FIELD LOGISTICS REPORT

(SQI INTERNAL DOCUMENT)

Covering the Silver Quest Resources Ltd. Geophysics Field Program
June 28, 2010 to July 2, 2010

Prospector Mountain Property
Dawson Range, Yukon Territory

Prepared by: Canterra Minerals Corp.
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Date: January 17, 2011

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1.0 Introduction

This report summarizes the Silver Quest Resources Ltd. (“Silver Quest”) ground geophysics program undertaken on the Prospector Mountain Property (“Prospector Mountain) between June 28th and July 2nd, 2010.

The objective of the program was to create a geophysical base layer using the ground magnetic method prior to drilling. The ground magnetic program occurred concurrently with a soil and rock geochemical sampling and geological mapping program. The ground magnetic data was used to identify lineaments in the area of interest and assist in the selection of drill collar locations.

At the conclusion of the survey a single grid totaling 27.9 line kilometers (“lkm”) had been completed.

2.0 Background

The survey areas are in the immediate vicinity of the Prospector Mountain "Bonanza Zone" gold showing. The survey area was located in the south east of the property and represents a small portion of the total property area. Prospector Mountain is located approximately 90 km northwest of Carmacks, YT. The fly camp at Prospector Mountain was serviced by helicopter based at the Boulevard camp located approximately 90 km to the north-west. A location map showing the property boundaries, claims and camp locations is included (Appendix A – Figure 1).

A portion of the survey area was previously covered with an IP grid. There is no other known high resolution airborne or ground geophysics conducted in the survey area. The survey area was selected based on the estimated extent of the "Bonanza Zone" and the area of interest for drilling (Appendix A - Figure 2).

3.0 Ground Magnetic Survey

3.1 Personnel

The data were acquired by employees of Equity Exploration Consultants Ltd. ("Equity"). The program was planned by Francis Moul of Canterra Minerals Corp. ("Canterra") in the Silver Quest Boulevard camp. The program was managed by Darcy Baker of Equity in the base of operations at the Prospector Mountain fly camp. The ground magnetic data were quality reviewed, processed and preliminary interpreted by Francis Moul at the Canterra office in Vancouver, BC.

The survey data and interpretation are presented in the appendices. A list of personnel is located in Table 1.

Table 1 - Personnel List

Crew	Company	Location	Title
Francis Moul	Canterra Minerals Corp.	Field / Vancouver	Geophysicist
Darcy Baker	Equity Exploration Consultants Ltd.	Field	Field Program Manager, President
Sean Suttie	Equity Exploration Consultants Ltd.	Field	Equipment Operator, Sr. Sampler
Will James	Equity Exploration Consultants Ltd.	Field	Equipment Operator, Sampler

Equity Exploration Consultants Ltd. are located at 200-900 West Hastings St., Vancouver, BC (www.equityexploration.com).

3. 2 Survey Area

One survey grid was completed during the period between June 28, 2010 and July 2, 2010. The coordinates of a polygon defining the survey area in WGS-84 UTM Zone 8N are presented in Table 2.

Table 2 - Block Coordinates

Easting (m)	Northing (m)
354258	6928419
354248	6927503
353992	6927510
353995	6926598
355605	6926598
355605	6927591
355564	6927712
355564	6928419

3.3 Survey Time and Line Kilometers

Assuming an 8 hour survey day a total of 32 person-hours were required to complete the grid. A summary log is presented in Table 3.

Table 3 Summary Survey Log

Date	Survey Day	Personnel	Task
June 28, 2010	1	Will James	Survey
June 29, 2010	2	Will James	Survey
July 2, 2010	3	Will James, Sean Suttie	Survey

The total number of line kilometers completed on each claim are presented in Table 4 below. The claim boundaries are accurate as of August 18, 2010.

Table 4 Line Length Surveyed in each Claim Area

Grant Number	Line Length (km)	Fraction of Total Line Length (%)
YB97166	0.98	0.034
YB97164	1.81	0.063
YB97165	1.09	0.038
YB97210	0.12	0.004
YB97209	0.20	0.007
YB97163	2.08	0.073
YB97162	2.05	0.072
YB66223	1.35	0.047
YB66221	2.15	0.075
YB66220	1.51	0.053
YB66205	0.03	0.001
YB66203	0.77	0.027
YB97143	0.15	0.005
YB97150	1.21	0.042
YB97149	0.38	0.013
YB97156	0.70	0.024
YB97158	1.90	0.066
YB97151	2.05	0.072
YB66219	2.10	0.073
YB97159	0.33	0.012
YB97161	1.55	0.054
YB97160	2.00	0.070
YB66218	2.13	0.074
Totals	28.6	1.000

The approximate corners of the survey are presented in the table below. All coordinates are in the WGS84 datum UTM zone 8 North.

3.4 Description of Survey Method

The ground magnetic survey method allows definition of near surface variations in the magnetic field due to the presence of materials with contrasting magnetic susceptibility and remnant magnetization. In magnetically complicated environments the ground magnetic method offers improved near surface resolution relative to airborne magnetic methods.

A ground magnetic survey is typically conducted along a series of parallel traverse lines of a constant orientation. The line separation is smaller than employed in airborne surveys; typical line seperations are 25 m to 100 m. Station spacings vary from less than a metre in “walking mode” surveys to typically 12.5 m or 25 m spacings in “station mode” surveys.

The survey method requires a minimum of two magnetometers; one of which is employed as a static monitor of the total magnetic field intensity while the other is moved across the survey area in a regular manner. The difference between the value of the total magnetic field intensity at the rover (moving magnetometer) and the base (static magnetometer) is a record of the spatial variations of the magnetic field over the survey area. Typically the resulting data are gridded to provide a continuous surface representing the variation in the magnetic field. Generally, areas of relatively high total magnetic field intensity correlate with rocks of relatively high magnetic susceptibility and areas of relatively low total magnetic field intensity correlate with rocks or overburden of relatively low magnetic susceptibility. Magnetic susceptibility is directly related to the approximate proportion of magnetite and pyrhotite and to a limited extent other minerals present in the sample.

Areas of alternation correlating to intrusions or mineralising hydrothermal fluids are commonly defined by regions of magnetite destruction or regions of sulphide mineral accumulation.

3.5 Planning

The ground survey grids were initially planned using the orientation and extent of the “Bonanza Zone” to define the grid limits. Survey traverse line orientation was east-west and approximately perpendicular to the estimated strike of the target. Plan maps showing the topographic contours and survey lines were created and distributed to the survey crew prior to commencing operations. The plan was modified by the field crew after visit to the survey site and only the central portion of the survey block was completed. In the southern half of the survey block the lines were extended approximately 0.3 km west of the initial line terminus.

3.6 Logistics

Data was acquired over only a subset of the survey lines located approximately at the centre of the grid. A geological mapping and sampling program was undertaken at the same time as the magnetic survey in the same area of interest.

There were no internet communications available at the fly camp. Modifications of the survey plan were completed independently by the field crew. Data qualitity control and processing were not undertaken until the crew returned to the Boulevard Project camp and the data were transmitted to the Canterra office in Vancouver.

Several consecutive survey lines appear to have been acquired using the same instrument in the same line direction. A possible conclusion is that the helicopter was used to transport the operator and equipment from the end of line to the beginning of line. Presumably this would have been done only if there was an overriding safety or logistical concern requiring lines to be completed in the same direction.

The basic survey information metadata (the "survey information file") are presented in Appendix D.

3.7 Instrumentation

Three magnetometers were operated simultaneously at times throughout the survey period. All three of the magnetometers were property of Canterra. The details of the instruments used are presented in Table 5.

Table 5 Instrumentation

Magnetometer Type	Serial Number	Owner
GSM-19W v7.0 Overhauser	7052314	Canterra
GSM-19W v7.0 Overhauser	7052316	Canterra
GSM-19TG v5.0 Proton Precession	705699	Canterra

Throughout the survey, one or two GSM-19W magnetometers were used as rovers and the GSM-19TG magnetometer was employed as a static base station. Typically, the base station is deployed as close as possible to the active survey grid however the location of the base station was not recorded in this case. The base station was used as the primary source for magnetic differential correction.

The GSM-19W magnetometer were equipped with a GPS and real-time DGPS receiver allowing both accurate positioning and instrument clock synchronization. The Canada-wide DGPS service (CDGPS) broadcast was used for differential positioning; it is transmitted on L-band frequencies from the MSAT-1 communications satellite. The manufacturer quoted accuracy of the GPS receiver is less than 1 m.

The sensor on each GSM-19W instrument is a scalar magnetometer capable of measuring the earth's total magnetic field intensity. The Overhauser version allows sample rates down to 0.2 s with an absolute accuracy of +/- 0.1 nT. The manufacturer stated range of operating temperature is between -40ºC and +55ºC. The entire assembly weighs approximately 3 kg.

The GSM-19TG magnetometer was not equipped with a GPS reciever. Instrument internal clock synchronisation was accomplished by establishing link to one of the GPS

enabled GSM-19W magnetometers at the beginning of each the survey day using a data cable.

When the local ground station data were not available the total field data were used from the USGS operated Sitka magnetic station (SIT) located at located at 57.1 deg. N, 224.7 deg. W. The data were downloaded from INTERMAGNET (www.intermagnet.org) at a 1 sample per minute rate.

3.8 Acquisition Parameters

The traverse lines were separated by nominal 100 m spacing and oriented east-west.

The survey position data were collected in WGS-84 UTM 8N coordinates. Sample locations were recovered using real-time differentially corrected GPS sampling at two Hertz.

The magnetic data on the rovers were collected at a continuous two Hertz sample rate while the magnetic data on the base were collected at a continuous 0.33 Hertz sample rate (one sample each three seconds). The rover data were collected in "walking mode" where time, magnetic field and position values are continuously recorded while the base station data were recorded in "base mode" where only the time and magnetic field data are continuously recorded. The raw and processed data are included on DVD in Appendix E along with documentation of the digital file formats.

3.9 Data processing

The data were recorded to the GSM-19 data loggers in real-time and downloaded to a laptop computer at the end of each day. Basic data processing and quality control procedures were conducted at the end of the survey after the crew returned to the Bouldevard camp and were able to send the data archives to the Canterra office in Vancouver where final data processing and plotting was conducted. The data processing flow included the following steps:

1. Downloading of data from rover and base GSM-19W to laptop using Hyperterminal
2. Import of ASCII data files to Geosoft
3. Set coordinate datum to WGS-84 UTM 8N
4. Split rover data into lines named by nearest easting or northing
5. Review rover data for magnetic and position noise
6. Edit or apply non-linear filter to remove magnetic noise
7. Edit to remove bad position data
8. Review base data for diurnal variation and magnetic noise
9. Edit or apply non-linear filter to remove magnetic noise
10. Merge base and rover data

11. Calculate diurnal corrected channel (datum 0 nT, mean value at local base station during survey period was 56960 nT)
12. Trim survey lines to remove overlap
13. Deselect duplicate lines and copy essential channels to final database
14. Grid diurnally corrected magnetic data
15. Trim grids to survey block polygon
16. Determine total line kilometers from straight line path between start and end points of each line.

The base station failed on June 29, 2010 and July 2, 2010 for unknown reasons. Drop-outs in the signal approximately 12 minutes prior to failure on June 29, 2010 are consistent with local spherics (lightning) which may have resulted in the sensor tuning failure due to high magnetic field gradients. Data from the USGS Sitka (SIT) static magnetic monitoring station were used for diurnal correction when the local base station was not functioning. A datum shift was applied to the SIT data on each day so that the first value used was equal to the last good value from the local ground station.

4.0 Results

A single survey grid consisting of 27.9 lkm was completed in three survey days. Plan view maps of the resulting grids (total magnetic intensity, high-pass filtered total magnetic intensity, low-pass filtered total magnetic intensity profiles, digital terrain model and line path with satellite image) are presented in Appendix B – Figures 1 to 4.

4.1 Interpretation

The results of the interpretation are presented in figures 1 and 2 included in Appendix C.

There are areas of isolated magnetic total field intensity highs in the south-west (A) and north-east (B) portions of the grid. These appear to be anomalous responses independent of topography and likely related to increased susceptibility in the bedrock. Generally, in this survey area, the total field intensity is directly related to elevation on this grid. Possibly this is due an increase in overburden thickness due to debris on the slopes.

Lineaments were defined based on similar features identified on adjacent profiles. These lineaments are bias strongly along orientations close to perpendicular to the survey lines. These lineaments may be related to contacts, structural deformation or alteration in the bedrock. The lineaments trend between approximately 342 deg. and 20 deg. and are separated into two sets based on whether they conform to the topography or not.

In general, lineaments were better defined (due to high amplitudes) in topographically high portions of the grid. Those features which are traced across multiple lines and cross elevation contours while remaining well resolved are likely the result of structural or geologic boundaries. In some cases, there are clear lineaments at changes in slope which may correspond to exposed bedrock.

5.0 Recommendations

It is recommended that two base stations be operated whenever possible to mitigate the risk of base station malfunction as it is typically only monitored at the start and end of the day.

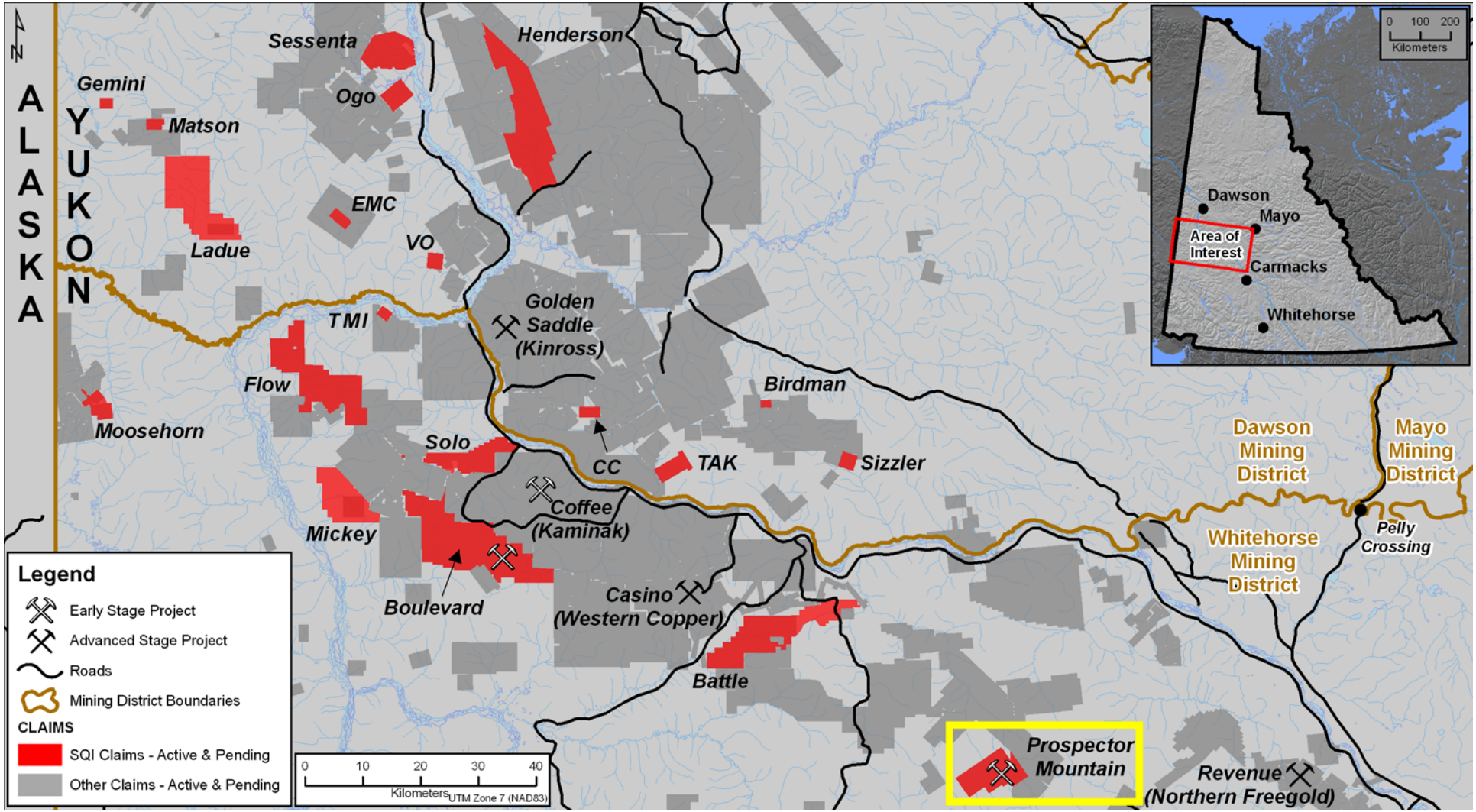
The survey area should be expanded to the north and south as the small size of the grid limits ability to recognise the subtle magnetic features on the scale of the hypothesised mineralized “Bonanza Zone”.

A review should be undertaken of the historic IP data where it overlaps the magnetic survey area on the south-west.

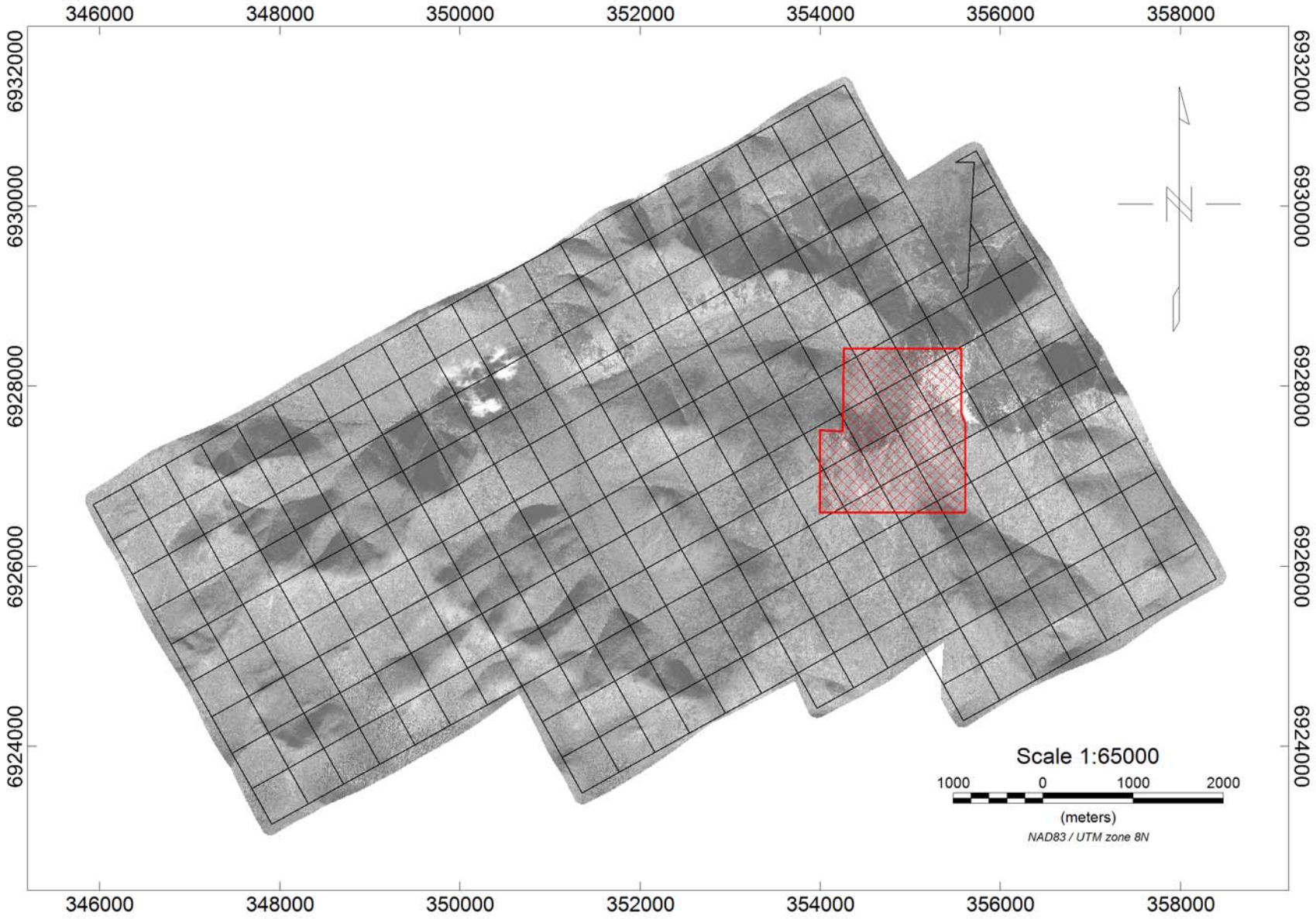
Appendix A:

Property and Survey Location Maps

List of Figures:



Appendix A - Figure 1



Appendix A - Figure 2

2010 Ground Magnetic TF Survey Area

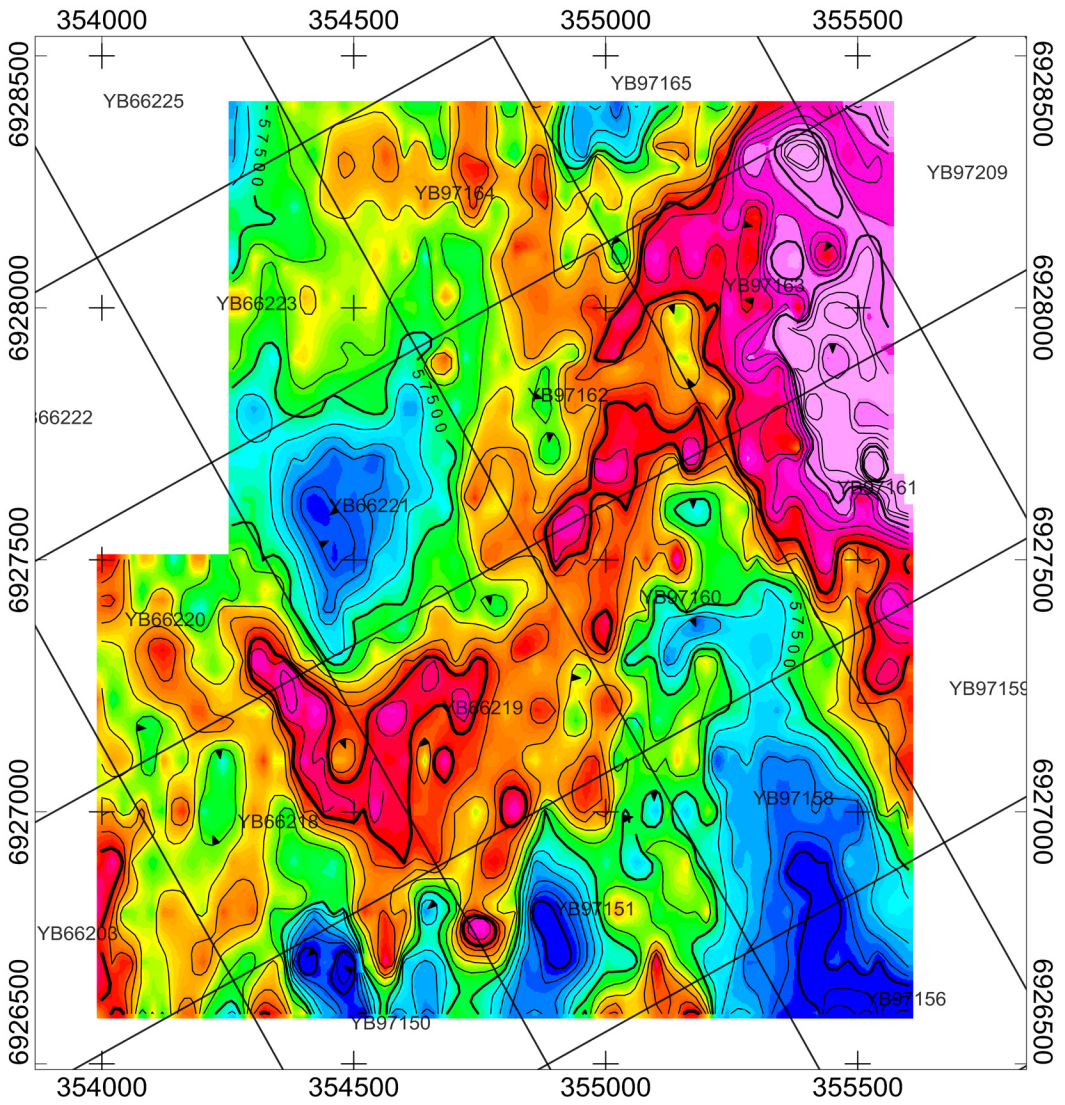
Prospector Mountain Claims

Silver Quest Resources Ltd.
Prospector Mountain Project, YT **2010 Exploration Program** **Ground Total Magnetic Intensity Survey**
Survey Location
F.Moul, October 8, 2010

Appendix B:

Plots of Ground Magnetic Data with Claim Boundaries

List of Figures:



58609
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57702
57685
57669
57655
57638
57619
57601
57581
57564
57546
57522
57495
57465
57425
57382
57331
57280
57217
57148
57047

TMI
(nT)

Project

Company: Silver Quest Resources Ltd.
Project: Prospector Mountain
Location:Approx. 90 km NW of Carmacks, YT

Survey

Method: Total Field Magnetic Field
Rover Instruments: GSM-19W v7 CDGPS Walking Magnetometer
Base Instrument: GSM-19TG v5 Magnetic Gradiometer (base)
Survey Dates: June 28, 2010 - July 2, 2010
Orientation: 90 deg. / 270 deg.
Line Spacing: 100 m
Line Length: 27.9 lkm

Processing

Magnetic Data: Manual Despiking, Diurnal Correction
Position Data: Non-linear filter despiking, Running Mean

Grid

Cell Size: 20 m
Filters: None

Map

Contour Intervals: 100, 500, 2000 nT

Scale 1:15000

250 0 250

(meters)

WGS 84 / UTM zone 8N

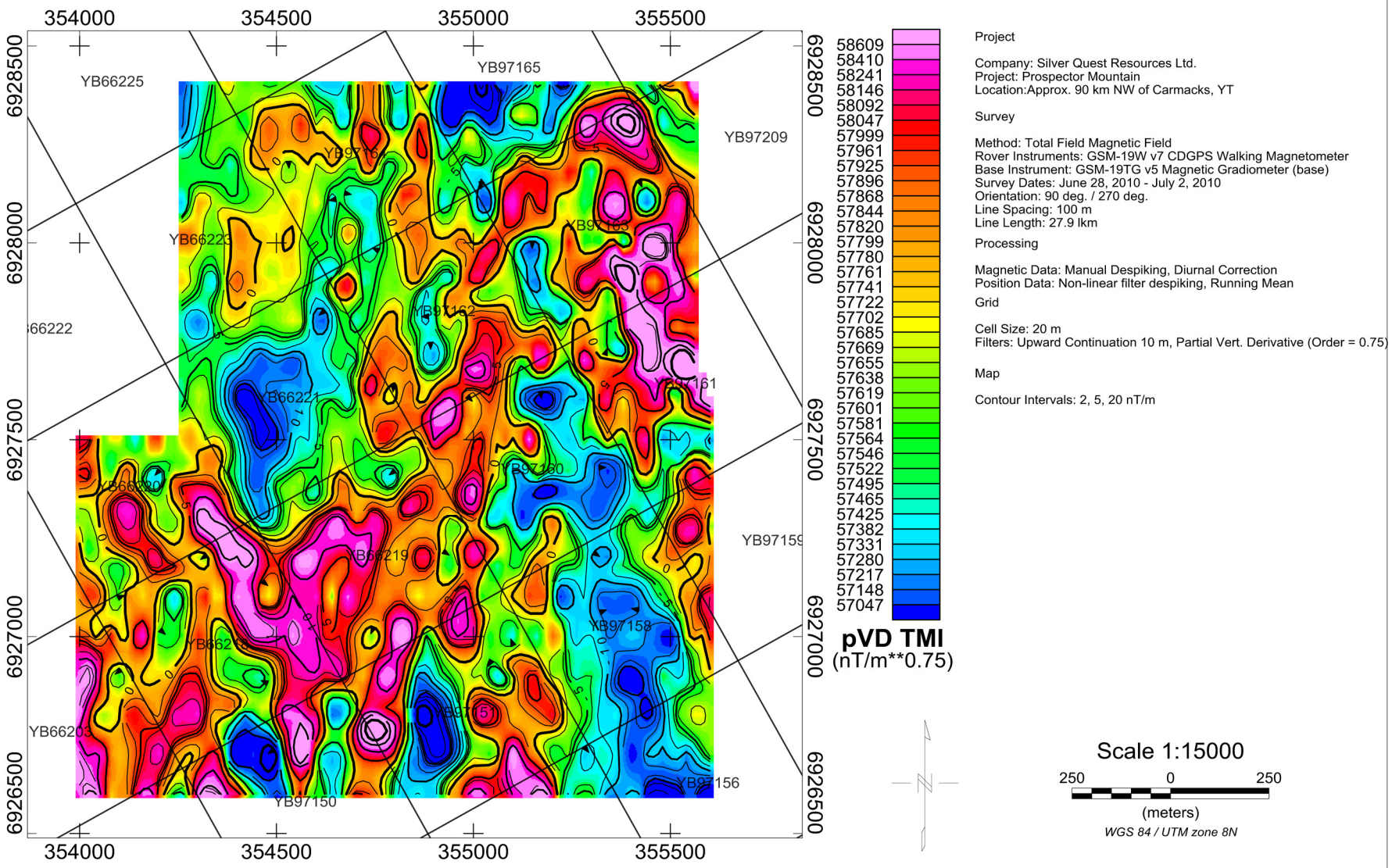
Appendix B - Figure 1

Silver Quest Resources Ltd.

Prospector Mountain Project, YT
2010 Exploration Program
Ground Total Magnetic Intensity Survey

Total Magnetic Intensity

F.Moul, July 14, 2010



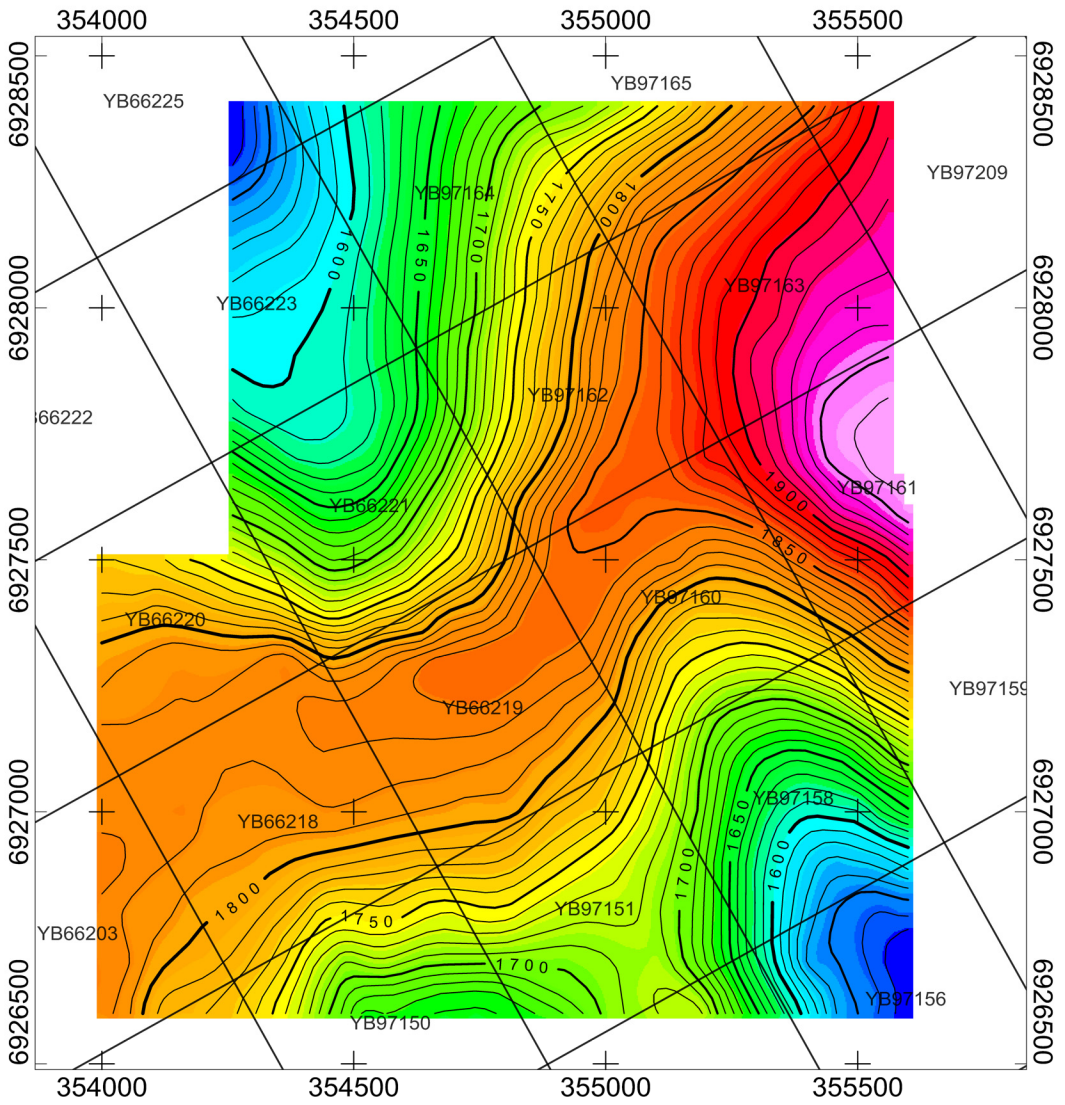
Appendix B - Figure 2

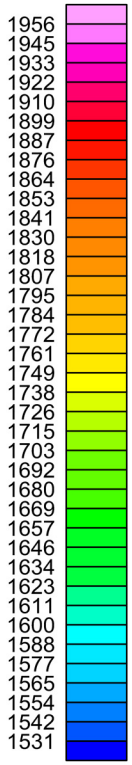
Silver Quest Resources Ltd.

Prospector Mountain Project, YT
2010 Exploration Program
Ground Total Magnetic Intensity Survey

Partial Vertical Derivative of Total Magnetic Intensity (Order 0.75)

F.Moul, July 14, 2010





Project

Company: Silver Quest Resources Ltd.
Project: Prospector Mountain
Location:Approx. 90 km NW of Carmacks, YT

Survey

Method: Total Field Magnetic Field
Rover Instruments: GSM-19W v7 CDGPS Walking Magnetometer
Base Instrument: GSM-19TG v5 Magnetic Gradiometer (base)
Survey Dates: June 28, 2010 - July 2, 2010
Orientation: 90 deg. / 270 deg.
Line Spacing: 100 m
Line Length: 27.9 lkm

Processing

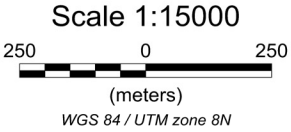
Magnetic Data: Manual Despiking, Diurnal Correction
Position Data: Non-linear filter despiking, Running Mean

Grid

Cell Size: 20 m
Filters: None

Map

Contour intervals: 20, 100, 500 m



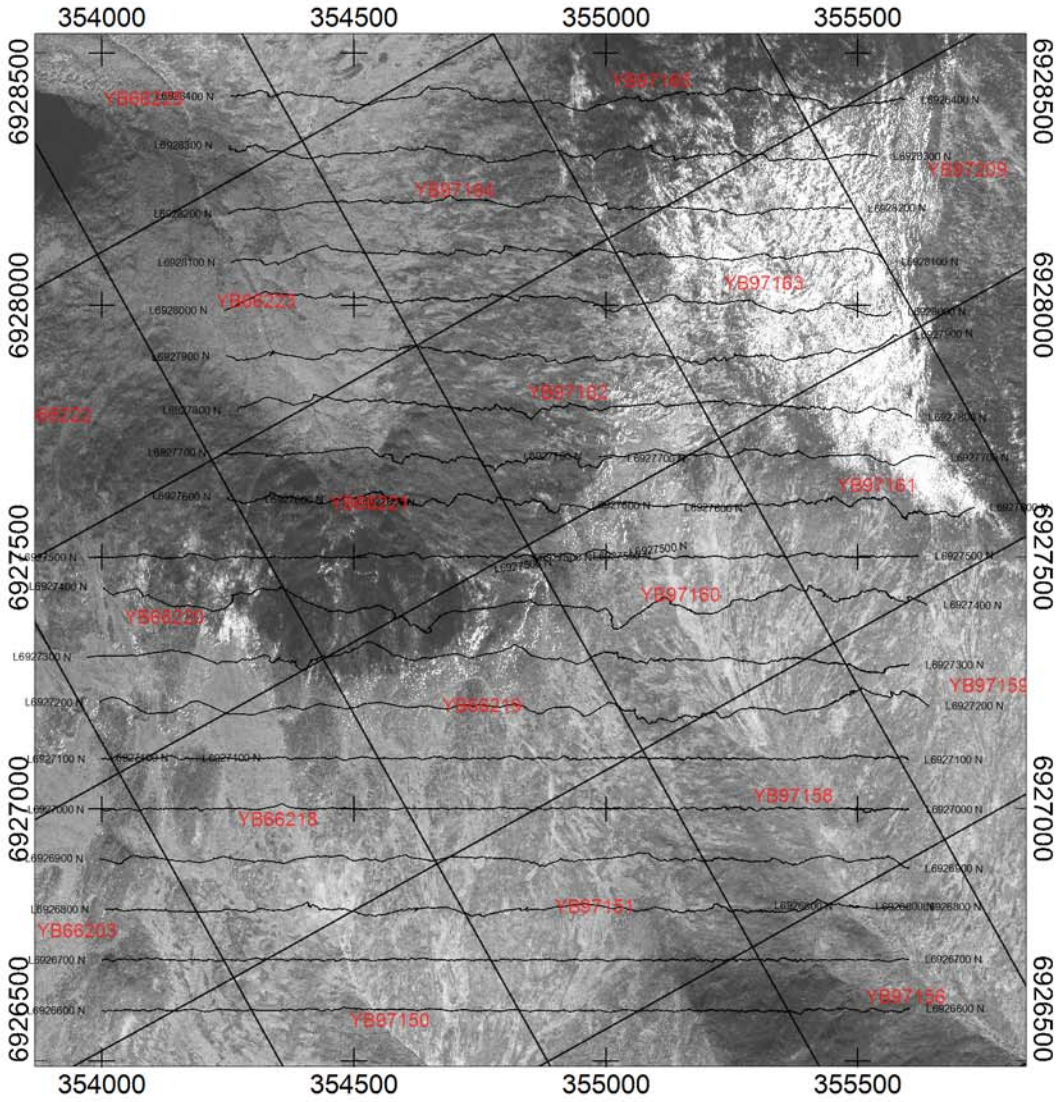
Appendix B - Figure 3

Silver Quest Resources Ltd.

Prospector Mountain Project, YT
2010 Exploration Program
Ground Total Magnetic Intensity Survey

Digital Terrain Model

F.Moul, July 14, 2010



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Project: Prospector Mountain
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Survey

Method: Total Field Magnetic Field
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Base Instrument: GSM-19TG v5 Magnetic Gradiometer (base)
Survey Dates: June 28, 2010 - July 2, 2010
Orientation: 90 deg. / 270 deg.
Line Spacing: 100 m
Line Length: 27.9 lkm

Processing

Magnetic Data: Manual Despiking, Diurnal Correction
Position Data: Non-linear filter despiking, Running Mean

Grid

Cell Size: 20 m
Filters: Upward Continuation 10 m, Partial Vert. Derivative (Order = 0.75)

Map

Background is Worldview 0.5 m panchromatic Satellite Image

Scale 1:15000

250 0 250

(meters)

WGS 84 / UTM zone 8N

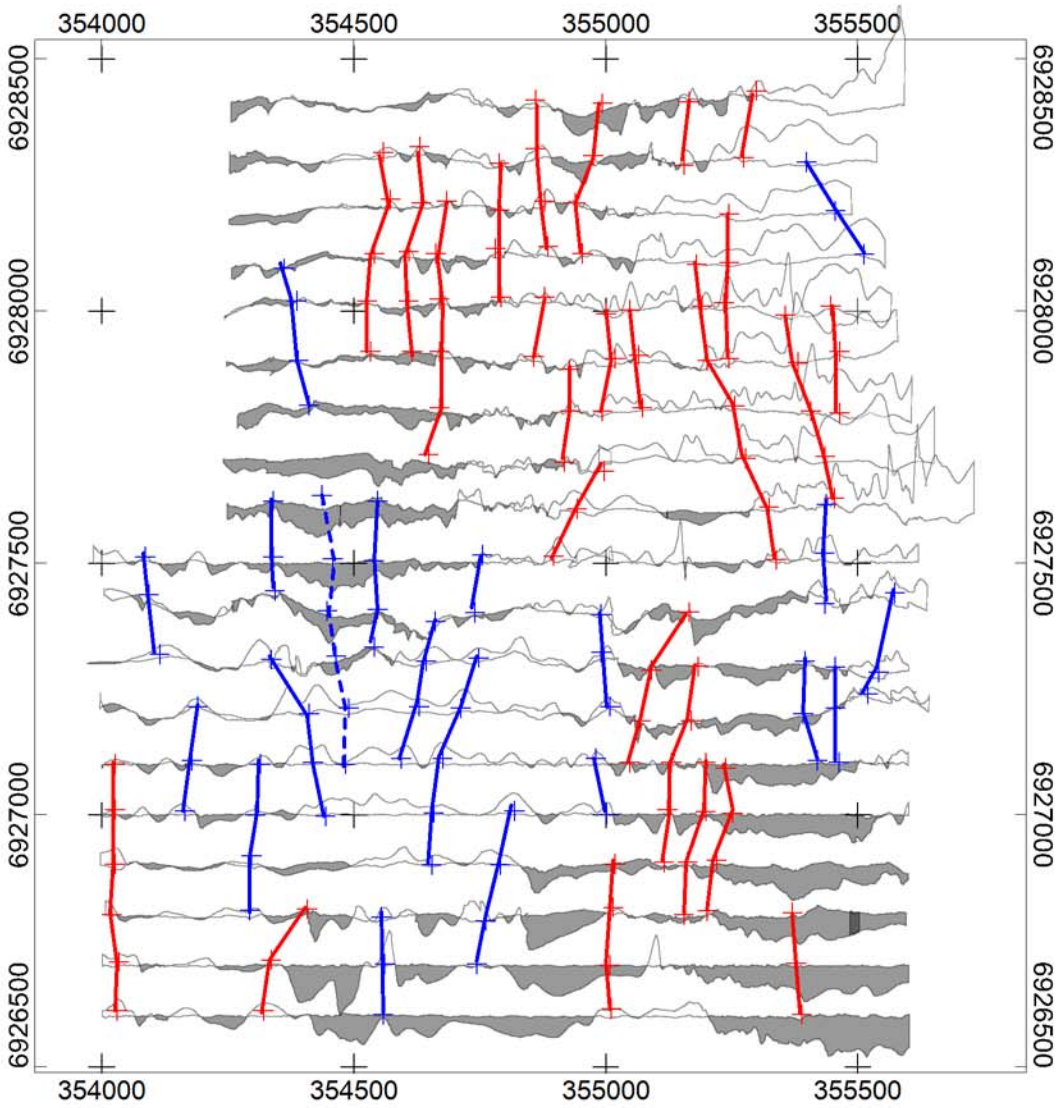
Appendix B - Figure 4

Silver Quest Resources Ltd.
Prospector Mountain Project, YT **2010 Exploration Program** **Ground Total Magnetic Intensity Survey**
Line Path
F.Moul, July 14, 2010

Appendix C:

Interpration

List of Figures:



Project

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Project: Prospector Mountain
Location:Approx. 90 km NW of Carmacks, YT

Survey

Method: Total Field Magnetic Field
Rover Instruments: GSM-19W v7 CDGPS Walking Magnetometer
Base Instrument: GSM-19TG v5 Magnetic Gradiometer (base)
Survey Dates: June 28, 2010 - July 2, 2010
Orientation: 90 deg. / 270 deg.
Line Spacing: 100 m
Line Length: 27.9 lkm

Processing

Magnetic Data: Manual Despiking, Diurnal Correction
Position Data: Non-linear filter despiking, Running Mean

Grid

Cell Size: 20 m
Filters: Upward Continuation 10 m, Partial Vert. Derivative (Order = 0.75)

Map

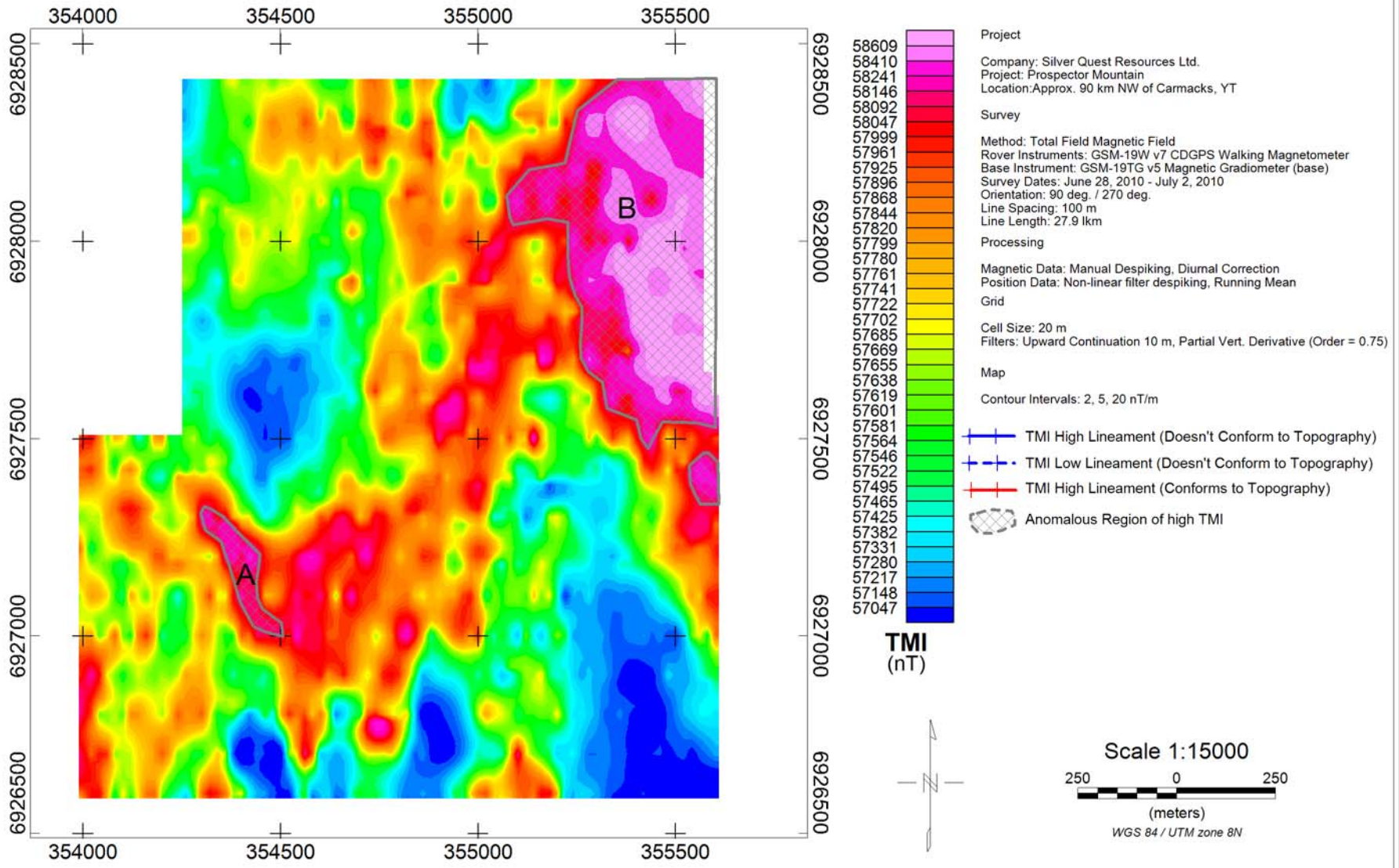
Contour Intervals: 2, 5, 20 nT/m

TMI High Lineament (Doesn't Conform to Topography)
TMI Low Lineament (Doesn't Conform to Topography)
TMI High Lineament (Conforms to Topography)
Anomalous Region of high TMI

Scale 1:15000
250 0 250
(meters)
WGS 84 / UTM zone 8N

Appendix C - Figure 1

Silver Quest Resources Ltd.
Prospector Mountain Project, YT **2010 Exploration Program** **Ground Total Magnetic Intensity Survey**
LPF TMI Profiles with Interpreted Lineaments
F.Moul, Oct. 8, 2010



Appendix C - Figure 2

Silver Quest Resources Ltd.
Prospector Mountain Project, YT **2010 Exploration Program** **Ground Total Magnetic Intensity Survey**
LPF TMI Profiles with Interpreted Lineaments
F.Moul, Oct. 8, 2010

Appendix D:

Survey Information File

Company: Silver Quest Resources Ltd.
Project: Prospector Mountain Property
Location: 90 km northwest of Carmacks, YT

Survey Type: Total Field Magnetics using GEM Magnetometers

Instruments:

7052314 GSM-19W v7 CDGPS Walking Magnetometer - rover, unit #1
7052316 GSM-19W v7 CDGPS Walking Magnetometer - rover, unit #3
705699 GSM-19TG v5 Magnetic Gradiometer - base, unit #4

Data rate set at 2 Hz on rover magnetometers and 0.33 Hz (1 sample/3 sec) on the base station.

Survey Dates: June 28th - July 2nd

Personnel:

Sean Suttie July 2 (Equity Exploration)
Will James June 28 - July 2 (Equity Exploration)

June 28 1 WJ Survey
June 29 2 WJ Survey Base station failed at 00:51:23 UTC - reason unknown. Drop-outs at approximately 00:38:37 UTC possibly lightning.
July 2 3 WJ,SS Survey Base station failed at 21:00:47 UTC - reason unknown.

Access to the site was by short helicopter flight from fly camp. Main camp was at Boulevard property. There were no internet communications at the fly camp.

Data deliveries: July 3, 2010

Total trimmed distance is 27.9 lkm.

Appendix E:

Digital Data

DVD archive including .pdf maps, packed Geosoft maps, Geosoft data files