Assessment Report on the

2011 SOIL GEOCHEMICAL SURVEY

on the

EMC PROPERTY, YUKON

Grant Number YD05967 - YD05998

Claim Name EMC 1 - EMC 32

DAWSON MINING DISTRICT Date(s) Worked: August 21, 2011

NTS Map 115O05, 115N08 UTM 549,200E; 7,023,500N (NAD 83, Zone 7)

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November 25, 2011

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SUMMARY

The EMC property owned by Silver Quest Resources Ltd. (Silver Quest) is located on headwaters of the Eighteen Mile Creek drainage which returned anomalous gold and antimony from a regional stream sediment sampling program (Friske, et al, 2001). The EMC property is located in the west-central Yukon, approximately 85 kilometres (km) southwest of Dawson City (Figure 1). A total of 56 soil geochemical samples were collected over four (4) man days on the EMC property. A broad silver, molybdenum and zinc anomalous zone occurs in the northwest part of the property correlating with previous geochemical sampling.

INTRODUCTION

This report describes a reconnaissance soil geochemical survey conducted on the EMC property by a four person crew on August 21, 2011. Work on the EMC 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 EMC property by following-up anomalous geochemical soil samples completed in 2010; which indicated the presence of an arsenic, molybdenum and zinc anomaly.



Figure 1 – Location Map

CLAIM DATA AND OWNERSHIP

Silver Quest Resources Ltd. acquired the EMC claims from Archer, Cathro & Associated (1981) Limited in December 2009. The EMC property comprises 32 contiguous quartz claims and covers a total area of 650 hectares (ha). The claim block centers on 549,200E and 7,023,500N (NAD 83, Zone 7) on NTS map sheet 115O/05 and 115N/08 as shown on Figure 2. Quartz claims are registered with the Dawson Mining Recorder. Claim data is listed below.

Table 1 – Claim Data

| Grant Number | Claim Name | Registered Owner | Expiry Date | | | | |
|---|----------------|-----------------------------|----------------|--|--|--|--|
| YD05967 - YD05998 | EMC 1 - EMC 32 | Silver Quest Resources Ltd. | March 22, 2017 | | | | |
| *Note: Expire date assumes the acceptance of the work reported herein | | | | | | | |

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

PROPERTY DESCRIPTION

LOCATION

The EMC property is located in the Eighteen Mile Creek area of west-central Yukon about 14 km north of the White River and 85 km southwest of Dawson City (Figure 1).

CLIMATE AND GEOMORPHOLOGY

The EMC property lies within the Dawson Range in an area of gentle undulating relief. Local elevations range from 640 to 1250 meters (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 Dawson Range remained un-glaciated 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 is drained by a tributary of Eighteen Mile Creek, 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 is discontinuous but present at time of sampling.



Figure 2 – Claim Map

INFRASTRUCTURE

Access to the EMC property in 2011 was via a Bell 206 Long-Ranger helicopter operated by Trinity Helicopters of Yellowknife and based out of Silver Quest's 2011 Independence Camp, located on Independence Creek. There is no road access to the property. A large dirt airstrip is located at Thistle Creek, 40 km to the southeast.

HISTORY

PREVIOUS WORK

There are no Minfile occurrences or public record of historic exploration on the EMC property. In 1986, the Geological Survey of Canada performed a regional stream sediment survey on NTS map sheets 115N and 115O, with updates made in 2001. A sample was collected from Eighteen Mile Creek, which drains the EMC property (Figure 2). This sample yielded 99th percentile gold (41 parts per billion [ppb]) and 90th percentile antimony (0.7 parts per million [ppm]) with weak arsenic (4 ppm) and mercury (30 ppb) (Friske *et al.,* 2001).

RECENT HISTORY

Archer, Cathro & Associated (1981) Limited (Archer Cathro) staked the EMC property in June 2009 and sold it to Silver Quest in December 2009 (Smith, 2010).

A geochemical soil sampling program was carried out by Archer Cathro in 2009. A total of 72 soil samples were collected at 50 m spacing's along two parallel lines 900 m apart. Sampling did not identify a source for the previously recognized gold and antimony stream sediment anomaly.

In 2010, Equity Exploration Consultants Ltd. on behalf of Silver Quest collected 273 soil samples, 13 silt samples and six rock samples, identifying a narrow east-west trending anomaly of coincident arsenic, molybdenum and zinc in soil on the northern area of the property. The geographically scattered elevated gold values did not appear to be associated with the anomaly.

GEOLOGICAL SETTING

REGIONAL GEOLOGY

The EMC property is situated in the Yukon-Tanana Terrane approximately 88 km southwest of the Tintina Fault, within a Devonian, Mississippian Assemblage (DMN) (Gordey and Makepeace, 2003).

Three patches of Upper Cretaceous Carmacks Group Volcanics (uKC1) are situated within 5 km of the eastern EMC property boundary. This unit is described as a volcanic succession of: olivine basalt and breccia; hornblende feldspar porphyry and andesite and dacite flows with minor sandy tuff; and granite boulder conglomerate, agglomerate and associated epiclastic rocks (Gordey and Makepeace, 2003).

PROPERTY GEOLOGY

The property is underlain by Devonian, Mississippian assemblage (Figure 3). This unit is composed of quartzite, micaceous quartzite and quartz-muscovite (± chlorite; ± feldspar augen) schist with minor metaconglomerate. The entire EMC property has been mapped as DMN (Gordey and Makepeace, 2003).

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



Figure 3 – Regional Geology

GEOCHEMISTRY

SOIL GEOCHEMISTRY

The 2011 exploration program at EMC comprised one day of work for four soil samplers. A total of 56 soil samples were collected from a single contour line west to east through the centre of the property with 100 m sample spacing (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 analyzed 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 'less than' symbol indicate samples are below detection limit for the given element.

| Values | Au | Ag | As | Cu | Мо | Sb | Zn | Pb | W |
|------------------|-----------|------|-------|-------|------|------|------|-------|------|
| Max | 10 | 0.99 | 13.90 | 69.80 | 4.70 | 0.52 | 6.80 | 77.60 | 0.26 |
| Min | <5 | 0.03 | 3.90 | 3.20 | 0.57 | 0.17 | 0.50 | 2.90 | 0.05 |
| 99 th | 9.45 0.89 | | 13.57 | 61.94 | 4.21 | 0.51 | 5.92 | 53.29 | 0.26 |
| 98 th | 8.80 | 0.79 | 13.29 | 55.49 | 3.71 | 0.50 | 5.19 | 32.19 | 0.26 |
| 95 th | 1.0 | 0.66 | 12.38 | 54.95 | 2.82 | 0.48 | 5.03 | 20.85 | 0.24 |
| 90 th | <5 | 0.48 | 11.20 | 44.30 | 1.88 | 0.44 | 4.40 | 16.55 | 0.22 |
| 85 th | <5 | 0.40 | 9.80 | 33.88 | 1.54 | 0.43 | 3.78 | 14.25 | 0.18 |
| 75 th | <5 | 0.28 | 8.28 | 28.73 | 1.09 | 0.39 | 3.53 | 12.25 | 0.17 |
| 50 th | <5 | 0.18 | 6.95 | 21.10 | 0.93 | 0.32 | 2.45 | 9.55 | 0.15 |

Table 2 – Soil Geochemical Survey Percentile Values

QUALITY ASSURANCE/QUALITY CONTROL

For Quality Assurance-Quality Control (QAQC) purposes, field check samples were inserted into the sample stream every 10 samples. Blanks, comprised of silica sand, were inserted on odd sample identification numbers (i.e. numbers ending in 10, 30, 50, 70, 90); while duplicates were inserted on even sample identification number (i.e. numbers ending in 20, 40, 60, 80, 100). Duplicates were acquired from the same soil pit, or from a separate pit at the same location. The field sample checks were analysed with the rest of the soil samples and resulting values were used to check the consistency of our sampling procedures and the analytical procedures used by ALS Laboratory Group. ALS Laboratory Group blanks, duplicates and standards were also used to confirm results.

A classification system was applied for QAQC samples. Field blanks for main pathfinder elements were flagged when above the 20th percentile mark for the sample population for each project area. Field duplicates past when less than a 20% variance was noted. ALS Laboratory Group standards did not pass when recorded results exceeded two standard deviations or what was deemed above thresholds by ALS Laboratory Group. Erroneous QAQC results were investigated and appropriate re-analysis undertaken when necessary.

Quality Assurance-Quality Control (QAQC) samples for EMC passed without any significant concerns. However, one field duplicate indicated minor variance in arsenic, molybdenum and zinc. Values of these elements in the duplicate samples are low and do not affect interpretation. No other signs of contamination or lack of precision was noted, indicating possible variance in the original soil material.



Figure 4 – Soil Geochemical Sample Locations

DISCUSSIONS AND CONCLUSIONS

Soil geochemical survey results from the EMC Property were compared to the Silver Quest soils database, which contains sample values collected between 2008 and 2011 within the Dawson Range. Anomalous value ranges were identified and applied to the thematic maps represented in this report (Figure 5). Historic sampling displayed on thematic maps may show a higher range of values of various elements; this could be attributed to an alternative soil sampling procedure.

The EMC property was staked following anomalous gold and antimony in a stream sediment sample from a tributary draining the property. The 2011 EMC geochemical survey returned isolated and low values for gold, (maximum of 10 ppb) and negligible antimony and arsenic. A broad silver, molybdenum and zinc anomalous zone occurs in the northwest part of the property correlating with previous geochemical sampling.

The small weak gold anomaly (Figure 5a) identified from 2010 geochemical sampling in the upper northwest portion of the property correlates well with anomalous lead which extends 400 m east to west. This minor gold zone is dominated by the broader elevated silver and zinc anomaly (Figure 5b, 5e). The silver and zinc anomaly can be divided into a highly anomalous northern zone, and a southern zone coincident with a discrete highly anomalous molybdenum trend (Figure 5d). This trend could be interpreted to extend east to west over 1.5 km.

RECOMMENDATIONS

In-fill, grid soil geochemical sampling, concentrating on the northwest portion of the property is recommended to follow-up the identified silver, molybdenum and zinc anomaly. Geological mapping is recommended over the property, however lack of outcrop may hinder results. Further reconnaissance style soil geochemical sampling could be completed in the southwest portion of the property to follow up anomalous gold in stream sediment samples from 2010 work.



Figure 5a - Soil Geochemistry - Gold



Figure 5b - Soil Geochemistry - Silver



Figure 5c – Soil Geochemistry - Arsenic



Figure 5d - Soil Geochemistry - Molybdenum



Figure 5e - Soil Geochemistry - Zinc

REFERENCES

Baker, D. And Swanton, D. 2010, Geochemical Report on the EMC Property, Equity Exploration Consultants Ltd. On behalf of Silver Quest Resources Ltd, submitted for Assessment to Yukon Mines, Energy and Resources.

Friske P.W.B., Day S.J.A., McCurdy M.W. 2001: Geological Survey of Canada, Open File 1364 National Geochemical Reconnaissance, Regional Stream Sediment and Water Geochemical Data, western Yukon (NTS 115N(e/2) and 115O)

Gordey, S.P. and Makepeace, A.J. (comp.) 2003. Yukon digital geology, version 2.0; Geological Survey of Canada Open File 1749 and Yukon Geological Survey Open File 2003-9(D)

Smith, H. 2010, Assessment Report Describing Soil sampling Program at the EMC Property, Atac Resources Ltd on behalf of Silver Quest Resources Ltd, submitted for Assessment to Yukon Mines, Energy and Resources.

STATEMENT OF QUALIFICATIONS

I, Ryan J. F. Congdon, BSc, of Suite 1605-1146 Harwood Street, Vancouver, British Columbia, hereby certify that:

I am a graduate of the Curtin University of Perth, Australia having obtained the degree of Bachelor of Science in Applied Geology, 2005.

I am a graduate of the Curtin University of Perth, Australia having obtained the degree of Bachelor of Science in Environmental Biology, 2005.

I am a member of the Australian Institute of Mining and Metallurgy.

I have been employed in the mineral exploration and mining industry in Western Australia every field season (November-February) between 2003 and 2005.

I have been continuously employed as a geologist in the mineral exploration and mining industry since 2006.

I am currently employed as a Geologist by Silver Quest Resources Ltd. Suite 1410-650 West Georgia Street, Vancouver, British Columbia, Canada, V6B 4N8.

I am the author of the report entitled "2011 Soil Geochemical Survey on the EMC Property Yukon" dated November 25, 2011.

I participated in the geological work reported herein.

Dated this 25th day of November, 2011.

Ryan J. F. Congdon, BSc Geology

STATEMENT OF EXPENDITURES

| | | Rate | | - | | | _ |
|-------------------------------|----------|------|-----------------|----------|---------|-----------|---------------------|
| | Quantity | | | Cost | | Cost | = |
| Soil Samples Collected | 53 | \$ | 40.00 | | \$ | 2,120.00 | |
| Sampler day(s) | 3 | \$ | 350.00 | | \$ | 1,050.00 | |
| Geologist day(s) | 1 | \$ | 500.00 | | \$ | 500.00 | |
| Planning and reporting day(s) | 2 | \$ | 450.00 | | \$ | 900.00 | |
| Camp Costs (per man day) | 4 | \$ | 450.00 | | \$ | 1,800.00 | |
| Helicopter Hour(s) | 3 | \$ | 1,550.00 | | \$ | 4,650.00 | |
| Helicopter Fuel (drums) | 4 | \$ | 700.00 | | \$ | 2,800.00 | |
| | | | | | \$ | 13,820.00 | - |
| | | | Supervision: | 12% | \$ | 1,658.40 | - |
| | | | Total: | | \$ | 15,478.40 | - |
| | | | Claims Worked: | 14 32 | \$ ¢ | 1,105.60 | per claim worked |
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Date(s) worked: August 21, 2011 Work done by: Silver Quest Resources Ltd.