



## NEWS RELEASE

June 27, 2011

TSX Venture: SQI-V

### Silver Quest Announces 4.0 Metres Averaging 165.4 g/t Au in Step-Out drilling at Davidson Gold Project, BC

**Vancouver, BC - Silver Quest Resources (TSX.V: SQI)** ("Silver Quest" or "the Company") is pleased to report drill results from 22 holes (BW 149 through BW 170) received from the ongoing 20,000 metre drill campaign to expand the resources on the Davidson Gold Project, a joint venture with New Gold Inc., which is the operator of the joint venture. Silver Quest has a 25% interest in the joint venture. The project is approximately 110 kilometres southwest of Vanderhoof, BC.

Of particular significance, multiple high-grade intercepts were returned in addition to thick sequences of bulk-tonnage gold mineralization. Highlights include: four metres of 165.4 grams/tonne ("g/t") gold in hole BW 156 and one metre intercepts of 46.0 and 33.5 g/t gold in holes BW 158 and 162, respectively. Multiple intercepts grading 5 g/t gold or better over widths of at least one metre occurred in several holes.

Hole BW 156 is the easternmost drill hole completed to date, and the deposit remains open to expansion to the north and east of this hole.

The holes reported here include in-fill and step-out holes drilled within and around the currently defined mineral resource on the Davidson Gold Project claims. The 22 holes reported here are holes 15 through 36 in the current drilling campaign. These results demonstrate the continuity of mineralization of thick sequences of bulk-tonnage mineralization to both the northwest and northeast of the resource area, with good grades over considerable widths. Highlights include:

Northwest Sector					Northeast Sector				
Hole ID	From (metres)	To (metres)	Interval (metres)	Weighted Average Gold Grade (g/t)	Hole ID	From (metres)	To (metres)	Interval (metres)	Weighted Average Gold Grade (g/t)
BW-149	205	435	230	1.41	BW-153	132	304	172	0.91
BW-158	104	263	159	1.29	BW-157	77	217	140	1.27
BW-162	44	362	318	1.39	BW-163	265	330	65	1.45
BW-170	93	193	100	1.47	BW-167	196	246	50	1.11

New Gold has announced an increase in the drill program for its Blackwater Project (the Davidson Gold Project is the northern portion of the Blackwater Project) and plans to drill 40,000 to 50,000 metres in approximately 100 holes in the second half of 2011.

The following table provides assay information for the 22 holes reported in this press release. Widths reported are drill widths, true widths are unknown. Assays are uncut, length-weighted averages.

Drill Hole	From	To	Interval	Au g/t	
<b>BW-149</b>	0	31.5	31.5	NA	
	31.5	56	24.5	0.17	
	56	66	10.0	0.92	
	66	143	77.0	0.21	
	143	151	8.0	0.82	
	151	205	54.0	0.19	
	<i>Includes</i>	205	434.6	229.6	1.41
		205	210	5.0	2.33
		210	233	23.0	0.34
		<b>233</b>	<b>234</b>	<b>1.0</b>	<b>8.55</b>
		234	278	44.0	0.29
		278	331	53.0	0.61
		<b>331</b>	<b>337</b>	<b>6.0</b>	<b>15.13</b>
		337	348	11.0	1.41
		348	368	20.0	0.38
		368	397	29.0	0.79
		397	407	10.0	2.93
407	423	16.0	0.91		
<b>423</b>	<b>434.6</b>	<b>11.6</b>	<b>5.53</b>		
<b>BW-150</b>	0	3	3.0	NA	
	3	127	124.0	0.08	
	<b>127</b>	<b>128</b>	<b>1.0</b>	<b>5.55</b>	
	128	261	133.0	0.17	
	261	271	10.0	0.62	
	271	332	61.0	0.08	
	332	334	2.0	0.88	
	334	340.4	6.4	0.10	
<b>BW-151</b>	0	1	1.0	NA	
	1	159	158.0	0.10	
	159	172	13.0	0.34	
	172	208	36.0	0.75	
	208	244	36.0	0.36	
	244	245	1.0	4.11	
	245	339	94.0	0.28	
	<b>339</b>	<b>340</b>	<b>1.0</b>	<b>13.60</b>	
340	353.3	13.3	0.20		
<b>BW-152</b>	0	3	3.0	NA	
	3	86	83.0	0.19	
	<i>Includes</i>	86	152	66.0	0.71
		85	140	55.0	0.50
		<b>140</b>	<b>141</b>	<b>1.0</b>	<b>8.30</b>
	141	152	11.0	1.03	
	152	180	28.0	0.14	
	180	186	6.0	1.17	
	186	244	58.0	0.15	
	244	254	10.0	1.75	
	254	383	129.0	0.12	
<b>BW-153</b>	0	9	9	NA	
	9	50	41.0	0.11	
	<b>50</b>	<b>52</b>	<b>2.0</b>	<b>6.12</b>	
	52	87	35.0	0.17	
	87	89	2.0	4.48	
	89	132	43.0	0.11	
	<i>Includes</i>	132	304	172.0	0.91
		132	179	47.0	0.79
		<b>179</b>	<b>181</b>	<b>2.0</b>	<b>6.98</b>
		181	227	46.0	0.80
		227	237	10.0	2.14
		237	278	41.0	0.23
		278	291	13.0	2.27
		291	304	13.0	0.70
	304	407.8	103.8	0.08	

Drill Hole	From	To	Interval	Au g/t	
<b>BW-154</b>	0	9	9.0	NA	
	9	25	16.0	0.34	
	<b>25</b>	<b>28</b>	<b>3.0</b>	<b>8.70</b>	
	28	70	42.0	0.30	
	70	110	40.0	0.87	
	110	133	23.0	0.31	
	133	161	28.0	0.75	
	161	174	13.0	0.32	
	174	186	12.0	0.08	
	186	226	40.0	0.51	
	226	377.3	151.3	0.10	
<b>BW-155</b>	0	1	1.0	NA	
	1	147	146.0	0.16	
	147	175	28.0	0.53	
	175	201	26.0	0.38	
	201	221	20.0	0.18	
	221	222	1.0	3.37	
	222	248	26	0.38	
	248	375.5	127.5	0.16	
<b>BW-156</b>	0	27	27.0	NA	
	27	46	19.0	0.39	
	46	89	43.0	0.12	
	89	100	11.0	0.47	
	<b>100</b>	<b>101</b>	<b>1.0</b>	<b>15.00</b>	
	101	113	12.0	0.57	
	113	135	22.0	0.07	
	<b>135</b>	<b>139</b>	<b>4.0</b>	<b>165.38</b>	
	139	149	10.0	0.98	
	149	211	62.0	0.12	
	211	226	15.0	0.53	
	226	253	27.0	0.07	
	253	273	20.0	0.58	
273	339.4	66.4	0.09		
<b>BW-157</b>	0	10	10.0	NA	
	10	19	9.0	1.57	
	19	42	23.0	0.17	
	42	45	3.0	2.67	
	45	77	32.0	0.22	
	<b>77</b>	<b>217</b>	<b>140.0</b>	<b>1.27</b>	
	<i>Includes</i>	77	81	4.0	0.74
		<b>81</b>	<b>82</b>	<b>1.0</b>	<b>9.15</b>
		82	91	9.0	0.39
		91	142	51.0	1.22
		<b>142</b>	<b>147</b>	<b>5.0</b>	<b>7.49</b>
		147	172	25.0	0.84
		172	189	17.0	0.31
		189	217	28.0	1.31
		217	249	32.0	0.21
		249	254	5.0	0.84
		254	303	49.0	0.18
	303	310	7.0	0.85	
	310	375.8	65.8	0.11	
<b>BW-158</b>	0	1	1.0	NA	
	1	104	103.0	0.08	
	<i>Includes</i>	104	263	159.0	1.29
		104	124	20.0	1.16
		<b>124</b>	<b>125</b>	<b>1.0</b>	<b>46.00</b>
		125	129	4.0	2.28
		129	159	30.0	0.55
		<b>159</b>	<b>160</b>	<b>1.0</b>	<b>27.40</b>
		160	164	4.0	1.07
		164	182	18.0	1.04
	182	204	22.0	0.34	

Drill Hole	From	To	Interval	Au g/t
	204	263	59.0	0.75
	263	326	63.0	0.27
	326	371.5	45.5	0.14
<b>BW-159</b>	0	19	19.0	NA
	19	69	50.0	0.19
	69	79	10.0	1.00
	79	161	82.0	0.11
	161	341	180.0	0.85
<i>Includes</i>	161	169	8.0	0.75
	<b>169</b>	<b>170</b>	<b>1.0</b>	<b>25.70</b>
	170	194	24.0	1.29
	194	232	38.0	0.38
	<b>232</b>	<b>233</b>	<b>1.0</b>	<b>9.85</b>
	233	257	24.0	0.76
	257	274	17.0	0.32
	274	284	10.0	0.98
	284	293	9.0	0.27
	293	296	3.0	2.83
	296	311	15.0	0.27
	311	331	20.0	0.69
	331	366.7	35.7	0.17
<b>BW-160</b>	0	11	11.0	NA
	11	58	47.0	0.06
	58	111	53.0	0.28
	111	114	3.0	1.93
	114	144	30.0	0.33
	144	395.6	251.6	0.13
<b>BW-161</b>	0	4	4.0	NA
	4	269	265.0	0.04
	269	338	69.0	0.64
<i>Includes</i>	269	317	48.0	0.51
	317	338	21.0	0.94
	338	350.5	12.5	0.20
<b>BW-162</b>	0	3	3.0	NA
	3	20	17.0	0.09
	20	29	9.0	0.83
	29	44	15.0	0.18
	44	361.5	317.5	1.39
<i>Includes</i>	44	54	10.0	1.45
	<b>54</b>	<b>55</b>	<b>1.0</b>	<b>15.30</b>
	55	58	3.0	1.44
	<b>58</b>	<b>59</b>	<b>1.0</b>	<b>10.50</b>
	59	73	14.0	0.91
	73	103	30.0	0.52
	103	150	47.0	0.26
	150	169	19.0	1.01
	<b>169</b>	<b>172</b>	<b>3.0</b>	<b>7.27</b>
	172	221	49.0	1.15
	221	236	15.0	0.18
	236	282	46.0	3.31
	<b>282</b>	<b>283</b>	<b>1.0</b>	<b>33.50</b>
	283	317	34.0	1.25
	317	347	30.0	0.27
	347	359	12.0	0.65
	<b>359</b>	<b>360</b>	<b>1.0</b>	<b>10.10</b>
	360	361.5	1.5	1.15
<b>BW-163</b>	0	11	11.0	NA
	11	17	6.0	0.06
	17	24	7.0	1.69
	24	41	17.0	0.33
	41	265	224.0	0.14
	265	330	65.0	1.45
<i>Includes</i>	265	309	44.0	0.64
	309	322	13.0	1.64

Drill Hole	From	To	Interval	Au g/t
	<b>322</b>	<b>323</b>	<b>1.0</b>	<b>20.20</b>
	323	330	7.0	3.56
	330	381	51.0	0.16
	381	389	8.0	1.05
	389	412.4	23.4	0.13
<b>BW-164</b>	0	8	8.0	NA
	8	69	61.0	0.08
	69	72	3.0	1.09
	72	168	96.0	0.14
	168	178	10.0	0.48
	178	208	30.0	0.13
	208	211	3.0	0.83
	211	285	74.0	0.16
	285	289	4.0	0.80
	289	298	9.0	0.32
	298	359	61.0	0.09
	359	360	1.0	4.34
	360	383.0	23.0	0.12
<b>BW-165</b>	0	4	4.0	NA
	4	115	111.0	0.03
	115	118	3.0	0.77
	118	252	134.0	0.06
	252	279.8	27.8	0.27
<b>BW-166</b>	0	3	3.0	NA
	3	130	127.0	0.04
	130	167	37.0	0.44
	167	197	30.0	0.76
	197	217	20.0	0.41
	217	228	11.0	0.19
	228	235	7.0	0.78
	235	252	17.0	0.23
	252	263	11.0	0.65
	263	307	44.0	0.24
<b>BW-167</b>	0	10	10.0	NA
	10	65	55.0	0.08
	65	76	11.0	0.52
	76	166	90.0	0.10
	166	167	1.0	4.64
	167	184	17.0	0.43
	184	196	12.0	0.23
	196	246	50.0	1.11
<i>Includes</i>	196	238	42.0	0.88
	238	241	3.0	4.13
	241	246	5.0	1.27
	246	269.9	23.9	0.19
<b>BW-168</b>	0	25	25.0	NA
	25	178	153.0	0.09
	178	180	2.0	1.95
	180	253	73.0	0.11
	253	255	2.0	4.84
	255	260	5.0	0.51
	260	401.1	400.7	0.12
<b>BW-169</b>	0	2	2.0	NA
	2	162	160.0	0.08
	162	175	13.0	0.58
	175	247	72.0	0.21
	247	250	3.0	3.81
	250	274	24.0	0.45
	274	353.0	79.0	0.19
<b>BW-170</b>	0	20	20.0	NA
	20	52	32.0	0.18
	<b>52</b>	<b>53</b>	<b>1.0</b>	<b>7.40</b>
	53	71	18.0	0.20
	71	83	12.0	0.87

Drill Hole	From	To	Interval	Au g/t
	83	93	10.0	0.13
<i>Includes</i>	93	270	177.0	1.10
	93	104	11.0	1.02
	104	115	11.0	0.10
	115	142	27.0	1.45
	<b>142</b>	<b>143</b>	<b>1.0</b>	<b>17.60</b>
	143	157	14.0	0.85
	<b>157</b>	<b>158</b>	<b>1.0</b>	<b>7.70</b>
	158	163	5.0	0.24
	<b>163</b>	<b>164</b>	<b>1.0</b>	<b>8.10</b>
	164	188	24.0	1.18
	188	193	5.0	4.09
	193	248	55.0	0.47
	<b>248</b>	<b>249</b>	<b>1.0</b>	<b>8.30</b>
249	270	21.0	0.56	
	270	294	24.0	0.20
	294	345	51.0	0.56
	345	410	65.0	0.27
<i>Includes</i>	410	436	26.0	0.96
	410	412	2.0	3.11
	412	431	19.0	0.42
	431	436	5.0	2.17
	436	449.5	13.5	0.18

David Pawliuk, P. Geo., Vice-President Exploration for Silver Quest is the Qualified Person, as defined by NI 43-101, for the Davidson Gold Project and has reviewed the technical information in this release.

### **SILVER QUEST RESOURCES LTD.**

*"Randy Turner"*

Randy Turner, President

For further information please contact Investor Relations at 604-687-3959 or [info@silverquest.ca](mailto:info@silverquest.ca)  
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