Assessment Report on the

2011 SOIL GEOCHEMICAL SURVEY

on the

MOOSEHORN PROPERTY, YUKON

Grant Number	Claim Name
YD06167 - YD06190	CIT 1 - CIT 24
YD06191 - YD06224	MHN 1 - MHN 34
YD131841 - YD131860	CIT 25 - CIT 44
YE27267 - YE27278	MHN 35 - MHN 46

WHITEHORSE MINING DISTRICT
Date(s) Worked: August 20, 2011

NTS Map 115N/02
UTM 507,500E; 6,991,500N (NAD 83 Zone 7)

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Table of Contents

List of Tables

List of Figures

List of Appendices

SUMMARY

The Moosehorn property owned by Silver Quest Resources Ltd. (Silver Quest) is underlain by the Dawson Range Batholith (DRB), which hosts mineralization associated with gold-bearing veins. Moosehorn is located in west-central Yukon approximately 8 kilometres (km) east of the Yukon-Alaska border and 133 km southwest of Dawson City (Figure 1). A total of 67 soil geochemical samples were collected over four (4) man days on the Moosehorn property. A gold and antimony (+/- arsenic) soil anomaly was identified in the southeast area of the property.

INTRODUCTION

This report describes a reconnaissance soil geochemical survey conducted on the Moosehorn property by a four person crew on August 20, 2011. Work on the Moosehorn property was completed for Silver Quest by Silver Quest employees. The author participated in the program and the Statement of Qualifications is contained within this report.

The objective of the geochemical survey was to further evaluate the mineral potential of the Moosehorn property by following up gold, antimony and arsenic soil anomalies detected in 2010 work.

Figure 1 ï Location Map

CLAIM DATA AND OWNERSHIP

Silver Quest acquired the MHN and CIT claims from Archer, Cathro & Associated (1981) Limited in December 2009. The Moosehorn property comprises 90 contiguous quartz claims and covers a total area of about 1,800 hectares (ha). The claim block centers on 507,500E and 6,991,500N (NAD 83, Zone 7) on NTS map sheet 115N02 as shown on Figure 2. Quartz claims are registered with the Whitehorse Mining Recorder. Claim data is listed below.

Table 1 ï Claim Data

Grant Number	Claim Name	Registered Owner	Expiry Date
YD06167 - YD06190	CIT 1 - CIT 24	Silver Quest Resources Ltd.	15-Nov-12
YD06191 - YD06224	MHN 1 - MHN 34	Silver Quest Resources Ltd.	15-Nov-12
YD131841 - YD131860	CIT 25 - CIT 44	Silver Quest Resources Ltd.	15-Nov-12
YE27267 - YE27278	MHN 35 - MHN 46	Silver Quest Resources Ltd.	01-Apr-13

*Note: Expiry date assumes the acceptance of the work reported herein.

PROPERTY DESCRIPTION

LOCATION

The Moosehorn property is located in the Moosehorn Range area of west-central Yukon about 8 km east of the Yukon-Alaska border and 133 km southwest of Dawson City (Figure 1).

CLIMATE AND GEOMORPHOLOGY

The Moosehorn property lies an area of gentle undulating relief. Local elevations range from 650 to 1,400 metres (m) above sea level. The higher parts of the property are thinly vegetated with stunted, aspen and spruce trees, scrub brush and thin moss cover. Lower elevations support a mixture of aspen and spruce forest with thick brush, willows and moss-covered slopes. The tree line is at approximately 1,200 m. Upper elevations are within the alpine zone, with abundant felsemeer and talus.

The Dawson Range remained unglaciated during the Pleistocene making outcrops rare, the few outcrops that are present are located along sparsely vegetated ridges and in the main creek drainages. The property drains into Lesaux Creek a tributary of the Ladue River, which flows into the White River and eventually the Arctic Ocean via the Yukon River. Climate in the region is described as sub-arctic with short mild summers and long cold winters. Permafrost was discontinuous but present while conducting the soil survey on the property.

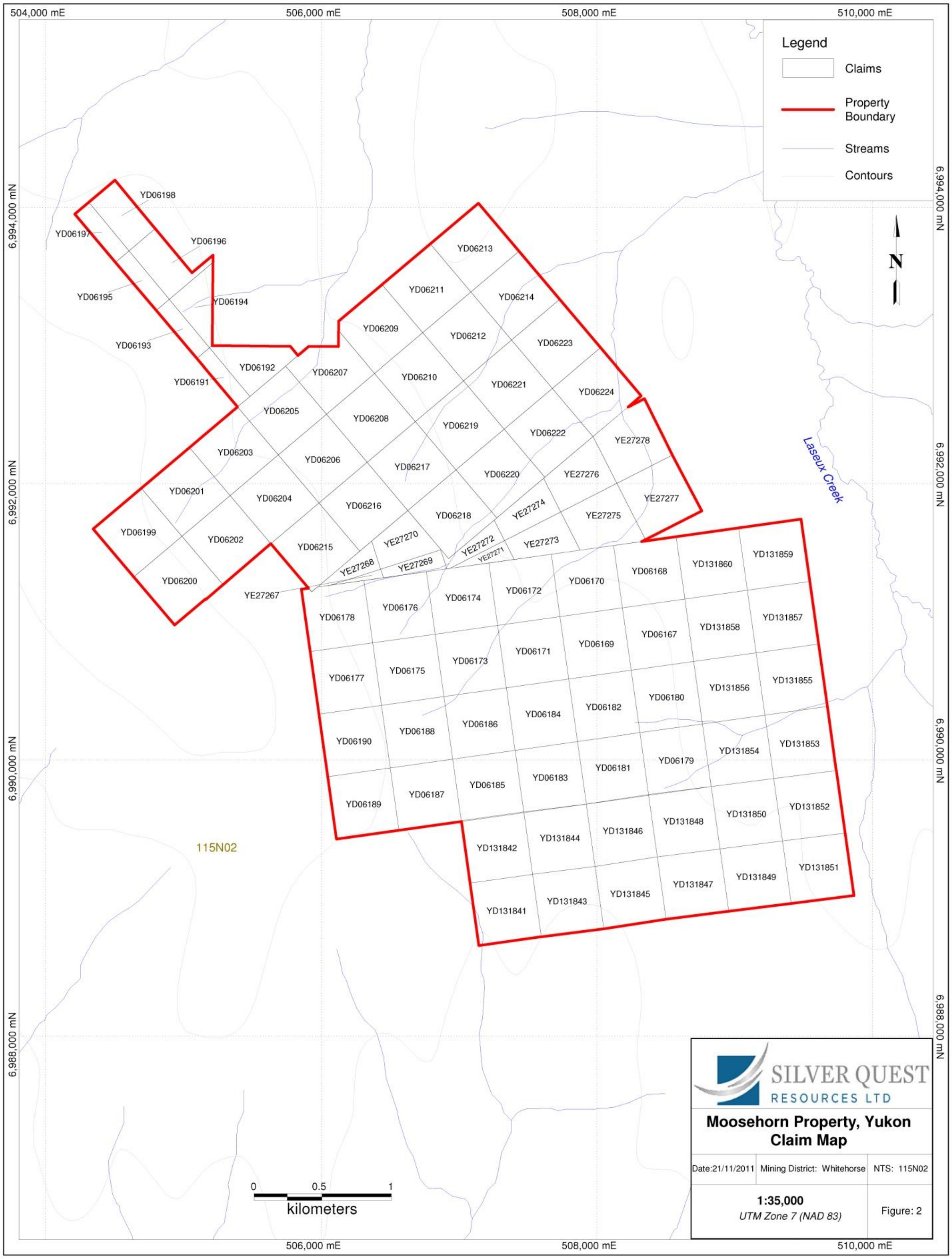

Figure 2 ï Claim Map

INFRASTRUCTURE

Access to the Moosehorn property in 2011 was via a Bell 206 Long-Ranger helicopter operated by Trinity Helicopters of Yellowknife and based out of SideQuestôs 2011 Independence Camp, located on Independence Creek. There are two possible winter road access routes, both of which access the property from the Alaska Highway, one from the Yukon side of the boarder and one from the Alaska side of the border (Read 2000). The best maintained airstrip is the Moosehorn Airstrip which lies 6 km to the north (Baker, 2010). Approximately 5 km to the northwest, there are active placer operations run by Ian Warrick and Kate Robertson of Moosehorn Exploration (Baker 2010).

HISTORY

PREVIOUS WORK

In 1970 high grade quartz gold veins west of the current Moosehorn claims were found by Quintana Minerals Ltd. (Sears and Heaton 1997). The claims lapsed, and were re-staked by A. Harman and R.S. Adamson in 1972 as the Dea block, incorporating part of the current Moosehorn property. They were then optioned to Great Bear Mining in 1975 (Greig 1975), and drilled in the same year following a large program of trenching, geophysics, geochemistry and geological mapping (Waugh, 1975).

In 1974 J. M. Kenyon staked the area to the west of the Dea claims, known as the Lori claims following the collection of a hand sample containing 88 g/t Au. The Lori claims where optioned to Claymore Resources in 1975 (Greig 1975) and drilled in the same year, discovering no significant mineralization, but acknowledging the possible presence of mineralization. Claymore switched to placer mining with the discovery of gold on Kenyon Creek in 1975. A rich quartz vein was discovered during mining, traceable to the top of the Moosehorn Range. Processing of near surface materials confirmed grades over 80 grams per tonne gold over narrow vein widths. (Baker, 2010).

In the late 1980s, Canada Tungsten Mining Corp. extracted over 13,000 oz Au from these creeks. Sikanni Oilfield Construction Ltd. acquired the ground covering all three of the above-mentioned creeks as well as a small scale hard rock operation (Davidson 1995) which extracted 3,225 ounces gold before operations ceased in 1996 (Sears et al. 2000). Sikanni divested its

interest in the claims with the ground being acquired by Barramundi Gold Ltd. who, in 1996 carried out a program including geophysical surveying, field mapping, trenching and surface sampling of felsenmeer, soil and stream sediment. Follow up work in 1999 consisted of diamond drilling, soil sampling and detailed geophysics. The program confirmed the presence of a gold-bearing quartz vein system of moderate size in Sw
gold-bearing veins directly to the north (Sears et al. 2000).

The work described above focused primarily on the western slope of the Moosehorn Range, which is not covered by the current Moosehorn property. The streams draining the eastern flank of the ridge were first explored for the potential of placer gold in 1986 and it was concluded that the area had potential for producing similar grades to those seen in Kenyon Creek (Warrick and Robertson 1987).

The Moosehorn Range area was the subject of a MSc thesis by Nancy Joyce from the University of British Columbia. Joyce (2002) described the tectonic setting and timing of intrusive bodies in the area, post-intrusion structural events, and the geochemistry of the gold-bearing quartz veins which have been the focus all historical economic exploration.

RECENT HISTORY

In 2010, Equity Exploration Consultants Ltd. on behalf of Silver Quest collected 43 soil samples from a single soil contour line (sample spacing at 50 m), together with one rock sample and one silt sample collected by two prospectors on a single day.

GEOLOGICAL SETTING

REGIONAL GEOLOGY

The Moosehorn property is situated in the Yukon-Tanana Terrane approximately 160 km southwest of the Tintina Fault, within the Dawson Range Batholith (DRB) (Figure 3).

The DRB is intruded into the metamorphic country rock of biotite-quartz ± feldspar ± muscovite gneiss and schist. The DRB in the Moosehorn area pre-dominantly forms a massive hornblende-biotitic granodiorite. Replacement of the hornblende by biotite or chlorite ± epidote is widespread. Numerous porphyritic dykes of diorite to granodiorite cut the main body, co-magmatic 96 and 100 Ma in age (Joyce 2002). Structural geology of the area is difficult to interpret due to lack of in-place outcrop. Topographic lineaments define a major set of NNW-trending features connected by a smaller set of northeast-trending ones. Lows on a magnetic total field map are parallel to this system (Joyce 2002).

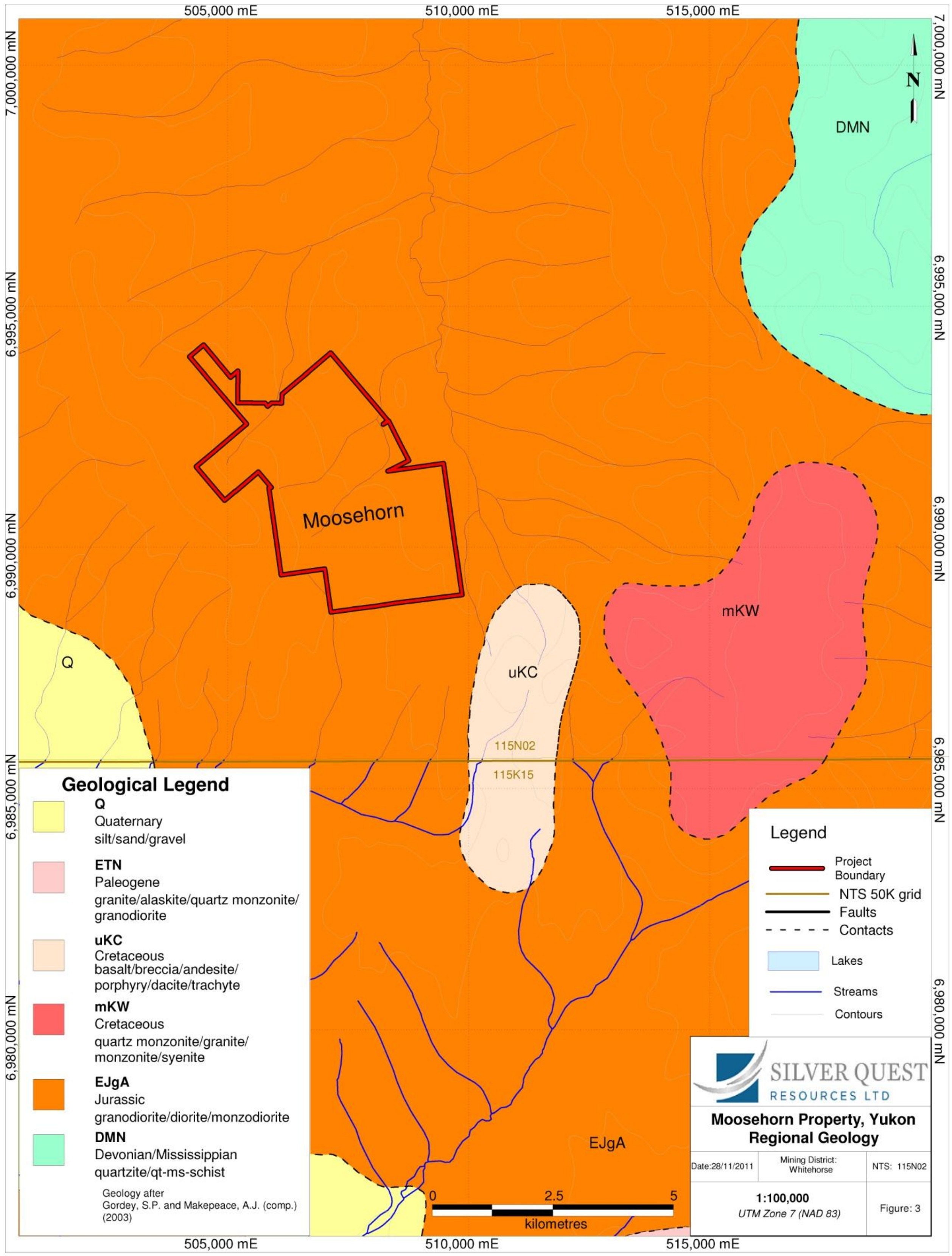

Figure 3 ï Regional Geology

PROPERTY GEOLOGY

Sub-parallel gold-bearing quartz veins (~92-93 Ma. Joyce, 2002) have been documented 3 km to the southwest of the current Moosehorn property. Quartz vein float believed to belong to a similar system have been noted on the Moosehorn Property, occurring in the upper drainage of Great Bear Creek (Joyce, 2002). The gold bearing quartz veins are genetically unrelated to the DRB, and strike north-northwest, dipping shallowly (20-40°) to the east (Greig 1975). The veins are dominantly quartz with minor calcite, tourmaline, muscovite and a variety of sulphide minerals including pyrite, galena, arsenopyrite, sphalerite, jamesonite, boulangerite and tetrahedrite. Gold is spatially associated with galena, arsenopyrite, sphalerite and boulangerite and commonly occurs in limonite/azurite/malachite-encrusted vugs (Joyce 2002). The gold is interpreted to have co-precipitated with the sulphides and sulphosalts (Baker, 2010). Features of this system are consistent with formation during brittle shallow reverse fault movement accompanied by episodes of dilation and infill mineralizing fluids (Joyce, 2002).

Alteration surrounding the veining consists of pervasive magnetite-destructive, muscovite-sericite, clay, pyrite, and/or arsenopyrite, iron carbonate, and localized chlorite and K-feldspar alteration (Joyce 2002). In the case of narrow veinlets, the alteration halos can extend several times the width of the vein itself into the host rock. Gold is mostly localized in the wallrock contacts of sheeted vein complexes (Sears and Heaton 1997).

No prospecting or mapping was undertaken on the Moosehorn property during the 2011 program.

GEOCHEMISTRY

SOIL GEOCHEMISTRY

The 2011 exploration program at the Moosehorn property comprised one day of work for four soil samplers. A total of 67 soil samples were collected with 100 m sample spacing along two survey lines (Figure 4).

All samplers were trained to use the same sampling procedures when collecting the B-horizon soil samples. Sampler began by removing a 30 centimetre (cm) by 30 cm section of moss matt or vegetative cover. Second a soil pit of similar dimensions was hand excavated exposing A and B soil horizon boundaries, reaching the top of the C-horizon where feasible. The depth of the pit varied from 20 cm to 60 cm, depending on horizon thicknesses and sampling conditions. Soil material (300 grams to 400 grams) was collected from the walls of the pit utilizing a clean plastic trowel. Samples were collected and stored in standard KRAFT soil sample bags and transported to the 2011 Independence Camp in polyurethane bags for drying and subsequent analysis by a hand held X-Ray Fluorescence (XRF) device.

All sample locations were rehabilitated; by back-filling the soil pit and replacing the moss mat or vegetative cover. This was done to minimize the environmental impact. Locations with permafrost or areas lacking mineral soils were not sampled. Equipment such as shovels and trowels were cleaned between samples and waterlogged samples were stored in separate polyurethane bags to minimize cross-contamination. All sample locations were recorded using a hand-held GPS. All maps and UTM coordinates are referenced to the 1983 North American Datum (NAD 83), Zone 7. A complete description of soil type, depth, thickness of the sample and surrounding environment and terrain was recorded at each location.

Samples were submitted to the ALS Laboratory Group preparation facility in Whitehorse, a ISO9001 certified preparation facility. Samples were analysed by aqua regia digestion and a combination of inductively coupled plasma with atomic emission spectroscopy or mass spectroscopy (ICP-AES and ICP-MS) analysis for 51-elements including gold. Gold was also analysed by fire assay and atomic absorption spectroscopy (Au-AA23) for more accuracy. Assay certificates of analysis are presented in Appendix I at the end of this report. Assay statistics for the 2011 geochemical soil survey are listed below (Table 2), values denoted with a ó less than ô symbol ô indicate samples are below detection limit for the given element.

Table 2 ï Soil Geochemical Survey Percentile Values

Values	Au (ppb)	Ag (ppm)	As (ppm)	Cu (ppm)	Mo (ppm)	Sb (ppm)	Zn (ppm)	Pb (ppm)	W (ppm)
Max	40.0	0.48	115.00	39.30	3.27	6.31	84.00	20.60	0.50
Min	<5	0.02	3.30	9.00	0.30	0.26	31.00	6.30	0.13
99th	40.0	0.40	83.64	37.89	3.16	4.22	79.52	17.59	0.44
98th	38.3	0.33	63.98	35.36	2.77	2.84	75.88	15.84	0.39
95th	21.4	0.20	55.90	29.88	1.70	1.65	71.20	13.38	0.30
90th	14.4	0.15	39.92	25.2	1.51	1.06	66.00	12.86	0.24
85th	8.4	0.12	23.52	23.9	1.48	0.94	63.40	11.84	0.23
75th	6.0	0.10	11.20	21.2	1.30	0.78	61.00	10.70	0.20
50th	<5	0.07	7.60	17.2	0.84	0.58	57.00	9.60	0.18

Figure 4 ï Soil Geochemical Sample Locations