to date as per NI 43-101 guidelines.

A small scale processing plant, which included crushing, grinding and flotation cells was put into operation by Minera Nueva Viscaya during the period 1995 to 1999. Historical records of production indicate about 80 tonnes per day were produced from the La Sarda Vein amounting to a monthly total of between 2000 to 2500 tonnes. Although few details of the production history are provided, records indicate production of 7,613 ounces of gold for the period from October 1997 to October 1998 (Sandberg, 1999).

16.0 MINERAL RESOURCES AND RESERVES AT THE YAGO PROPERTY

There are no mineral resources or reserves at Yago as per CIM definitions and NI 43-101 guidelines.

17.0 OTHER RELEVANT DATA AND INFORMATION

In general at the Yago Property veining occurs as distinct banded, quartz-adularia veins and as stockwork veining in areas adjacent to the larger individual veins. The veins, including stockwork veins, are commonly banded and contain minor amounts of sulfides, generally less than 2%. Breccia textures are commonly associated with quartz-adularia veining. Both veins and wall rocks next to veins are brecciated and re-healed by quartz (Poliquin, 2005).

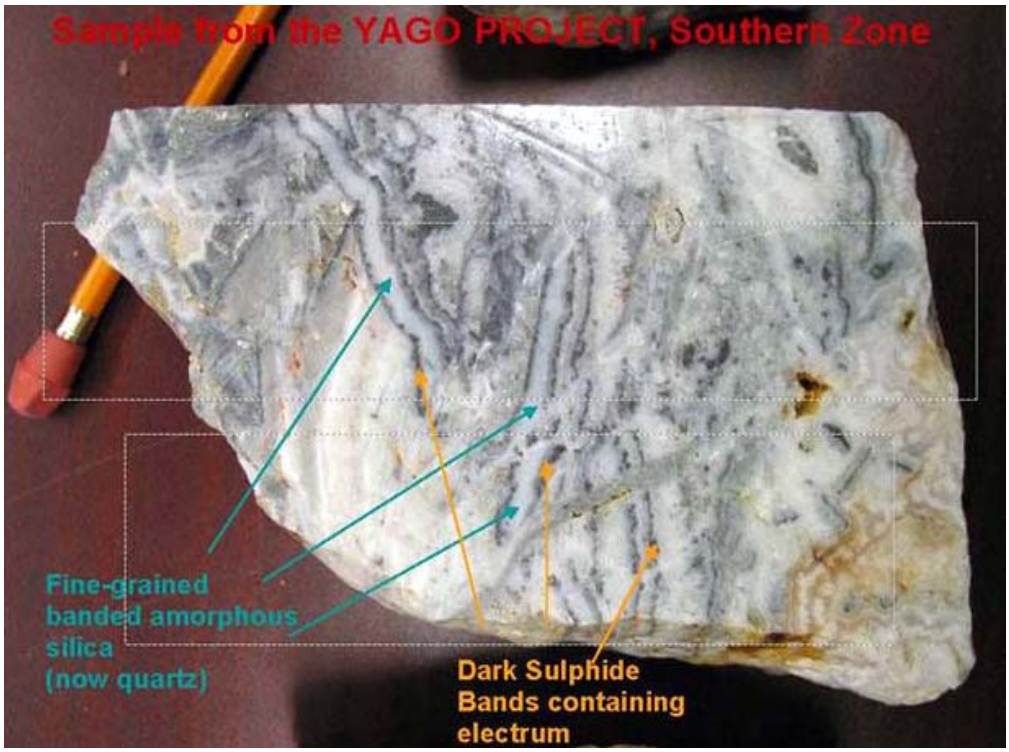

PLATE 4: Hand specimen from the Yago Property (Poliquin, M., 2005).

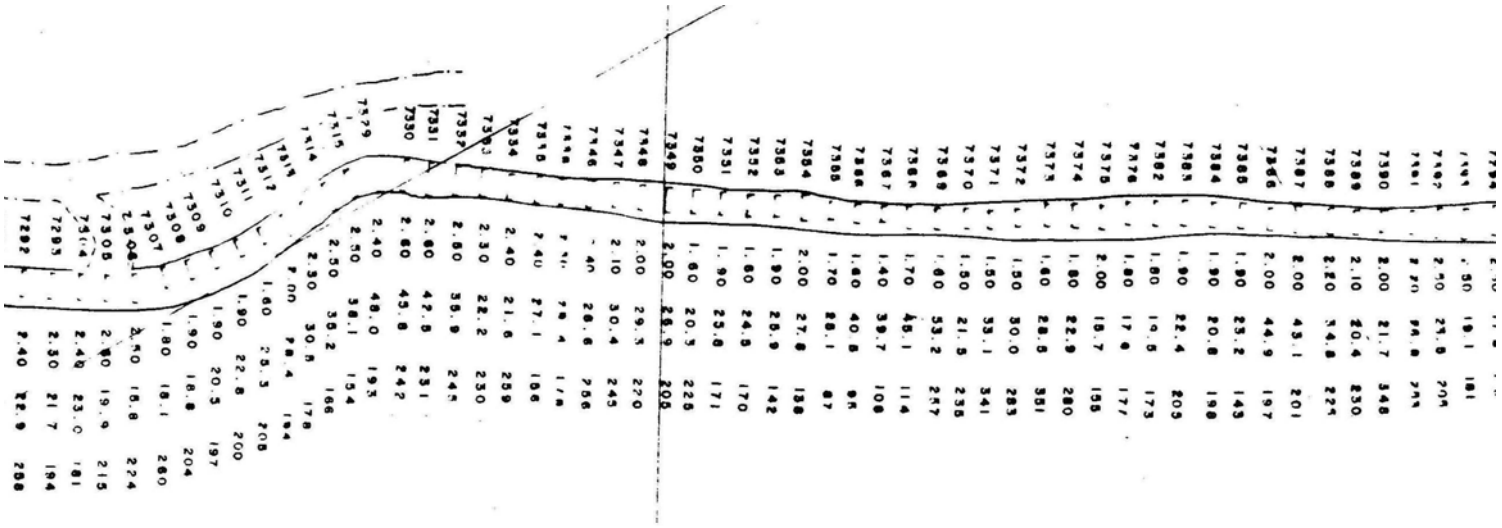

FIGURE 20: Partial view of a sample map in underground mine level 150 along the Sarda Vein. Samples were taken every 2 meters. This high grade mineralized shoot measured more than 100 meters along strike, with gold grades ranging from 15.8 g/t up to 53.2 g/t gold, and silver grades from 87 g/t up to 351 g/t silver. (Source: Sample Map of Mina La Sarda, by Minera Nueva Vizcaya, August 1994.)

LEGEND :

Sample #	width(m)	g/t gold	g/t silver	
7369	**1.60**	**53.2**	**257**	**(from left to right)**

CAUTIONARY STATEMENT: The author would like to advise investors that the above numbers have not been verified independently. These are only given as historical data and are believed not to have followed current QA/QC protocols and NI 43-101 standards. The purpose is to illustrate that historically these veins have had elevated gold and silver grades.

18.0 INTERPRETATION AND CONCLUSIONS

Gold and silver mineralization in low-sulphidation epithermal veins typically form in zones where upwelling, boiling alkali-chloride fluids are focused. The absence of calcite and pseudomorphs of quartz after bladed calcite in the veins occurring on much of the Yago property indicate that boiling and the resultant deposition of gold and silver, most likely took place at depths below the present level of erosion. The presence of **illite-smectite** indicates temperatures of 200 to 300 degrees Celsius at the time of vein formation which is consistent with fluid inclusion analysis that indicates the veining at Yago formed at shallow depths beneath the paleo piezometric level. The geology, alteration mineralogy and mineralization indicate that the gold and silver-bearing hydrothermal system has not been eroded to any great extent and as a result the exposed veins would be expected to be largely intact with potential to extend to depth.

The mineralized shoots within the vein structures extend below the lowest developed levels. Potential for extension of the known high-grade shoots to depth and for location of other mineralized shoots, within the vein systems on the property is considered very good.

Trenching has proved that the Sagitario Vein system has continuity of at least 300 meters northeast and is open to the southwest. The veins in this area appear to contain more silver.

It has given the geometry of the vein in terms of widths and lateral displacements. Wall rock alteration is a narrow zone (1 meter or less) silicification followed outward into a strong argillic alteration envelope. Also, it has been found that most faulting is of left-lateral type. **This will aid in future drilling and/or development work.**

To date, only shallow exploration and mining has been carried out on the vein systems at the Yago Property. Based on epithermal vein system models, it is concluded that there is excellent potential for gold and silver-bearing mineralized shoots to extend to at least 300 meters below the current erosion level with gold grades expected to increase with depth.

The gold and silver grades are higher in the lower levels of the La Sarda, Esperanza and Magnolia Veins. The grades do not appear to have been a reason to stop mining operations in 1998. Rather, flooding of the lower mine levels, low productivity and administrative problems appear to have been the cause.

19.0 RECOMMENDATIONS

Based on the results of exploration to date on the Yago property and the information obtained from recent mining of quartz-adularia veins in the La Sarda Vein area, an exploration program to further evaluate the potential of the property is recommended.

Diamond drilling at Yago should continue with deeper drilling at the La Sarda, Esperanza and the Sagitario Veins. Trenching in the Sagitario Vein Area should continue to define new drill targets as there are several other veins that need to be explored.

An exploration program is highly recommended as follows:

Phase I : (Timing approx. 3 months)

- Continue the trenching and line-cutting program along the Magnolia, Esperanza and Sagitario Veins in a northeasterly direction.

The purpose will be to map and sample the continuity of the veins along strike and to determine their structural attitudes such as displacements.

Phase II : (Timing approx. 3 to 4 months)

- The phase II exploration program will include diamond drilling and should start approximately one month after the start of phase I.

Diamond Drilling:

A total of approximately 10 diamond drill holes, each approximately 300 meters deep (for a total of 3,000 meters) of HQ diameter should be drilled in selected areas based on surface and underground geology. Priority should be given to the open ore shoots in the Esperanza, Magnolia and Sagitario Veins.

As part of the diamond drill program, and all of the future sampling programs it is recommended that a full quality assurance and quality control (QA/QC) program be implemented. The surface location of all drill holes should be permanently marked and surveyed, and down hole deviation tests be completed at regular intervals during the drilling process.

PROPOSED BUDGET

Phase I (In US funds)

1 project manager	$ 500 x 120 days	$ 60,000
1 senior geologist	$ 350/day x 120 days	$ 42,000
1 Assistant	$ 50/days x 120 days	$ 6,000
Analytical (rock/trenches)	400 samples @ $25/sample	$ 10,000
General Labour	6 helpers@ $ 20/day x 120 days	$ 14,400
Accommodation for Staff	$ 250/ month x 4 months	$ 1,000
Food for Staff	2 people @ $ 20/day x 120 days	$ 4,800
Transport, Equipment and Fuel Expenses		$ 8,000
Miscellaneous (flights, etc.)		$ 5,000
Purchase of Truck		$ 10,000
SUBTOTAL PHASE I =		**US$ 161,200**
Contingency (10%) =		US$ 16,120
TOTAL PHASE I =		**US $ 177,320**

Phase II (In US funds)

1 project manager	$ 500 x 120 days	$ 60,000
1 senior geologist	$ 350/day x 120 days	$ 42,000
1 geologist	$ 250/day x 120 days	$ 30,000
1 Assistant (Driver & Logistics)	$ 50/days x 120 days	$ 6,000
Diamond Drilling (HQ size)	3,000 meters @ $150/meter	$ 450,000
Analytical (Drilling Related)	2,000 samples @ $25/sample	$ 50,000

Bulldozer (D-7):

Access road & drill pad construction	= 200 hours @ $ 90/hour	$ 18,000
Bulldozer time controller	$15/day x 45 days	$ 900
Accommodation for Staff	$ 250/ month x 4 months	$ 1,000
Food for Staff	3 people @ $ 20/day x 120 days	$ 7,200
Transport, Equipment and Fuel Expenses		$ 14,000
Miscellaneous (flights, etc.)		$ 6,000

SUBTOTAL PHASE II = $ 685,100
Contingency 10% = $ 68,510
TOTAL PHASE II = US $ 753,610

GRAND TOTAL (PHASE I AND II) = US $ 930,930

20.0 REFERENCES

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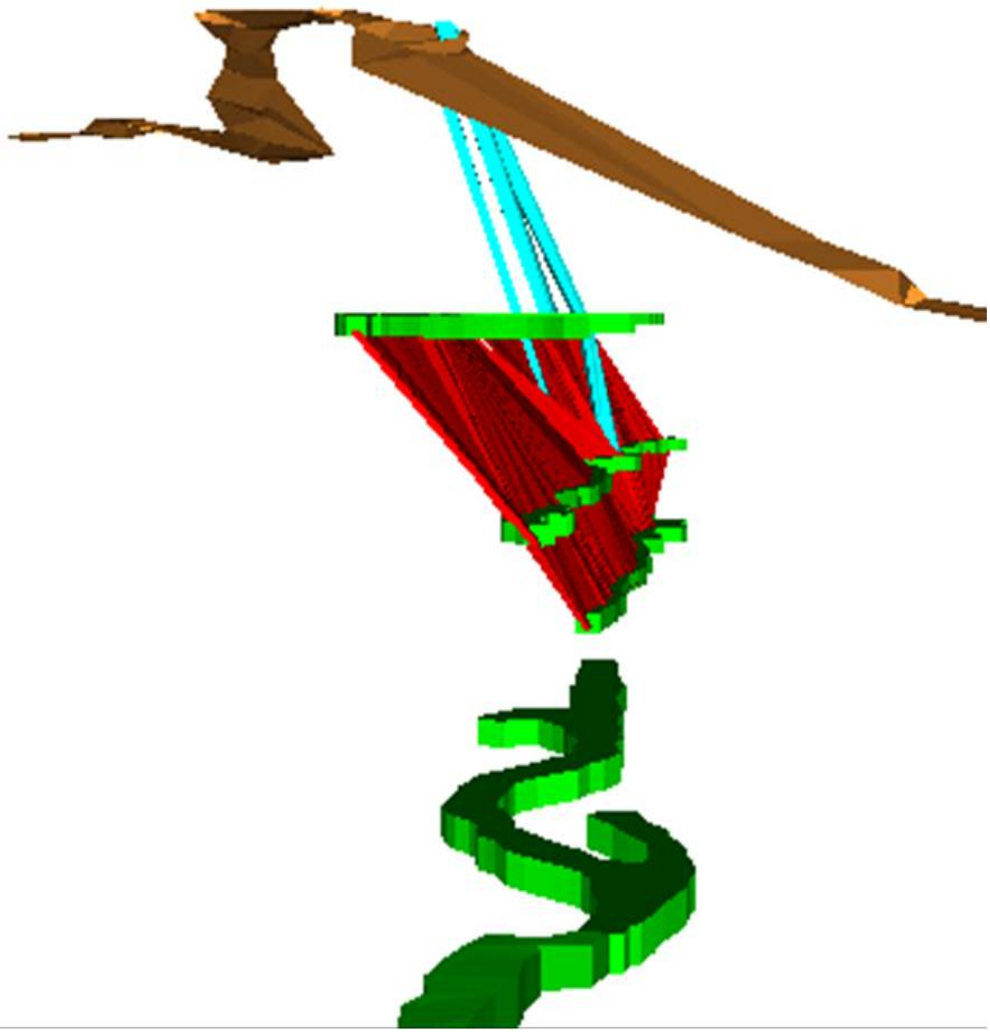
21.0 DATE AND SIGNATURE PAGE

Respectfully Submitted,

"Victor Jaramillo"

Victor Jaramillo, P.Geo.
June 20, 2008

22.0 ILLUSTRATIONS



3-D VIEW OF MAGNOLIA VEIN

Green are underground drifts and ramps, Red is for the quartz vein, light blue are ventilation raises and the brown Color is the surface.

APPENDIX I

Photographs: Core and Rock Specimens

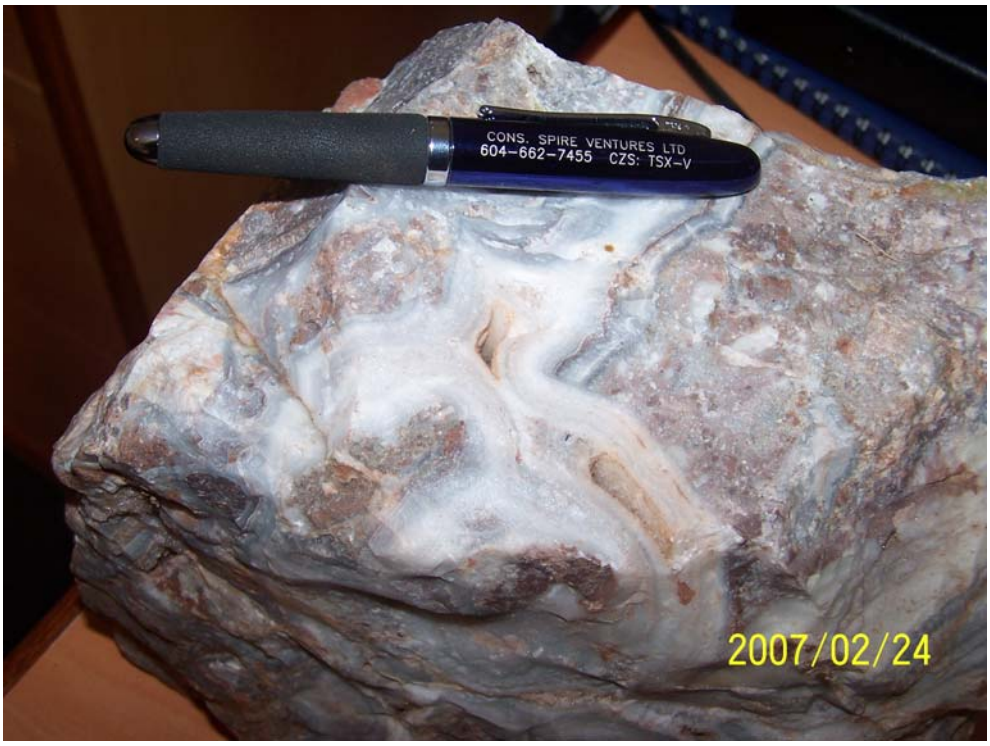


PHOTO 1: Typical quartz vein fragment from the Esperanza Vein. Banded, brecciated and druzy textures observed.

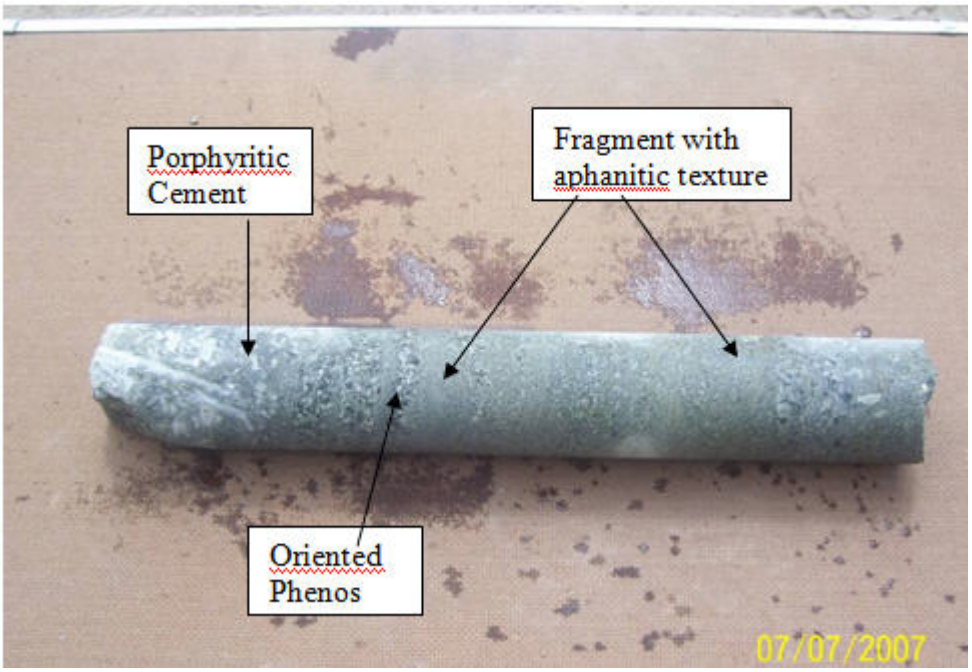


PHOTO 1: <u>Porphyritic Lapilli tuff</u>: The matrix has a porphyritic texture with about 30-40% plagioclase crystals (5-7 mm) and 5% phenos of chlorite or amphiboles.

PHOTO 2: Green to dark green <u>andesitic Lapilli tuff</u> with1-3% Chlorite phenos.

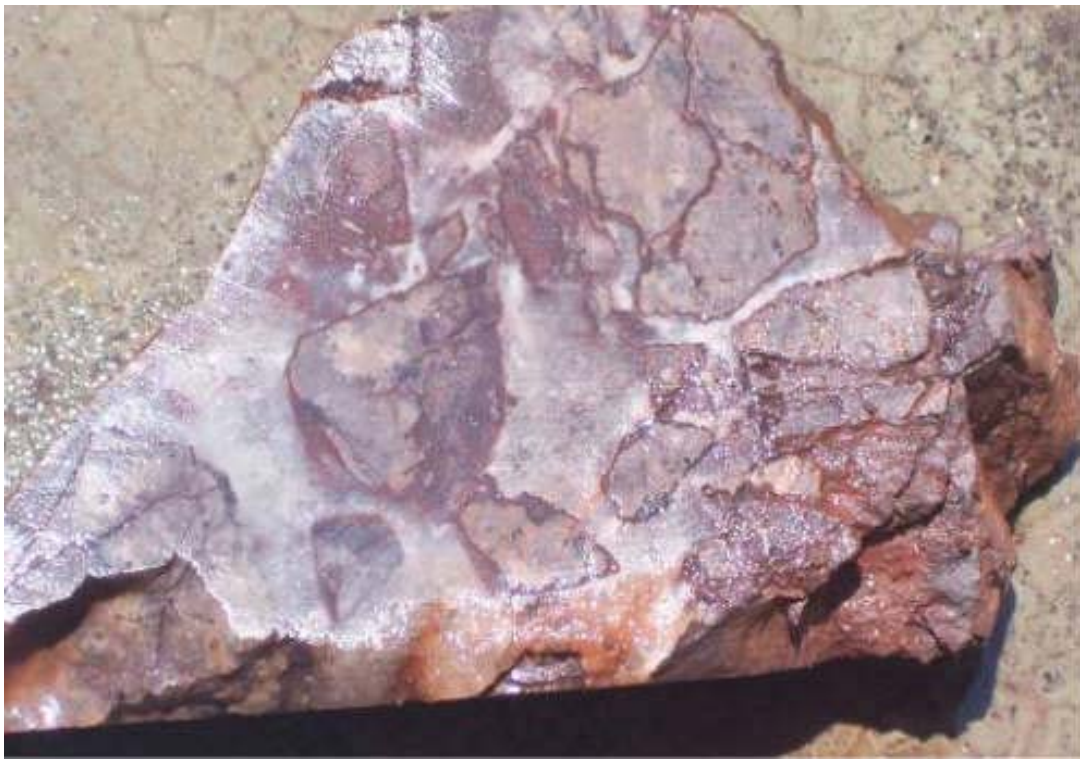


PHOTO 3: <u>Hydrothermal quartz breccia</u> next to veins in the Sagitario Area. Rock fragments are silicified within a quartz matrix.

PHOTO 4: <u>Quartz stockwork</u> veining and breccia from the Sagitario area.

PHOTO 5: <u>Lapilli tuff</u> brown in color with up to 2 cm rock fragments. This Rock type can be seen in the Magnolia Vein drill hole DDH-07-M01.

PHOTO 6: Sagitario Vein <u>banded quartz-adularia</u> from drill hole DDH-07-S03

PHOTO 7: <u>Basalt/Andesite Porphyry</u>. It has a porphyritic texture with more than 20% plagioclase phenos and hematite in the groundmass. This rock type can be observed in the Magnolia Vein in drill holes DDH-07-M01 and M02.

PHOTO 8: <u>Basalt Porphyry</u>: It has a porphyritic texture with 10% Plagioclase phenos, 3% chlorite and hematite in the groundmass. It exhibits a flow texture with orientation of the phenos. This rock type can be observed in the Esperanza Vein drill holes DDH-E01 and E02.

PHOTO 9: <u>Aphanitic Basalt/Andesite</u>
This type of rock can be observed in the Magnolia Vein in drill holes DDH-07-M01 and M02. It has areas of weak silicification.

PHOTO 10: <u>Andesite</u>: It has a greenish light color and the rock texture is Aphanitic.