

Assessment Report on the

2011 SOIL GEOCHEMICAL SURVEY

on the

GEMINI PROPERTY, YUKON

Grant Number

YD06147 – YD06166

Claim Name

GEM 1 – GEM 20

DAWSON MINING DISTRICT

Date(s) Worked: July 1, 2011

NTS Map 115N10

UTM 508,690E; 7,043,490N (NAD 83, Zone 7)

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November 14, 2011

Table of Contents

SUMMARY	4
INTRODUCTION	4
CLAIM DATA AND OWNERSHIP	6
PROPERTY DESCRIPTION	6
LOCATION	6
CLIMATE AND GEOMORPHOLOGY	6
INFRASTRUCTURE	8
HISTORY	8
PREVIOUS WORK	8
RECENT HISTORY	9
GEOLOGICAL SETTING	9
REGIONAL GEOLOGY	9
PROPERTY GEOLOGY	11
GEOCHEMISTRY	11
SOIL GEOCHEMISTRY	11
QUALITY ASSURANCE/QUALITY CONTROL	14
DISCUSSIONS AND CONCLUSIONS	14
RECOMMENDATIONS	15
REFERENCES	20
STATEMENT OF QUALIFICATIONS	21
STATEMENT OF EXPENDITURES	22

List of Tables

Table 1 – Claim Data	6
Table 2 – Soil Geochemical Survey Percentile Values	12

List of Figures

Figure 1 – Location Map	5
Figure 2 – Claim Map.....	7
Figure 3 – Regional Geology.....	10
Figure 4 – Soil Geochemical Sample Locations	13
Figure 5a – Soil Geochemistry – Gold.....	16
Figure 5b – Soil Geochemistry – Lead	17
Figure 5c – Soil Geochemistry - Silver	18
Figure 5d – Soil Geochemistry - Zinc	19

List of Appendices

APPENDIX 1 Laboratory Certificates	23
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SUMMARY

The Gemini property owned by Silver Quest Resources Ltd. (Silver Quest) hosts a historic copper-lead-zinc anomaly potentially related to volcanogenic massive sulphide mineralization. Gemini is located in west-central Yukon approximately 10 kilometres (km) east of the Yukon-Alaska border and 90 km southwest of Dawson City (Figure 1). A total of 58 soil geochemical samples were collected over four man days on the Gemini property. A silver-lead-zinc anomaly occurs coinciding with previous work in the area.

INTRODUCTION

This report describes a reconnaissance soil geochemical survey conducted on the Gemini property by a four person crew on July 1, 2011. Work on the Gemini 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 Gemini Property by following-up anomalous geochemical soil samples completed in 2009; which indicated the presence of a copper-lead-zinc anomaly.



Figure 1 – Location Map

CLAIM DATA AND OWNERSHIP

Silver Quest Resources Ltd. acquired the Gem claims from Archer, Cathro & Associated (1981) Limited in December 2009. The Gemini property comprises twenty (20) contiguous quartz claims and covers a total area of 418 hectares (ha). The claim block centres on 508,690E and 7,043,490N (NAD 83, Zone 7) on NTS map sheet 115N10 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
YD06147 – YD06166	Gem 1 – Gem 20	Silver Quest Resources Ltd.	March 22, 2017

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

PROPERTY DESCRIPTION

LOCATION

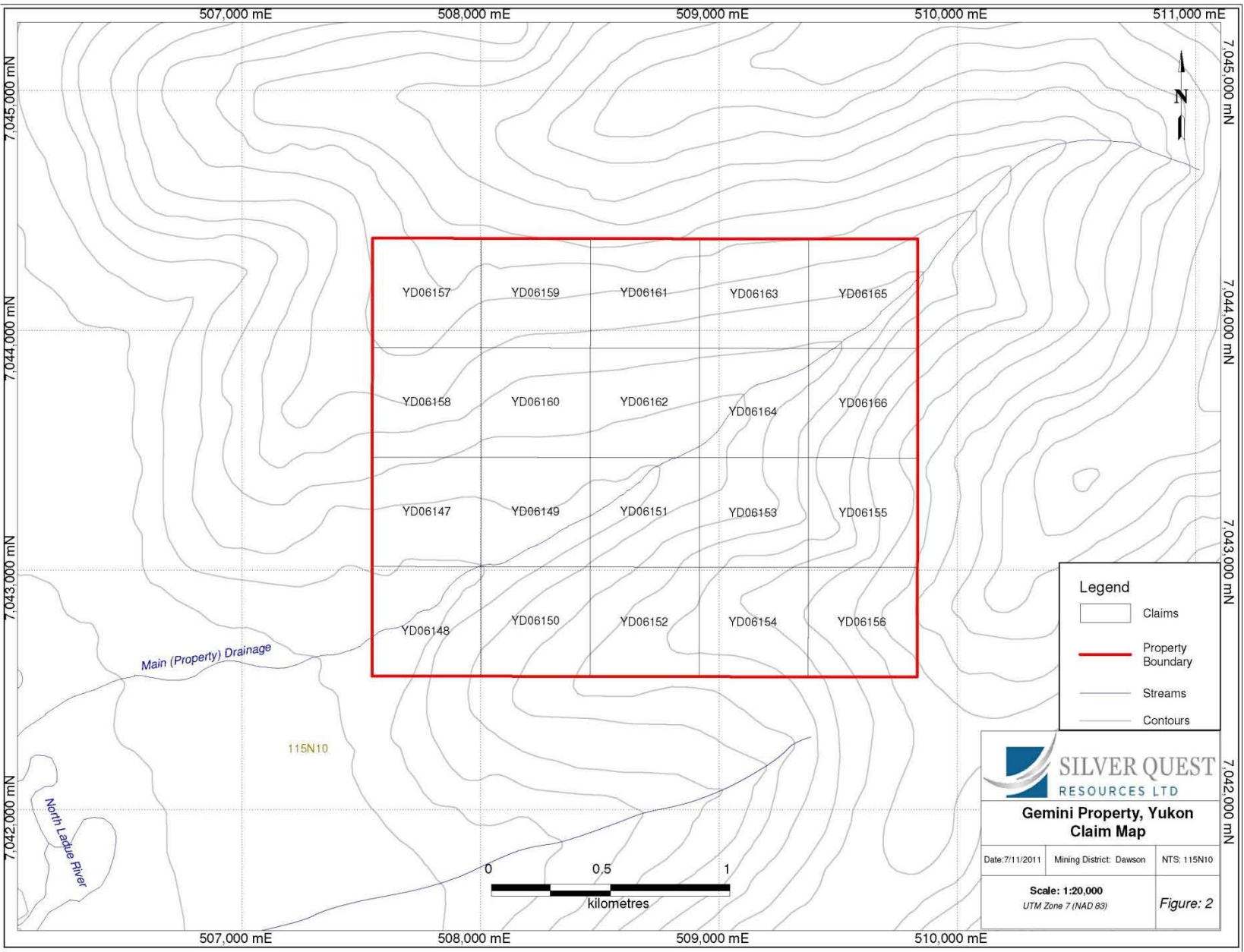
The Gemini property is located in the North Ladue River area of west-central Yukon about 10 km east of the Yukon-Alaska border and 90 km southwest of Dawson City (Figure 1).

CLIMATE AND GEOMORPHOLOGY

The Gemini property lies within the Dawson Range in an area of gentle undulating relief. Local elevations range from 550 to 875 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 mixed forest of aspen and spruce with thick brush, willows and moss-covered slopes.

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 is drained by a tributary of the North 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 – Claim Map



INFRASTRUCTURE

Access to the Gemini property in 2011 was via a Bell 206 Long-Ranger helicopter operated by Trans North Helicopters of Whitehorse and based out of Silver Quest's 2011 Independence Camp, located on Independence Creek. Road access consists of a seasonal, four-wheel drive road, which connects the Top of the World Highway to placer operations at Matson Creek, seven (7) km east of the Gemini property (Smith, 2010). A small, partially overgrown, airstrip lies on a ridge top immediately to the east of the current property boundary which may be suitable for a small to medium sized fixed-wing aircraft. Recent placer mining activity during the summer of 2011 has opened a network of bull-dozer tracks/trails that run adjacent to the main drainage and connects the ridge-top airstrip to the lower elevation access trails.

HISTORY

PREVIOUS WORK

The area immediately east of the Gemini property was originally staked by Moose Creek Exploration Company Ltd., as the Bord claims in 1977. In 1978 Ocean Home Exploration Company staked claims adjacent to the Bord claims, coinciding with the eastern edge of the current Gemini property. A total of 526 geochemical soil samples were collected and geophysical surveys were completed during these early exploration programs. An east-west lead-zinc geochemical soil anomaly was outlined over approximately 1 km (Haverslew, 1978).

In 1990, Archer, Cathro & Associates (1981) Limited re-staked part of the area as the Bor claims and sold them to YGC Resources Ltd., who performed line-cutting, grid soil sampling and prospecting. In 1991, YGC extended the claim block to the west covering what is now the Gemini property. In 1992, it expanded the claim block to the east and then optioned the property to Kennecott Canada Inc., who completed soil sampling, geophysical surveys and diamond drilling. Exploration by YGC and Kennecott outlined a seven km long copper-lead-zinc soil anomaly (Carne, 1991 and 1993).

Atna Resources Ltd. optioned the Bor claims from YGC in 1995 and completed one day soil sampling to the east of current claim boundaries (Schmidt, 1996).

A two hole exploration placer drill program conducted on Gemini Creek in 1981 concluded there was “excellent gold indications” (Hilker, 1989). One hole returned an inferred gold grade of 0.192 ounces per cubic yard (Hilker, 1989). Bert Savage, a placer miner also completed test drill holes in the main drainage on the Gemini property and reportedly found rich placer gold pockets (Smith, 2010).

RECENT HISTORY

Archer, Cathro & Associates (1981) Limited staked the Gem property and optioned it to ATAC Resources Ltd in June 2009. ATAC collected 36 geochemical soil samples along a single orientation at 100 m spaced sample intervals during the summer of 2009. Results indicated highly anomalous values of lead associated with slightly elevated zinc and copper values (Smith, 2010). The Gemini claims were optioned to Silver Quest in December 2009.

GEOLOGICAL SETTING

REGIONAL GEOLOGY

The Gemini property is situated in the Yukon-Tanana Terrane approximately 80 km southwest of the Tintina Fault, within a Carbonaceous and Permian Klondike Schist Assemblage (CPK) (Figure 3).

Approximately 5 km southwest of the property is an Upper Cretaceous volcanic suite belonging to the Carmacks Group (uKC2). This suite has been described as a volcanic succession dominated by acid vitric crystal tuff, lapilli tuff and welded tuff including feeder plugs; volcanic flow rocks; and quartz-feldspar porphyries (Gordey and Makepeace, 2003).

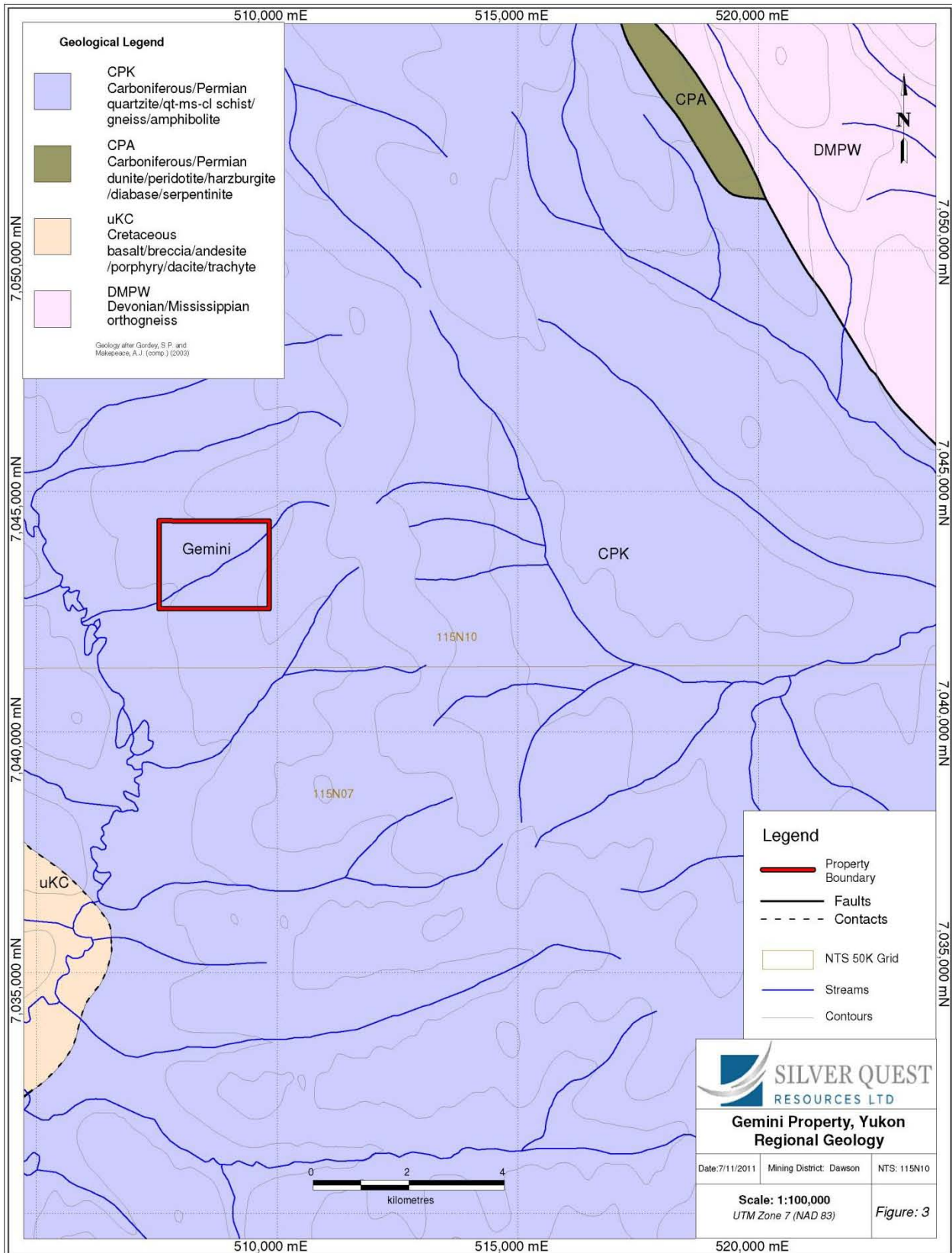


Figure 3 – Regional Geology

PROPERTY GEOLOGY

The property is underlain by Carbonaceous and Permian Klondike Schist Assemblage. This unit is composed of rusty and black weathered, muscovite and/or chlorite bearing quartzite and quartz-muscovite +/- chlorite, +/- feldspar augen schist (Gordey and Makepeace, 2003).

Ridge tops to the east and west of the property are mapped as Quartz Muscovite Schist and Quartz Sericite Schist ± limonite-pyrite respectively (Haverslew, 1978). There is limited outcrop on the Gemini property for detailed mapping.

No prospecting or mapping was undertaken on the Gemini property during the 2011 program. However, Quartz-muscovite ± feldspar schist pebbles were commonly noted within the soil column throughout the property.

GEOCHEMISTRY

SOIL GEOCHEMISTRY

The 2011 exploration program at Gemini consisted of one day of work for four soil samplers. A total of 58 soil samples from three southwest to northeast grid lines were collected. Sample spacing along sampling lines was 50 m or 100 m depending on the sample line (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 utilising 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

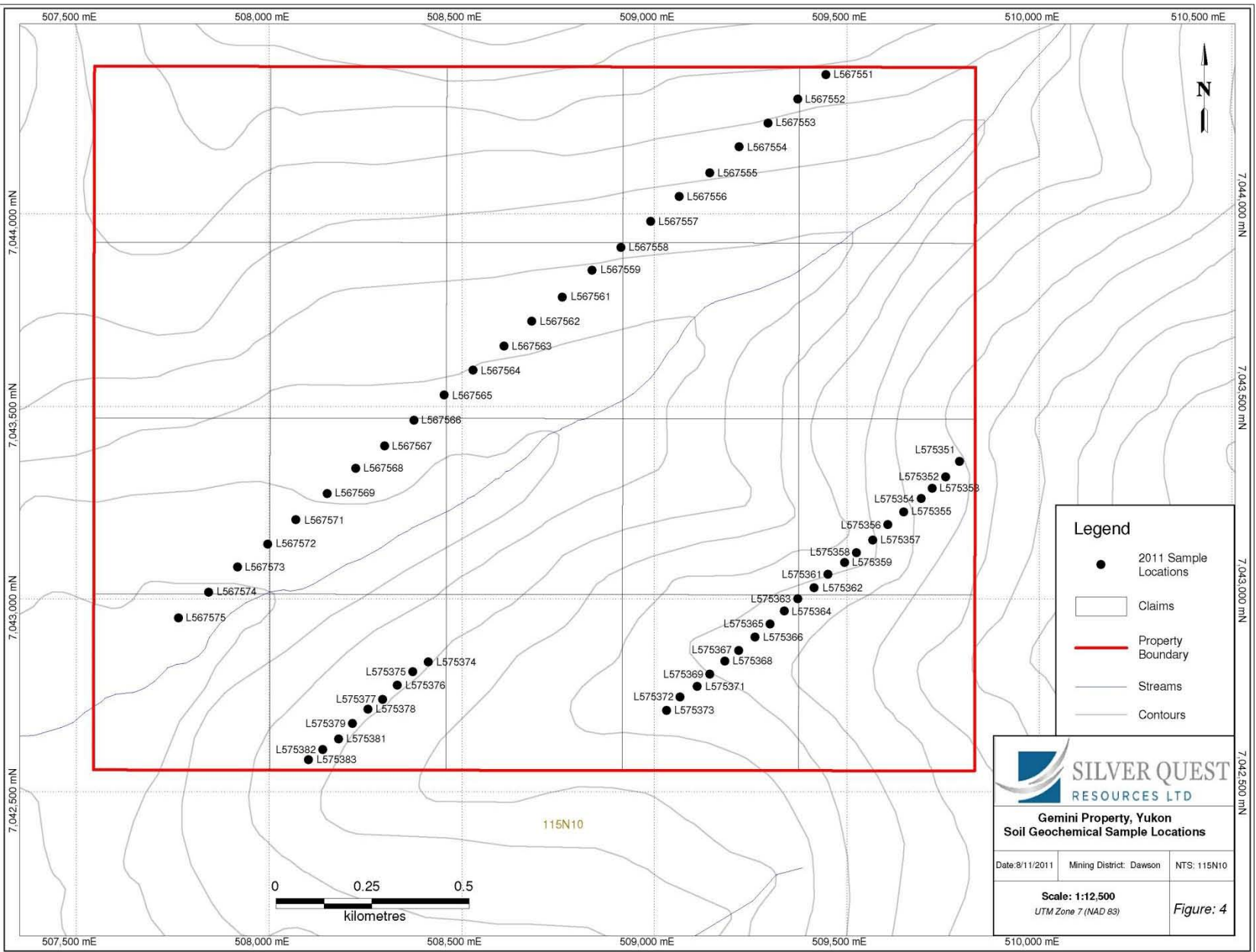
trowels were cleaned between samples and waterlogged samples were stored in separate polyurethane bags to minimize cross-contamination. All sample locations were recorded using a hand-held GPS. All maps and UTM coordinates are referenced to the 1983 North American Datum (NAD 83), Zone 7. A complete description 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 'less than' symbol indicate samples are below detection limit for the given element.

Table 2 – 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	8	1.04	23.40	105.50	2.11	3.68	632.00	546.00	0.20
Min	<5	0.02	1.70	7.70	0.32	0.14	14.00	7.80	<0.05
99th	7.45	0.82	21.36	82.89	2.11	2.11	526.95	500.35	0.20
98th	6.20	0.63	19.57	64.06	2.11	0.82	427.30	454.20	0.19
95th	<5	0.61	17.42	53.80	2.07	0.64	268.00	325.50	0.15
90th	<5	0.53	15.85	35.90	1.92	0.57	204.00	232.50	0.14
85th	<5	0.41	14.62	31.85	1.69	0.50	170.50	191.60	0.13
75th	<5	0.32	10.30	27.22	1.63	0.40	136.25	129.60	0.12
50th	<5	0.15	5.60	19.45	1.22	0.32	53.00	44.50	0.09

Figure 4 – Soil Geochemical Sample Locations



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 Gemini passed without any significant concerns. However, field blank L575370 returned above threshold values in mercury and field duplicate L575360 varied greater than 20% for molybdenum. No other signs of contamination were noted in either of these samples and these elements were not used as pathfinders. Both samples occur in the silver-lead-zinc anomalous zone on the property.

DISCUSSIONS AND CONCLUSIONS

Soil geochemical survey results from the Gemini 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.

Results from the 2011 soil geochemical sampling indicated a highly anomalous zone of coincident silver-lead-zinc concentrated on the eastern portion of the property (Figure 5b, 5c, 5d). Sample values on either side of the main drainage differ greatly, possibly indicating a fault structure. The silver-lead-zinc soil signature on the southeast side of the main drainage lends support to the volcanogenic massive sulphide mineralization previously targeted in the Gemini area.

A weakly elevated gold value of 8 ppb was reported on the eastern most line of the property (Figure 5a). Other pathfinder elements of antimony, copper, arsenic, and molybdenum are low, however weakly elevated with the major silver-lead-zinc anomalies.

RECOMMENDATIONS

In-fill sampling, concentrating on the eastern portion of the property is recommended to follow-up the identified silver-lead-zinc anomaly. Geological mapping and interpretation is recommended to ascertain stratigraphic or structural controls on mineralization.

Figure 5a – Soil Geochemistry – Gold

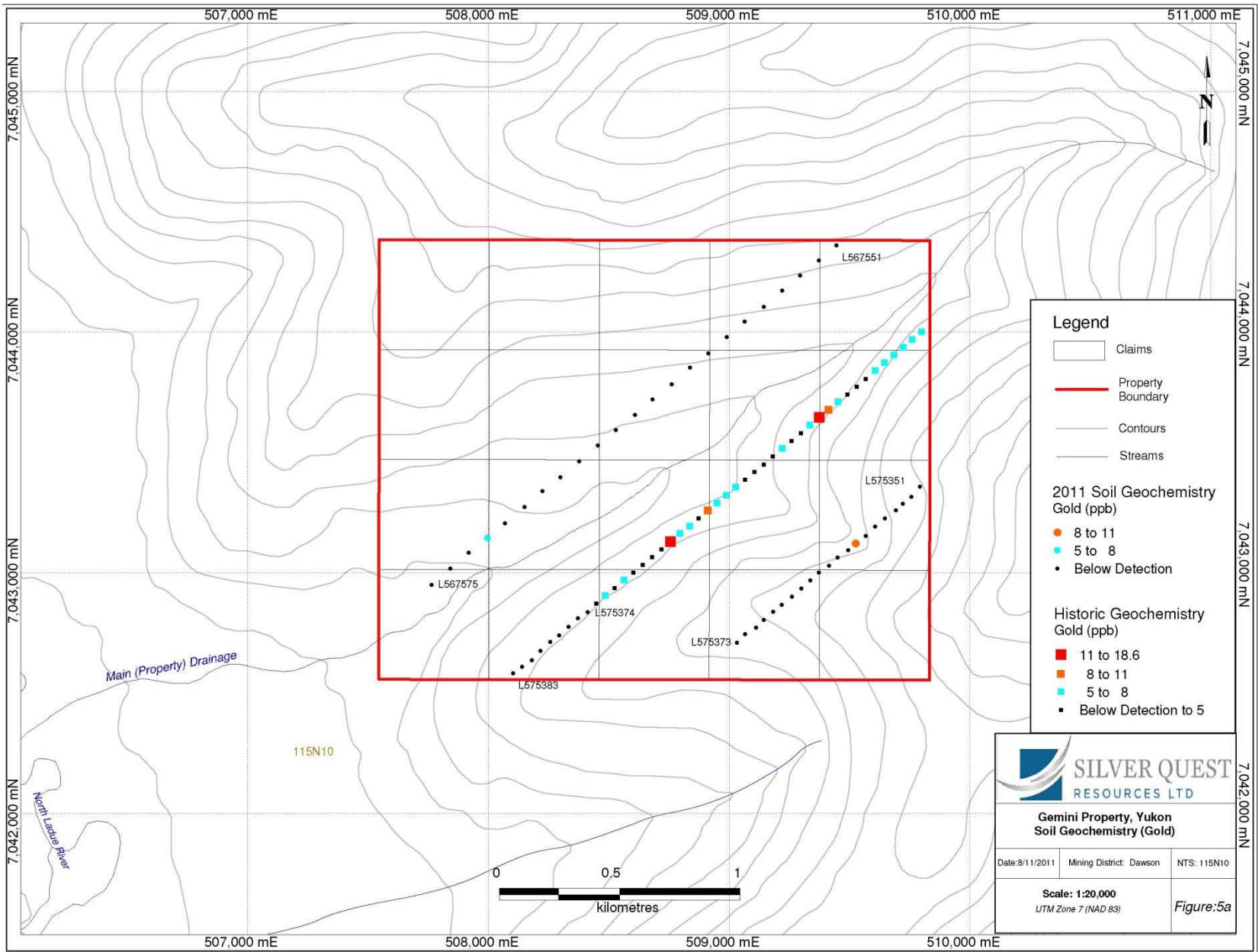


Figure 5b – Soil Geochemistry – Lead

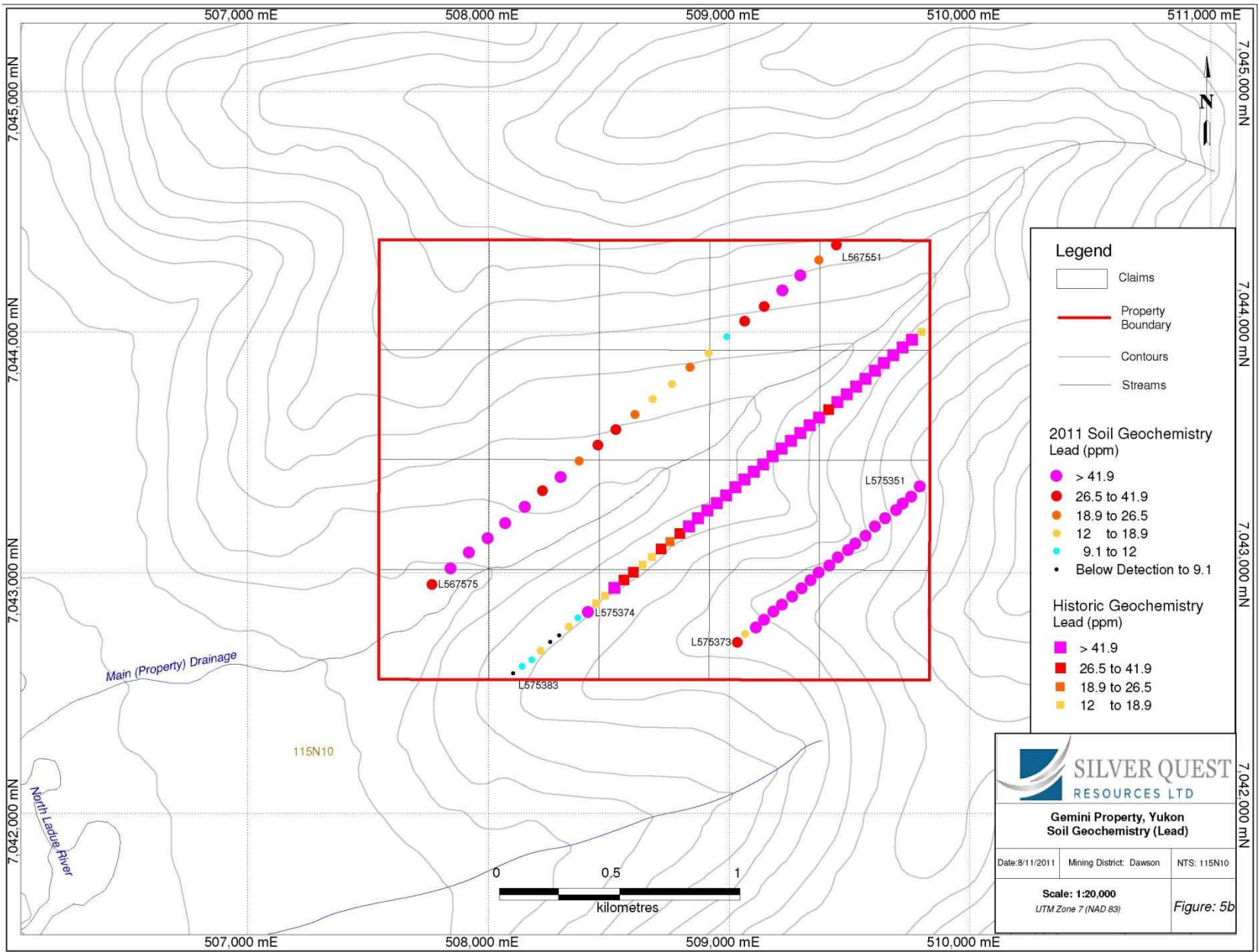


Figure 5c – Soil Geochemistry - Silver

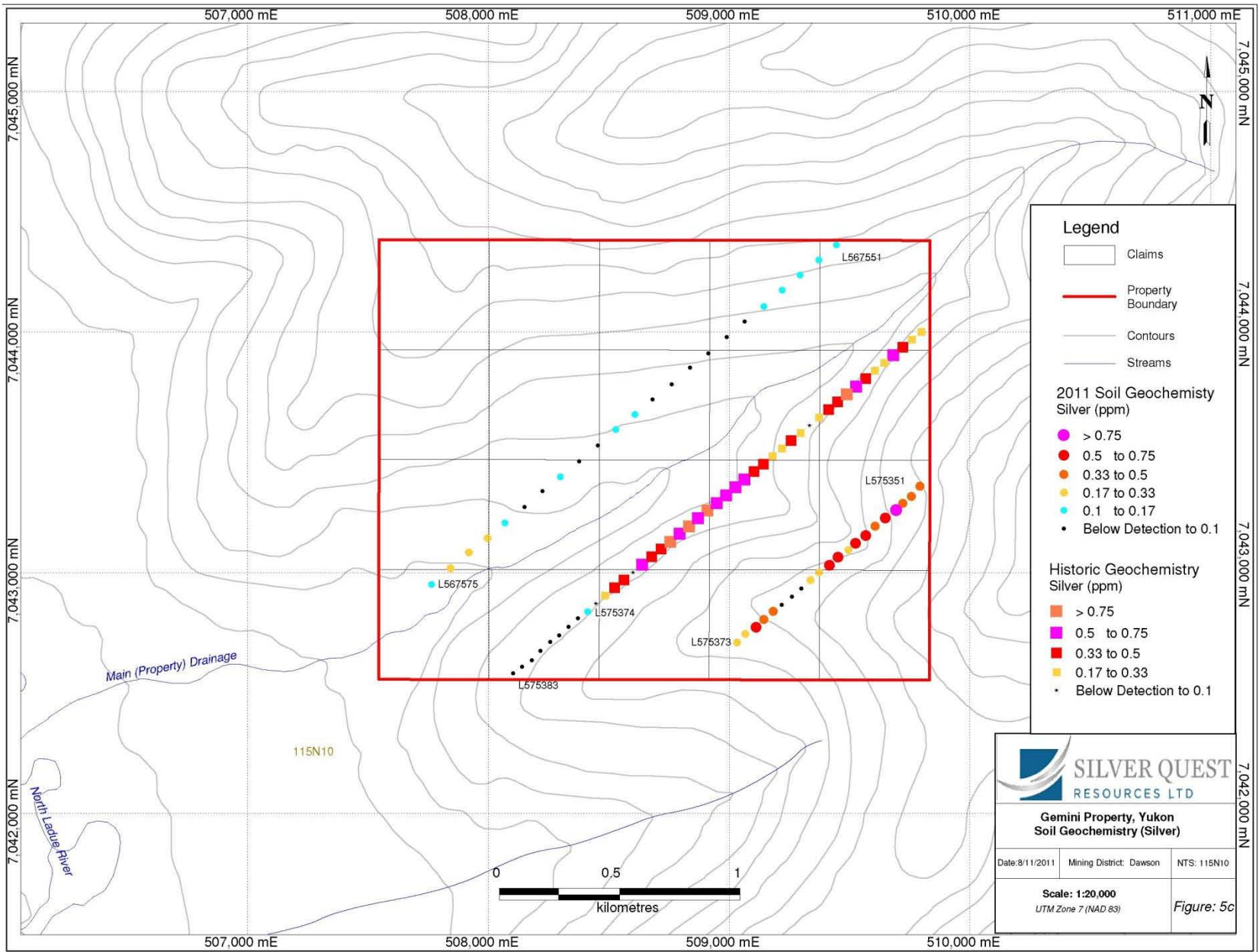
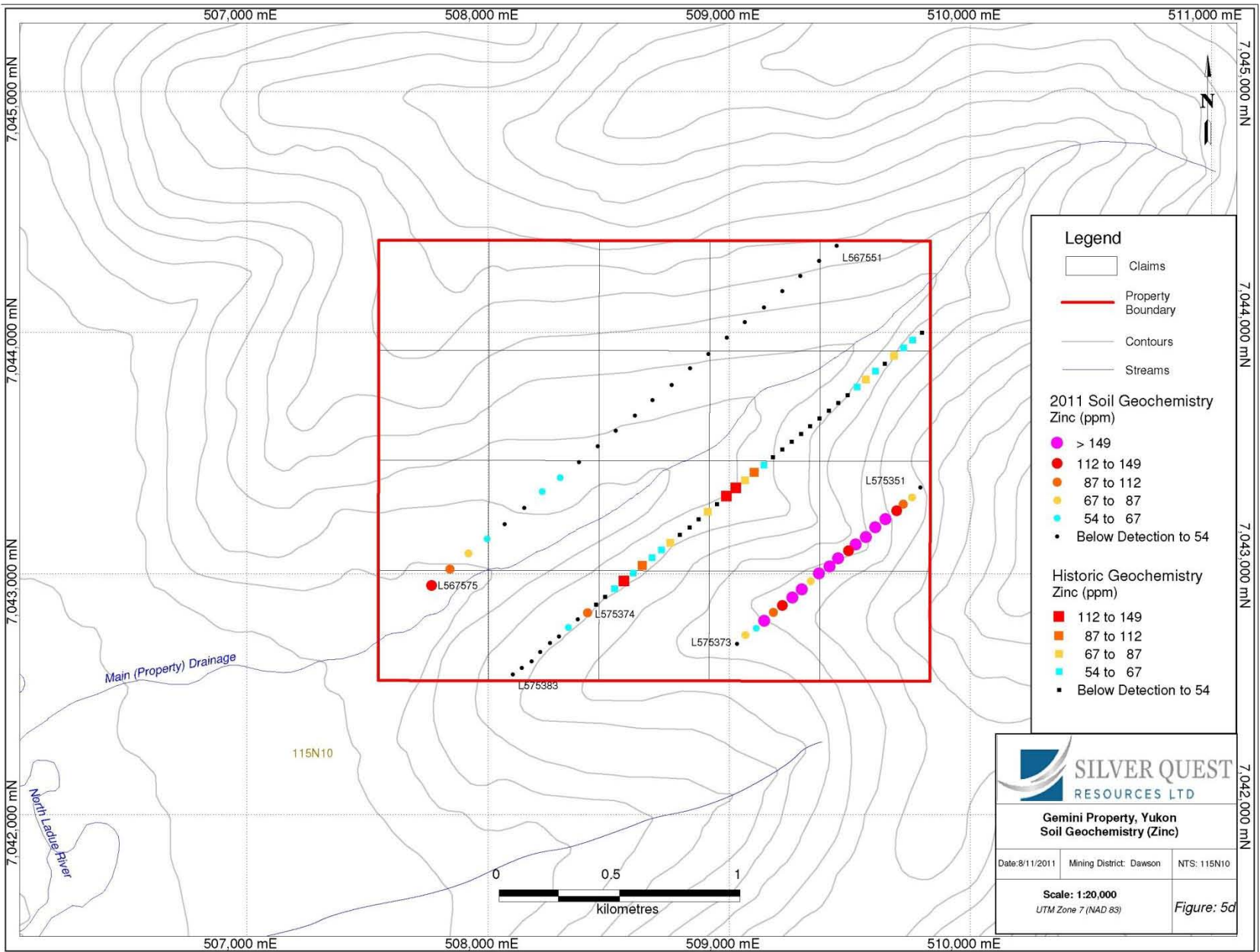


Figure 5d – Soil Geochemistry - Zinc



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Smith, H. 2010, Assessment Report Describing Soil sampling Program at the Gem 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 Gemini Property Yukon" dated November 14, 2011.

I participated in the geological work reported herein.

Dated this 14th day of November, 2011.

A handwritten signature in black ink, appearing to read 'Ryan J. F. Congdon', is written over a solid horizontal line.

Ryan J. F. Congdon, BSc Geology

STATEMENT OF EXPENDITURES

	<u>Quantity</u>	<u>Rate</u>	<u>Cost</u>
Soil Samples Collected	54	\$ 40.00	\$ 2,160.00
Sampler day(s)	4	\$ 350.00	\$ 1,400.00
Camp Costs (per man day)	4	\$ 319.07	\$ 1,276.28
Helicopter Hour(s)	3.75	\$ 1,550.00	\$ 5,812.50
			<u>\$ 10,648.78</u>
		Supervision: 12%	<u>\$ 1,277.85</u>
		Total:	<u><u>\$ 11,926.63</u></u>
		Claims	
		Worked: 10	\$ 1,192.66 per claim

Date worked: July 1, 2011