

Assessment Report on the
2011 SOIL GEOCHEMICAL SURVEY
on the
SIZZLER PROPERTY, YUKON

Grant Number	Claim Name
YC95245 – YC95280	CCR 1 - CCR 36

DAWSON MINING DISTRICT

Date(s) Worked: August 11 & 13, 2011

NTS Map 115J16
UTM 636,700E; 6,981,700N (NAD 83, Zone 7)

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SUMMARY

The Sizzler property comprising 36 quartz claims was geochemically soil sampled by 4 samplers over 8 man days in August 2011. A total of 127 soil geochemical samples were collected during the project. The survey returned elevated results with minor anomalous zones of coincident gold, molybdenum and tellurium. The property is operated by Silver Quest Resources Ltd. (Silver Quest) as an early stage exploration project targeting orogenic gold mineralization. Sizzler is located in west-central Yukon approximately 140 kilometres (km) northwest of the Carmacks, YT and 135 km southeast of Dawson City, YT (Figure 1).

INTRODUCTION

This report describes a reconnaissance soil geochemical survey conducted on the Sizzler property by a 4 person crew on August 11 and August 13, 2011. Work on the Sizzler 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 Sizzler property following up on past work completed by Silver Quest and other results, including reported gold bearing silicified breccias (Yukon Government Minfile 115J 098).

CLAIM DATA AND OWNERSHIP

Silver Quest Resources Ltd. acquired the CCR claims from a syndicate of 4 local prospectors (listed below) in June 2009. The Sizzler property comprises 36 contiguous quartz claims and covers a total area of 748 hectares (ha). The claim block centers on 636,700E and 6,981,700N (UTM NAD 83, Zone 7) on NTS map sheet 115J16 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	Operator
YC95245 – YC95280	CCR 1 – CCR 36	Mark Fekete, Farrell J. Andersen, Carl Michael Schulze, Jackie Ziehe	Silver Quest Resources Ltd.

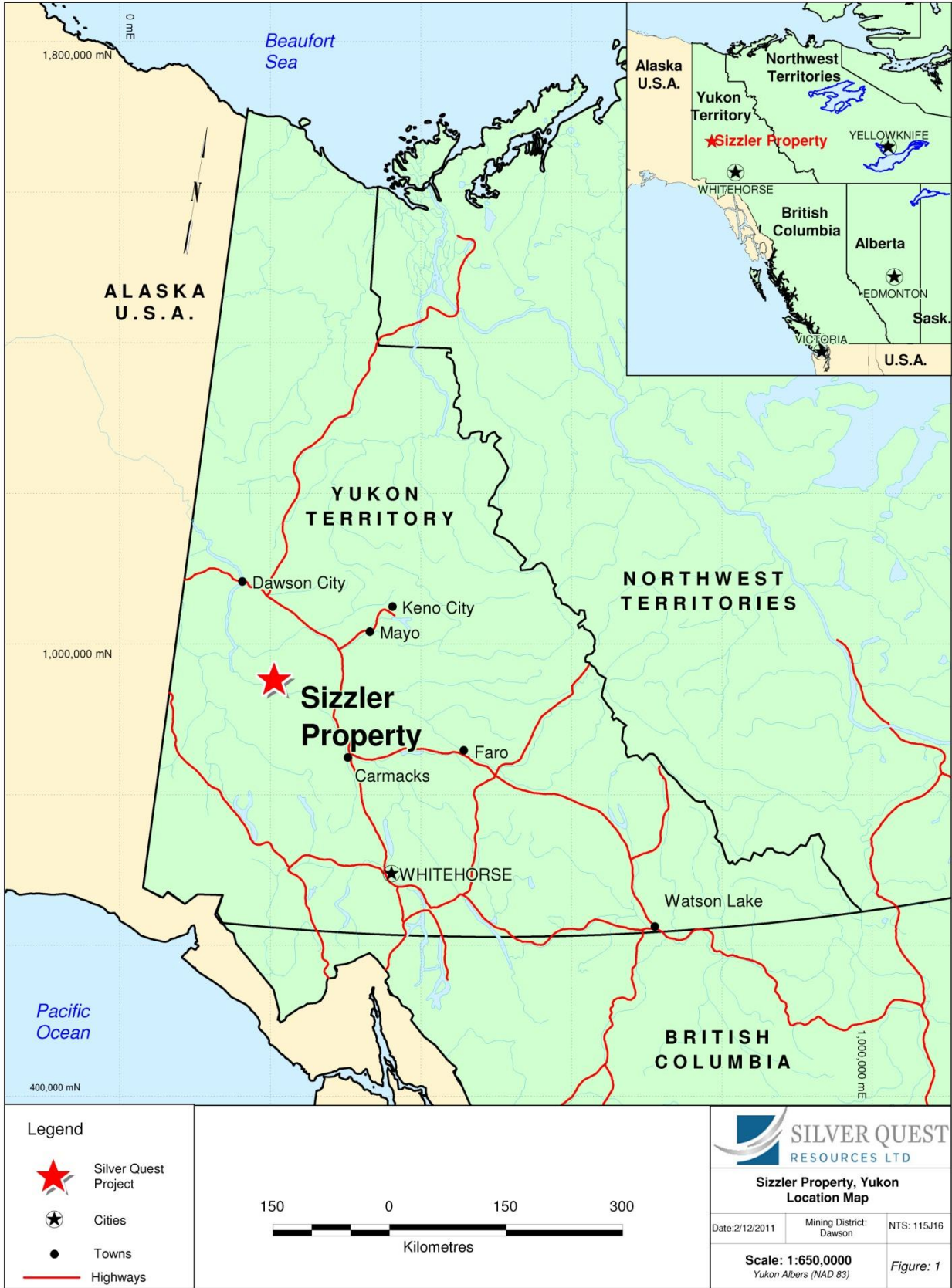
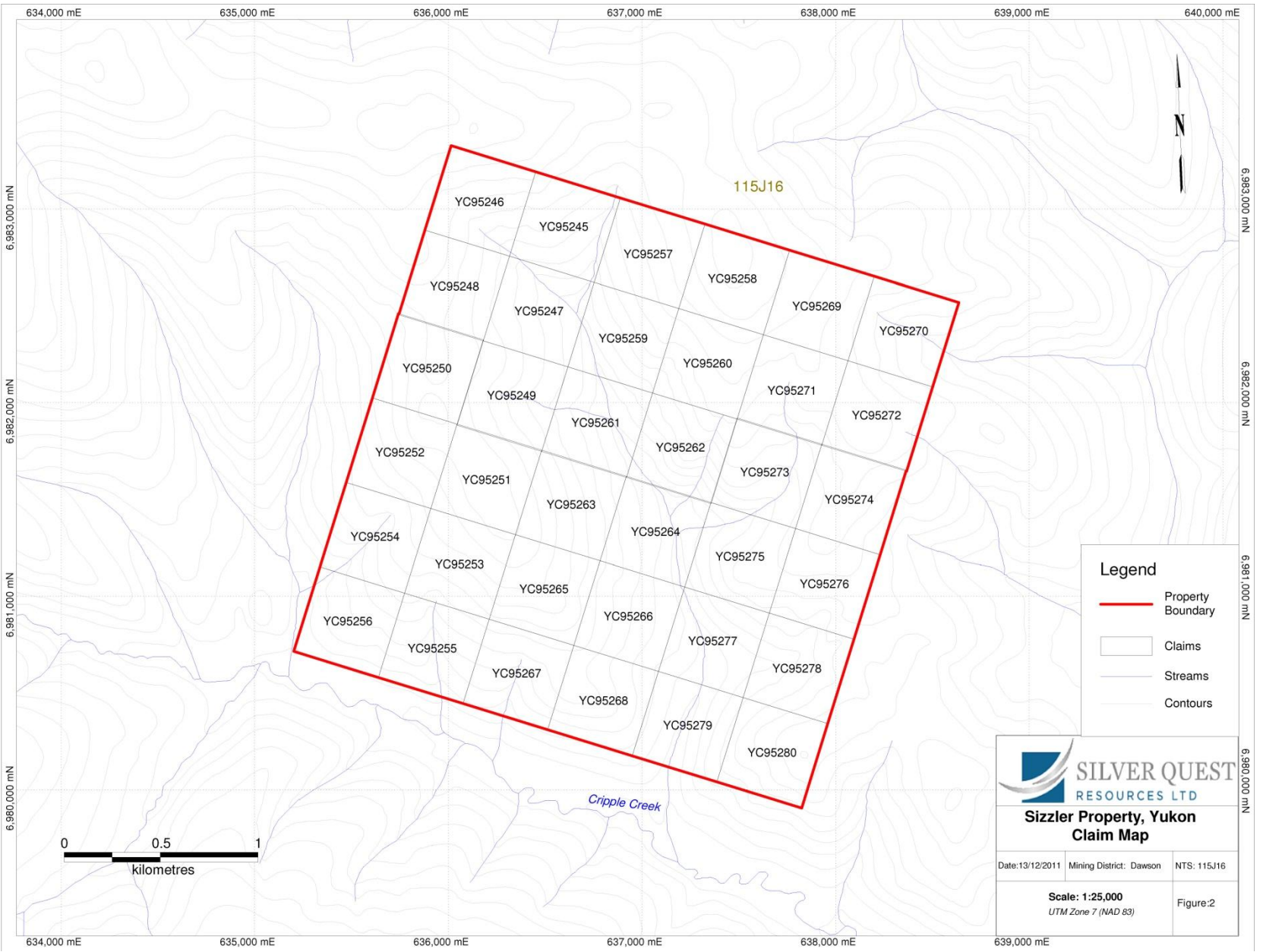


Figure 1 – Location Map

Figure 2 – Claim Map



PROPERTY DESCRIPTION

LOCATION

The Birdman property is located in the upper headwaters of Cripple Creek in west-central Yukon about 140 km northwest of Carmaks, YT and 135 km southeast of Dawson City, YT (Figure 1).

CLIMATE AND GEOMORPHOLOGY

The Sizzler property lies within the Dawson Range in an area of gentle undulating relief. Local elevations range from 700 to 1,220 metres (m) above sea level. The higher parts of the property are thinly vegetated with stunted, aspen and spruce trees, grasses and thick moss. Lower elevations support a mixed forest of aspen and spruce with thick brush, willows and moss-covered slopes. A large scale forest fire burned the area in the summer of 2009, much of the vegetation is second and new growth.

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 Cripple Creek, which flows south into 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.

INFRASTRUCTURE

Access to the Sizzler property in 2011 was via an AS350-B2 A-star helicopter operated by Transnorth Helicopters of Whitehorse and based out of Silver Quest's 2011 Prospector Mountain Camp, located on Hayes Creek. Alternatively, several fixed-wing operators in Dawson City and Whitehorse are available for hire to transport supplies to various airstrips in the vicinity including Casino, Minto, Rude Creek and Scroggie Creek where supplies can be subsequently mobilized by helicopter to the property.

There is no road access to the Property.

HISTORY

PREVIOUS WORK

Kerr Addison Mines Ltd. staked the area in 1985 as the Sizzler Claims after the discovery of quartz stringer veins and silicified breccias near the headwaters of three placer creeks. They conducted mapping and geochemical surveys later in 1985 and in 1986, which resulted in the discovery of quartz stockworks and silicified breccias of Minfile 115J 098. The best rock samples returned 1,050 parts per billion (ppb) gold and 400 ppb gold from the southwest margin of a silicified zone, although a soil grid over the area returned disappointing values (Pautler, 1986).

The claims were allowed to lapse and were re-staked by the current owners (Mark Fekete, Farrell J. Andersen, Carl Michael Schulze, Jackie Ziehe) in June 2009.

RECENT HISTORY

Silver Quest optioned the CCR claims in June 2009. Later that year a small reconnaissance soil survey was completed collecting a total of 54 samples during one field day.

During 2010, Equity Exploration completed a soil geochemical survey on Silver Quest's behalf on the Sizzler Property. A total of 337 soil samples were collected from in-fill grid lines and along contour lines. Two silt samples and 4 rock samples were also collected during this program (Baker, 2011). Results from the property were not considered anomalous on their own; however when these results are compared to Silver Quests database of Dawson Range soil geochemistry, the results from the property area appear to be anomalous.

Pacific Ridge owns the claims that lie north, west and south of the Sizzler property. This block of claims is more commonly known as the Mariposa property. Pacific Ridge completed diamond drilling their highest grade gold-in-soil anomaly, known as the Skookum Main zone in 2011. Their best intercept was 38.9 m of 2.44 grams per tonne in hole 11MP-01. Pacific Ridge completed a total of 34 holes during their 2011 drilling program (Brock, 2011). These holes are located along regional scale trends approximately 14 km to the northwest of Sizzler.

GEOLOGICAL SETTING

REGIONAL GEOLOGY

The Sizzler property is situated within the Yukon-Tanana Terrane approximately 80 km southwest of the Tintina Fault in west-central Yukon. This area is characterised by various pericratonic terranes that were accreted to the ancestral continental margin of North America in the early Jurassic. During the mid-Cretaceous the pericratonic terranes were intruded by a northwest-southeast trending plutonic suite known as the Dawson Range plutonic belt (Hart et al. 2004).

PROPERTY GEOLOGY

The oldest rocks in the area belong to the Devonian, Mississippian Nasina Assemblage (DMN). This unit is described as quartzite and quartz-muscovite schist (Gordey and Makepeace, 2003).

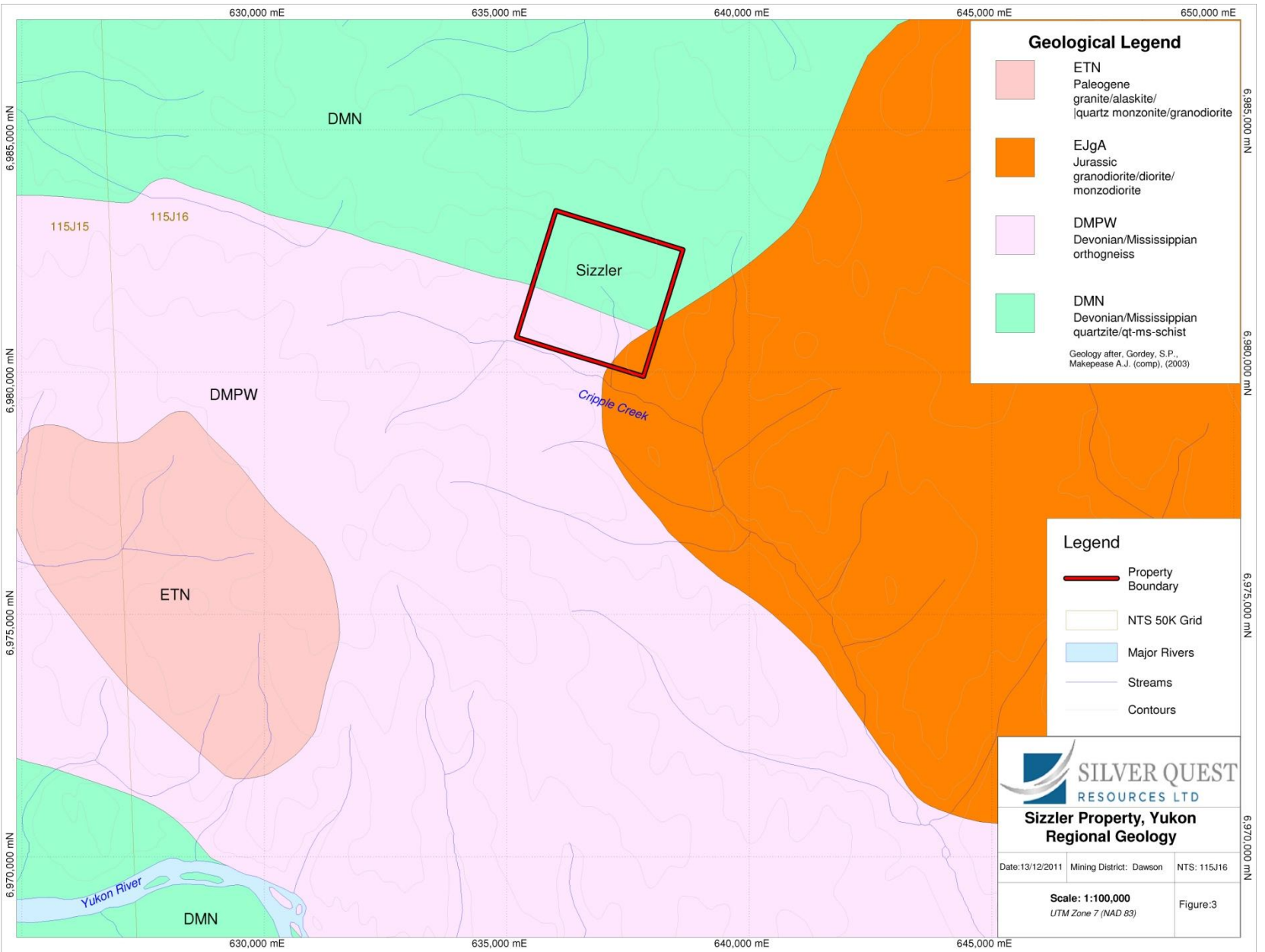
On the southern portion of the Sizzler property, a west-northwest trending slice of Late Devonian to Mississippian Pelly Gneiss Suite (DMgPW) overlies the DMN unit. DMgPW is described as foliated medium grained biotite gneiss to biotite or hornblende granodiorite gneiss with interfoliated amphibolite, quartz-mica schist and phyllite (Gordey and Makepeace, 2003).

The closest Pluton (EJgA) located on the eastern side of the Sizzler property is mapped as an Early Jurassic granodiorite, diorite and monzodiorite (Gordey and Makepeace, 2003). The Sizzler property as regionally mapped is underlain by the intersection of DMN to north, DMgPW to the south and EJgA to the east.

Limited surface mapping was conducted during the 2010 exploration program. It was noted that the property was predominately underlain by gneiss with minor diorite and schist units, which correspond to the broader regional geology (Baker, 2011). Along the ridge in the southwest of the property, quartz feldspar and feldspar porphyry dikes were mapped intruding into the gneiss. This is the same area of the property where the rhyolite dykes associated significant gold results were reported in the 1980's (Pautler, 1986). Foliation predominantly trends northwest, whereas structures associated with mineralization appear to trend northeast (Pautler, 1986).

No mapping or prospecting was completed during the 2011 project.

Figure 3 – Regional Geology



GEOCHEMISTRY

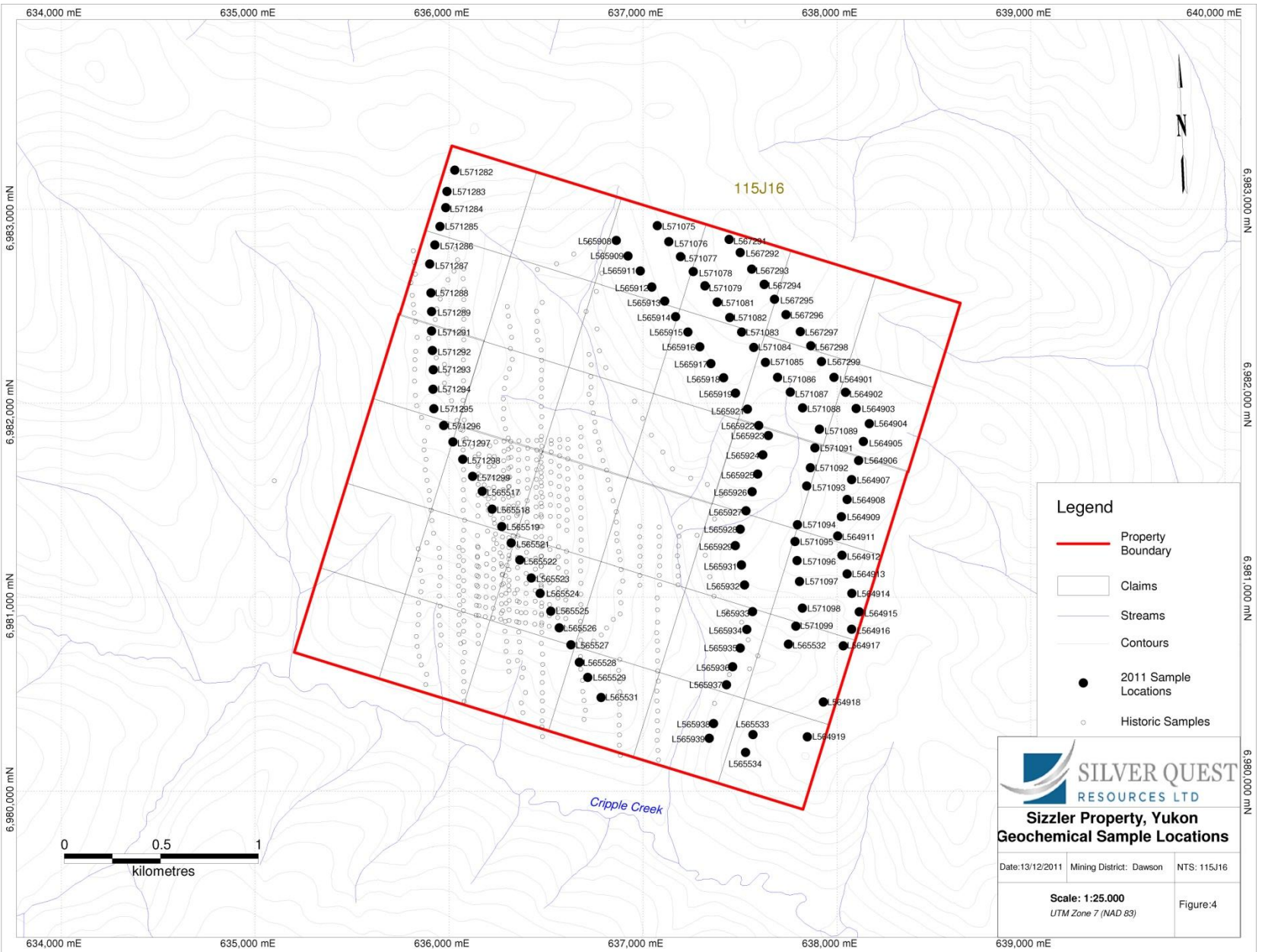
SOIL GEOCHEMISTRY

The 2011 exploration program at Sizzler consisted of 2 days of work for 4 soil samplers. A total of 127 soil samples from multiple ridges and spurs, and contour survey lines were collected at a sample spacing of 100 m (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 mat 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.

Figure 4 – Soil Geochemical Sample Locations



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 Statistical Values

Values	Au (ppb)	Ag (ppm)	As (ppm)	Cu (ppm)	Mo (ppm)	Sb (ppm)	Zn (ppm)	Te (ppm)	W (ppm)
Max	23	0.57	80	79.2	4.78	1.29	233	1.53	0.55
Min	<5	0.02	2.6	5.1	0.57	0.16	31	0.01	<0.05
98th	15	0.42	37.5	54.6	3.71	1.01	157	0.16	0.45
95th	8	0.26	20.3	45.7	2.76	0.73	123	0.08	0.36
90th	6	0.20	14.6	35.1	2.18	0.63	108	0.06	0.29
75th	<5	0.13	10.6	24.6	1.32	0.52	77	0.04	0.24
50th	<5	0.09	8.3	17.7	1.06	0.45	64	0.03	0.20

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 Sizzler passed without any significant concerns. However, field duplicate L564919 and L564920 did record minor variance in gold values from below detection to 9 pbb. No other gold pathfinder elements in this duplicate or laboratory duplicates indicated significant variance. This may demonstrate variance in the original sample material, suggesting areas returning erratic results for gold or pathfinder elements should not necessarily be dismissed.

DISCUSSIONS AND CONCLUSIONS

Soil geochemical survey results from the Sizzler 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 geochemical surveys on sizzler sampled a variety of material and therefore are not displayed thematically. They are however still considered in interpretation of the 2011 survey results.

The Sizzler property is divided by a north south tributary of Cripple Creek. The west side of this tributary has historically been the focus of exploration. The majority of the 2011 geochemical survey concentrated on the eastern side of the property. Two main areas of interest are discernable, defined by elevated gold, tellurium, molybdenum and minor bismuth, occurring in the southeast and northwest corners of the property (Figure 5a, 5b, 5c). The zone to the southeast is not well defined due to permafrost and lack of quality sample material on the north facing slope and consequent there is a lack of sampling in this area. Several other samples returned elevated although geographically separate arsenic, tungsten and zinc values (Figure 5d).

Historic soil sampling over mineralized rock material failed to outline anomalous results (Pautler, 1986), however 2009 and 2010 surveys together with the areas of interest described from the 2011 survey could outline subtle trends occurring within gneiss and felsic dike rocks. An east west and northwest trend, can be interpreted, although this does not account for soil migration.

Figure 5a – Soil Geochemistry – Gold

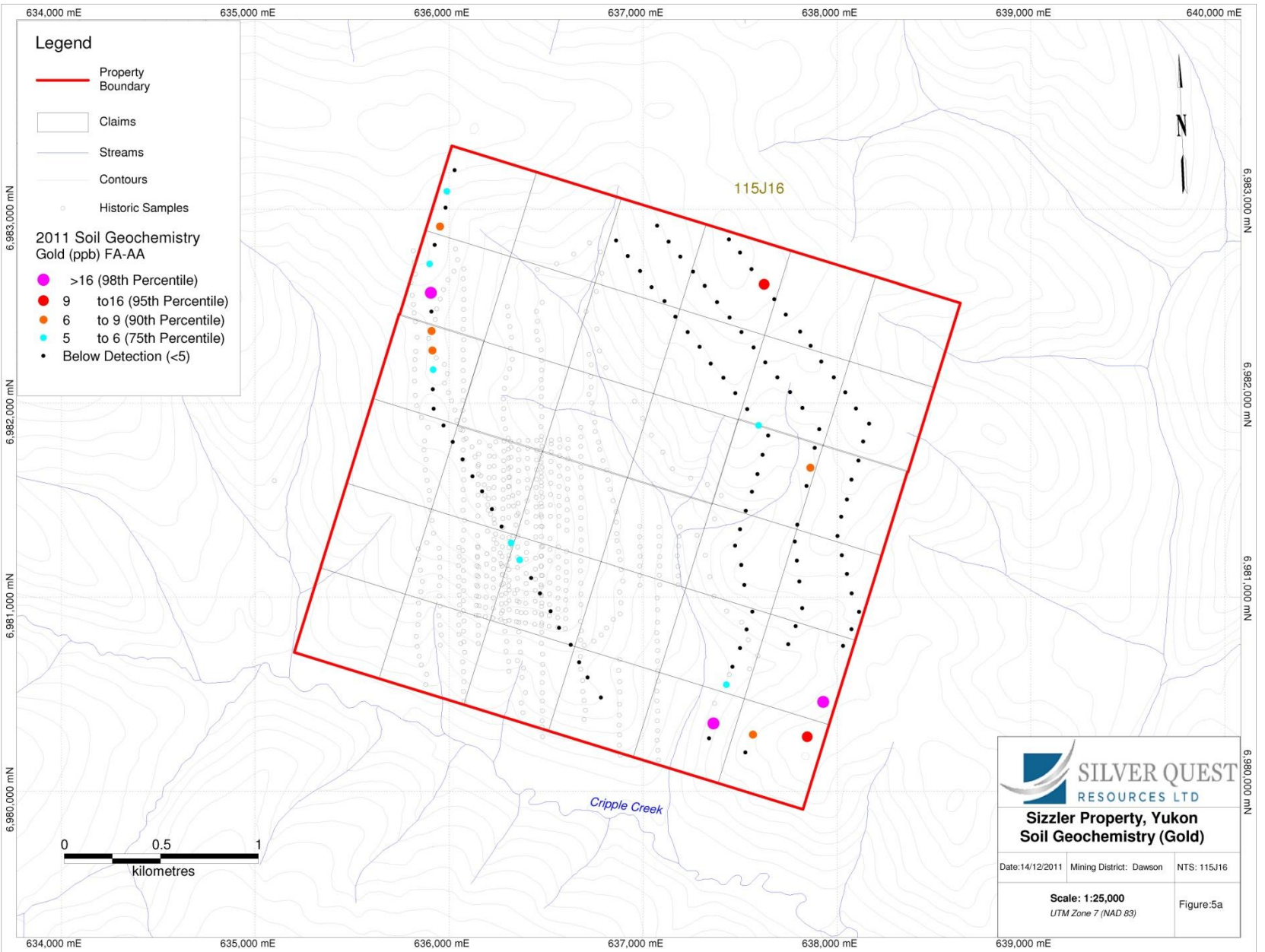


Figure 5b – Soil Geochemistry – Molybdenum

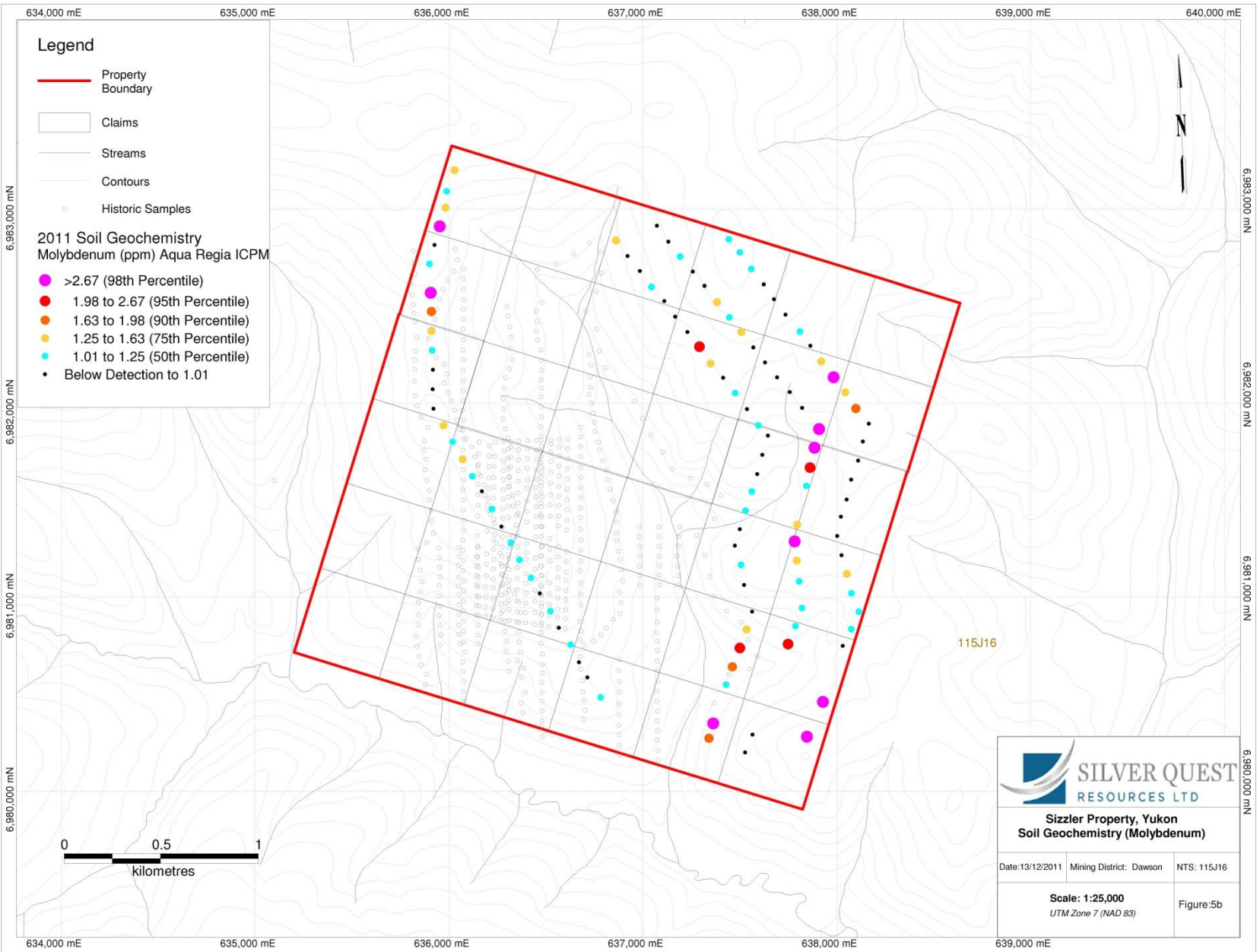


Figure 5c – Soil Geochemistry - Tellurium

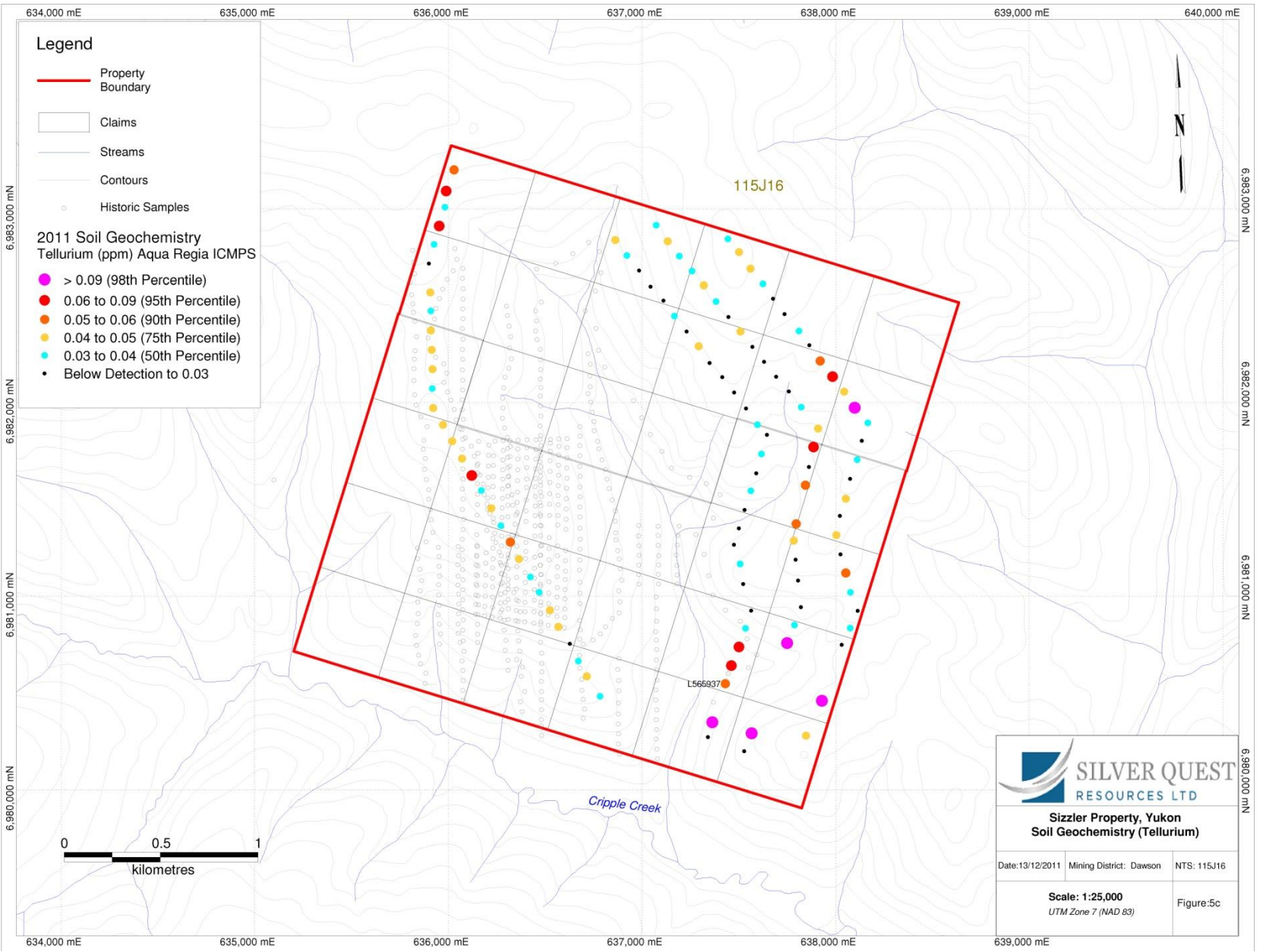
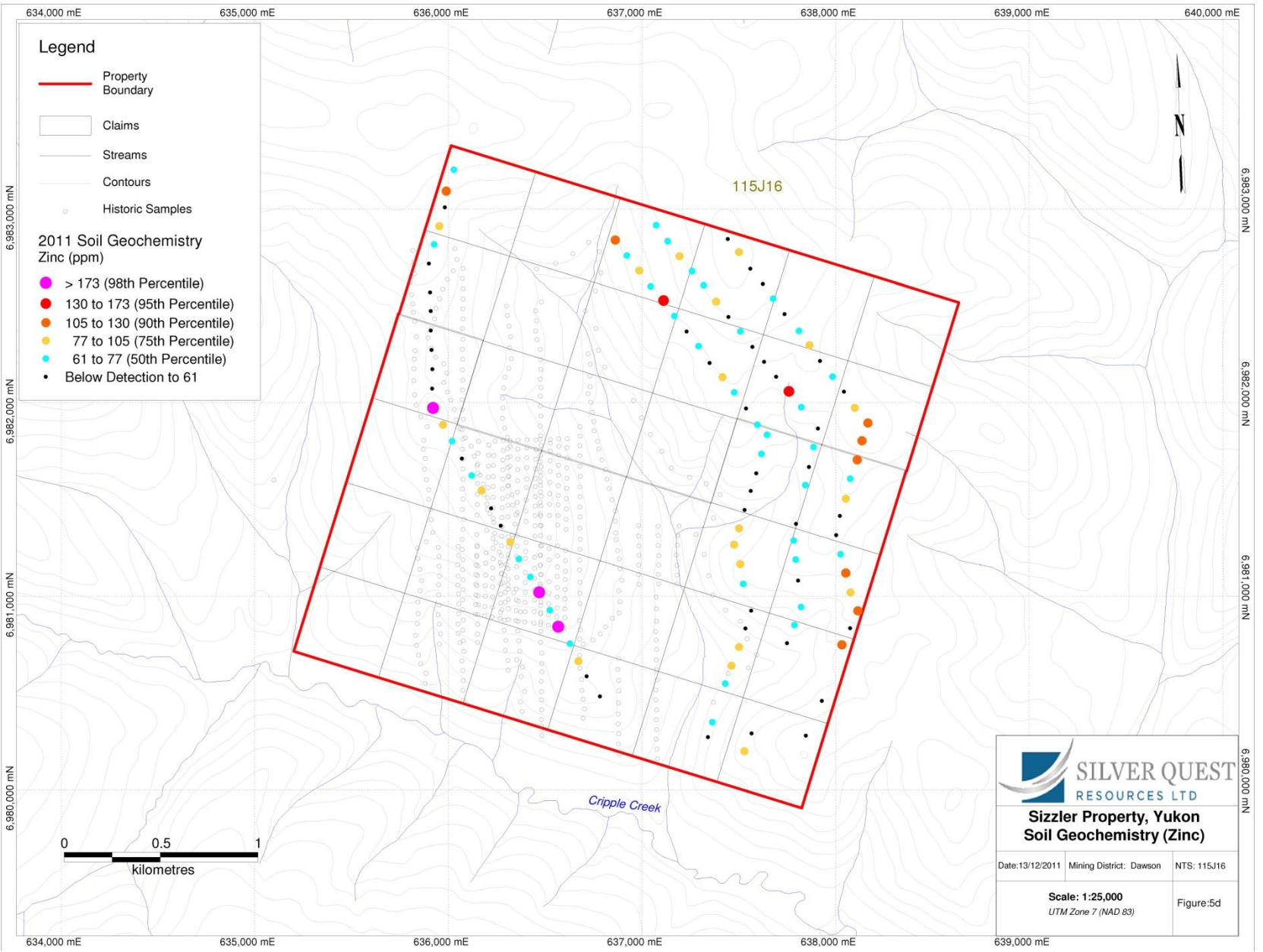


Figure 5d – Soil Geochemistry – Zinc



RECOMMENDATIONS

The following are recommendations for future exploration work on Sizzler property.

1. Mechanical or deep soil geochemical sampling in the southeast corner of the property to infill sampling gaps due to permafrost and/or poor ground condition.
2. Further prospecting and sampling over defined anomalous areas.
3. A comprehensive review of geological data, with the aim of identifying major structural corridors and related secondary structures. In particular focussing on northeast structures in favourable brittle host rock such as felsic intrusives, previously noted on the property.

REFERENCES

Baker, D. (2011) 2010 Geochemical Report on the Sizzler Property, Equity Exploration Consultants Ltd., Assessment Report.

Brock, J.S. (2011) Pacific Ridge Drills New Yukon Gold Discovery: First Hole Intersects 2.44 Grams Per Tonne Gold Over 38.9 Metres At Mariposa in White Gold District; Pacific Ridge Exploration Ltd News Release, July 28, 2011

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)

Hart, J. R., Goldfarb, R., Lewis, L. L., and Mair, J. L. (2004) The northern Cordilleran mid-Cretaceous plutonic province: Ilmenite/magnetite-series granitoids and intrusion-related mineralization: *Resource Geology*, v. 54, p. 253-280.

Pautler, J.. (1986) Geological and Geochemical Report on the Sizzler Claims, Kerr Addison Mines Ltd., Assessment Report 091866.

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.

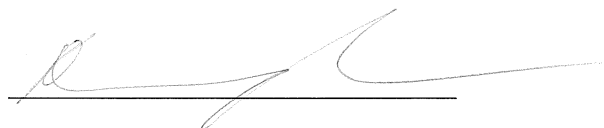
I have been continuously employed as a geologist in the mineral exploration and mining industry since 2006.

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 Sizzler Property Yukon" dated December 14, 2011.

I participated in the geological work reported herein.

Dated this 14th day of December, 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

	Quantity	Rate	Cost	
Soil Samples Collected	122	\$ 40.00	\$ 4,880.00	
Sampler day(s)	8	\$ 350.00	\$ 2,800.00	
Planning and reporting day(s)	5	\$ 450.00	\$ 2,250.00	
Camp Costs (per man day)	8	\$ 450.00	\$ 3,600.00	
Helicopter Hour(s)	7	\$ 1,550.00	\$ 10,850.00	
Helicopter Fuel (drums)	9	\$ 700.00	\$ 6,300.00	
			\$ 30,680.00	
		Supervision: 12%	\$ 3,681.60	
		Total:	\$ 34,361.60	
	Claims Worked: 23	\$ 1,493.98		per claim worked
	Claims Grouped: 36	\$ 954.49		Per claim grouped

Date(s) worked: August 11 - August 13, 2011

Work done by: Silver Quest Resources Ltd.