



GOLDQUEST MINING CORP.

Condensed Consolidated Interim Financial Statements

FOR THE THREE MONTHS ENDED MARCH 31, 2017

(unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

The accompanying unaudited interim financial statements of GoldQuest Mining Corp. for the three months ended March 31, 2017 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

GoldQuest Mining Corp.
Condensed Consolidated Interim Statements of Financial Position (unaudited)
(Expressed in Canadian Dollars)

<i>As at</i>	March 31, 2017	December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents (note 4)	\$ 28,011,196	\$ 6,283,734
Amounts receivable (note 5)	50,056	195,874
Prepaid expenses	110,339	274,987
Deposits	10,207	10,284
Total current assets	28,181,798	6,764,879
Non-current assets		
Long-term investment (note 6)	36,000	64,500
Equipment (note 7)	109,885	106,559
Evaluation and exploration assets (note 8)	1,247,000	1,247,000
Total non-current assets	1,392,885	1,418,059
TOTAL ASSETS	\$ 29,574,683	\$ 8,182,938
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (notes 10 and 12(b))	\$ 856,813	\$ 646,802
TOTAL LIABILITIES	856,813	646,802
EQUITY		
Share capital (note 11)	\$ 72,072,434	\$ 49,308,286
Other reserve	8,918,403	8,918,403
Stock options reserve	6,055,291	5,373,358
Warrants reserve	901,527	901,527
Accumulated other comprehensive income	12,000	40,500
Deficit	(59,241,785)	(57,005,938)
TOTAL EQUITY	28,717,870	7,536,136
TOTAL EQUITY AND LIABILITIES	\$ 29,574,683	\$ 8,182,938

Corporate information and continuance of operations (note 1)

Commitments (note 13)

Segmented information (note 14)

Subsequent events (note 17)

See accompanying notes to these unaudited interim consolidated financial statements.

APPROVED BY THE BOARD:

/s/ Julio Espailat Director /s/ Florian Siegfried Director

GoldQuest Mining Corp.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)
(Expressed in Canadian Dollars)

	For the three months ended	
	March 31, 2017	March 31, 2016
EXPENSES		
Depreciation (note 7)	\$ 9,656	\$ 10,839
Directors' fees and management remuneration	224,850	132,750
Evaluation and exploration costs (note 9)	917,662	991,800
Foreign exchange loss	25,240	101,074
General and administrative	68,974	44,863
Investor relations and promotion	100,513	65,187
Professional fees	44,371	44,307
Regulatory and transfer agents	13,584	10,405
Rent	13,399	12,135
Salaries and wages	85,621	52,885
Share-based payments (note 11(d))	681,933	106,089
Travel	53,399	38,973
TOTAL EXPENSES	2,245,798	1,611,307
OTHER ITEMS		
Interest income	(9,951)	(4,886)
LOSS FOR THE PERIOD	\$ 2,235,847	\$ 1,606,421
OTHER COMPREHENSIVE LOSS		
Unrealized loss (gain) on available-for-sale assets (note 6)	28,500	(4,500)
TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ 2,264,347	\$ 1,601,921
Basic and diluted loss per share for the period		
attributable to common shareholders (warrants and options not included as the impact would be anti-dilutive)	\$ 0.01	\$ 0.01
Weighted average number of common shares outstanding - basic and diluted		
	225,892,384	177,682,225

See accompanying notes to these unaudited interim consolidated financial statements.

GoldQuest Mining Corp.
Condensed Consolidated Interim Statements of Changes in Equity (unaudited)
(Expressed in Canadian Dollars)

	Note	Share capital		Reserves			Accumulated other comprehensive income	Deficit	Total	
		Number of shares	Amount	Shares subscribed	Other reserve	Stock options reserve				Warrants reserve
Balance at December 31, 2016		215,732,384	\$ 49,308,286	\$ -	\$ 8,918,403	\$ 5,373,358	\$ 901,527	\$ 40,500	\$ (57,005,938)	\$ 7,536,136
Shares issued for cash - private placement		38,100,000	22,860,000	-	-	-	-	-	-	22,860,000
Share issue costs		-	(95,852)	-	-	-	-	-	-	(95,852)
Share-based payments		-	-	-	-	681,933	-	-	-	681,933
Other comprehensive income		-	-	-	-	-	-	(28,500)	-	(28,500)
Loss for the period		-	-	-	-	-	-	-	(2,235,847)	(2,235,847)
Balance at March 31, 2017		253,832,384	\$ 72,072,434	\$ -	\$ 8,918,403	\$ 6,055,291	\$ 901,527	\$ 12,000	\$ (59,241,785)	\$ 28,717,870
Balance at December 31, 2015		177,682,225	\$ 40,223,041	\$ -	\$ 8,503,320	\$ 4,418,794	\$ 759,357	\$ 3,000	\$ (48,107,327)	\$ 5,800,185
Shares subscribed		-	-	1,000,000	-	-	-	-	-	1,000,000
Reclassification of grant-date fair value on expired stock options		-	-	-	414,897	(414,897)	-	-	-	-
Share-based payments		-	-	-	-	106,089	-	-	-	106,089
Other comprehensive income		-	-	-	-	-	-	4,500	-	4,500
Loss for the period		-	-	-	-	-	-	-	(1,606,421)	(1,606,421)
Balance at March 31, 2016		177,682,225	\$ 40,223,041	\$ 1,000,000	\$ 8,918,217	\$ 4,109,986	\$ 759,357	\$ 7,500	\$ (49,713,748)	\$ 5,304,353

See accompanying notes to these unaudited interim consolidated financial statements.

GoldQuest Mining Corp.
Condensed Consolidated Interim Statements of Cash Flows (unaudited)
(Expressed in Canadian Dollars)

	For the three months ended	
	March 31, 2017	March 31, 2016
Cash flows provided from (used by):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (2,235,847)	\$ (1,606,421)
Adjustments for items not affecting cash:		
Depreciation	9,741	13,585
Share-based payments	681,933	106,089
	(1,544,173)	(1,486,747)
Net changes in non-cash working capital items:		
Amounts receivable	145,818	(32,082)
Prepaid expenses	164,648	(17,457)
Deposits	77	6,986
Accounts payable and accrued liabilities	210,011	181,622
Net cash flows used in operating activities	(1,023,619)	(1,347,678)
FINANCING ACTIVITIES		
Proceeds from share issuance, net of share issue costs	22,764,148	-
Shares subscribed	-	1,000,000
Net cash flows from financing activities	22,764,148	1,000,000
INVESTING ACTIVITIES		
Purchase of equipment	(13,067)	(6,492)
Net cash flows used in investing activities	(13,067)	(6,492)
Net decrease in cash and cash equivalents	21,727,462	(354,170)
Cash and cash equivalents, beginning of period	6,283,734	4,406,100
Cash and cash equivalents, end of period	\$ 28,011,196	\$ 4,051,930
Cash received during the period from interest	\$ 9,951	\$ 4,886

There were no significant non-cash transactions for the three months ended March 31, 2017 and 2016.

See accompanying notes to these unaudited interim consolidated financial statements.

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Three Months Ended March 31, 2017
(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

GoldQuest Mining Corp. (the “Company” or “GoldQuest”) is a publicly listed company incorporated in British Columbia on July 12, 1989 and its shares are listed on the TSX Venture Exchange under the symbol “GQC”. The Company together with its subsidiaries (collectively referred to as the “Company”) is engaged in the identification, acquisition and exploration of mineral properties in the Dominican Republic. The Company’s registered office is located at Suite 2600, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of evaluation and exploration properties and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. The Company’s exploration assets are located outside of Canada and are subject to the risk of foreign investment, including political uncertainty, increases in taxes and royalties, renegotiation of contracts and currency exchange fluctuations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements, unregistered claims, other land claims and non-compliance with regulatory and environmental requirements.

These unaudited interim condensed consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2017, the Company had not advanced its property to commercial production and is not able to finance day to day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to fund operating costs over the next twelve months with cash and cash equivalents and through further equity financings.

The unaudited interim condensed consolidated financial statements of GoldQuest for the three months ended March 31, 2017 were approved by the Board of Directors on May XX, 2017.

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Three Months Ended March 31, 2017
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting.

Basis of presentation

These unaudited condensed consolidated interim financial statements include the accounts of GoldQuest and its subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2016. Certain amounts in prior periods have been reclassified to conform to the current period presentation.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Adoption of new and amended accounting standards

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning before or on January 1, 2017.

The adoption of the following IFRS pronouncement will result in enhanced financial statement disclosures in the Company’s annual consolidated financial statements. This pronouncement did not affect the Company’s financial results nor did it result in adjustments to previously-reported figures.

- IFRS 15 - New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity’s contracts with customers.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2018. Updates which are not applicable or are not consequential to the Company have been excluded thereof. The following have not yet been adopted by the Company and are being evaluated to determine their impact:

- IFRS 9 – New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.
- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Three Months Ended March 31, 2017
(Expressed in Canadian Dollars)

4. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents are broken down as follows:

	March 31, 2017		December 31, 2016	
Cash	\$	27,976,196	\$	6,248,734
Term deposits		35,000		35,000
	\$	28,011,196	\$	6,283,734

5. AMOUNTS RECEIVABLE

The Company's amounts receivable is broken down as follows:

	March 31, 2017		December 31, 2016	
Harmonized sales tax receivable and value-added tax receivable	\$	29,172	\$	170,396
Other receivables		20,884		25,478
	\$	50,056	\$	195,874

6. LONG-TERM INVESTMENT

As at March 31, 2017

	Number of shares	Carrying value	Closing market price	Fair value
Portex Minerals Inc.	15,151,273	\$ -	\$ -	-
Precipitate Gold Corporation	300,000	64,500	0.120	36,000

As at December 31, 2016

	Number of shares	Carrying value	Closing market price	Fair value
Portex Minerals Inc.	15,151,273	\$ -	\$ -	-
Precipitate Gold Corporation	300,000	64,500	0.215	64,500

Portex Minerals Inc.

On April 30, 2012, the Company received 15,151,273 shares of Portex Minerals Inc. ("Portex") with a fair value of \$909,076 in exchange for the sale of its wholly owned entities with business interests in Spain.

During the year ended December 31, 2015, the Company reduced the carrying value of the 15,151,273 shares of Portex to \$nil as it determined the impairment was permanent given the financial conditions of Portex; as a result, a fair value loss on available-for-sale investments of \$75,756 was recognized in the statement of loss and comprehensive.

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Three Months Ended March 31, 2017
(Expressed in Canadian Dollars)

6. LONG-TERM INVESTMENT (CONTINUED)

Precipitate Gold Corporation

On September 30, 2015, the Company reached a data sharing and collaboration agreement (the “Agreement”) with Precipitate Gold Corporation (“Precipitate”). According to the Agreement, the Company and Precipitate will share all current and future Tireo belt exploration data in a collaborative effort to assist and accelerate the search for new gold discoveries in the Dominican Republic’s Tireo volcanic belt. In exchange of the exploration data, Precipitate agreed to issue 300,000 common shares to the Company.

During the year ended December 31, 2015, the Company received 300,000 shares from Precipitate with a fair value of \$24,000.

As at March 31, 2017, the Company recognized \$36,000 as the fair value of the 300,000 common shares received from Precipitate (December 31, 2016 – \$64,500). The change in fair value of \$28,500 for the three months ended March 31, 2017 is recognized as other comprehensive income (March 31, 2016 – a gain of \$4,500).

7. EQUIPMENT

The Company’s equipment is broken down as follows:

	Computer equipment	Field equipment	Office equipment	Software	Vehicles	Total
Cost						
As at December 31, 2016	\$ 137,781	\$ 172,110	\$ 14,890	\$ 121,095	\$ 315,833	\$ 761,709
Additions for the year	1,427	-	-	3,248	8,392	13,067
Balance as at March 31, 2017	\$ 139,208	\$ 172,110	\$ 14,890	\$ 124,343	\$ 324,225	\$ 774,776
Depreciation						
As at December 31, 2016	\$ (71,731)	\$ (171,972)	\$ (12,963)	\$ (120,304)	\$ (278,180)	\$ (655,150)
Charged for the year	(4,657)	(84)	(71)	(791)	(4,138)	(9,741)
Balance as at March 31, 2017	\$ (76,388)	\$ (172,056)	\$ (13,034)	\$ (121,095)	\$ (282,318)	\$ (664,891)
Net book value						
As at December 31, 2016	\$ 66,050	\$ 138	\$ 1,927	\$ 791	\$ 37,653	\$ 106,559
As at March 31, 2017	\$ 62,820	\$ 54	\$ 1,856	\$ 3,248	\$ 41,907	\$ 109,885

During the three months ended March 31, 2017, a total of \$85 (March 31, 2017 – \$2,746) was included in evaluation and exploration costs (Note 9).

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Three Months Ended March 31, 2017
(Expressed in Canadian Dollars)

8. EVALUATION AND EXPLORATION ASSETS

The Company's evaluation and exploration assets are broken down as follows:

	Balance as at December 31, 2016	Additions	Balance as at March 31, 2017
Dominican Republic	\$ 1,247,000	\$ -	\$ 1,247,000

Dominican Republic – 100% owned

On August 5, 2009, the Company entered into a purchase agreement with Gold Fields Dominican Republic BVI Limited ("GFL") to regain full ownership of its gold-focused portfolio in the Dominican Republic. As consideration for GFL's interest in the joint venture projects, the Company issued 8,600,000 common shares and granted a 1.25% Net Smelter Royalty ("NSR") on the claims in favour of GFL.

The transaction was completed on November 18, 2009 with the issuance of the shares at a fair value of \$1,247,000.

9. EVALUATION AND EXPLORATION COSTS

The Company's evaluation and exploration costs during the three months ended March 31, 2017 and 2016 related to projects in the Dominican Republic are broken down as follows:

	For the three months ended March 31, 2017		
	Tireo	General	Total
Access fees	\$ -	\$ 1,000	\$ 1,000
Depreciation	-	85	85
Drilling	339,229	-	339,229
Field	150,006	13,212	163,218
Field technicians	166,193	902	167,095
Geological	89,347	3,849	93,196
Lodging and food	48,743	-	48,743
Salaries and wages	-	56,849	56,849
Sample analysis	2,944	-	2,944
Social responsibility	22,817	-	22,817
Technical studies	20,707	-	20,707
Transportation	1,779	-	1,779
	\$ 841,765	\$ 75,897	\$ 917,662
			30,220,968
			\$ 31,138,630

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Three Months Ended March 31, 2017
(Expressed in Canadian Dollars)

9. EVALUATION AND EXPLORATION COSTS (continued)

	For the three months ended March 31, 2016		
	Tireo	General	Total
Access fees	\$ 32	\$ 745	\$ 777
Depreciation	841	1,905	2,746
Equipment rental	3,646	1,850	5,496
Field	40,696	28,126	68,822
Field technicians	75,197	11,289	86,486
Geological	89,227	3,743	92,970
Lodging and food	20,142	344	20,486
Salaries and wages	-	46,190	46,190
Sample analysis	172,592	-	172,592
Social responsibility	2,115	295	2,410
Technical studies	491,160	-	491,160
Transportation	1,094	571	1,665
	\$ 896,742	\$ 95,058	\$ 991,800
		Cumulative costs, beginning of period	24,995,763
		Cumulative costs, end of period	\$ 25,987,563

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are broken down as follows:

	March 31, 2017	December 31, 2016
Trade payables	\$ 456,639	\$ 329,778
Accrued liabilities	400,174	317,024
	\$ 856,813	\$ 646,802

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Three Months Ended March 31, 2017
(Expressed in Canadian Dollars)

11. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

At March 31, 2017, the Company had 253,832,384 common shares (December 31, 2016 – 215,732,384) common shares issued and outstanding with a value of \$72,072,434 (December 31, 2016 – \$49,308,286).

During the three months March 31, 2017:

- On March 8, 2017, the Company completed a non-brokered private placement ("Private Placement") of 38,100,000 common shares of the Company with Agnico Eagle Mines Limited ("Agnico") for total proceeds of \$22,860,000. After the completion of the Private Placement, Agnico owns approximately 15% of the issued and outstanding common shares of the Company.

In connection with the Private Placement, Agnico and the Company entered into an investor rights agreement ("Investor Rights Agreement") which grants Agnico the right to maintain its interest in the Company through participation in future equity financings of the Company and to, at its election, nominate one person to the Company's Board of Directors (and in the case of an increase in the size of the Board of Directors to 10 or more directors, two persons). These rights may only be exercised by Agnico if it owns at least a 10% interest in the Company (calculated in accordance with the Investor Rights Agreement). Agnico has not elected to exercise its director nomination right at this time. Additionally, the Investor Rights Agreement prohibits Agnico from taking certain actions, including acquiring more than 19.99% of the issued and outstanding common shares of the Company for a period of two years, subject to certain exceptions.

In connection with the private placement, the Company incurred \$95,852 in share issuance costs.

c) Warrants

No warrants were issued, exercised or expired during the three months ended March 31, 2017 and 2016.

The following summarizes information about warrants outstanding at March 31, 2017:

<u>Grant date</u>	<u>Expiry date</u>	<u>Warrants outstanding</u>	<u>Exercise price</u>	<u>Estimated grant date fair value</u>	<u>Weighted average remaining contractual life (in years)</u>
October 19, 2015	October 19, 2018	9,045,455	\$ 0.180	\$ 412,488	1.55
November 6, 2015	November 6, 2018	4,227,181	\$ 0.180	\$ 194,454	1.60
May 9, 2016	November 6, 2018	272,727	\$ 0.180	\$ 21,584	1.60
June 9, 2016	December 9, 2017	1,257,811	\$ 0.360	\$ 273,001	0.69
		14,803,174	\$	901,527	1.50

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Three Months Ended March 31, 2017
(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

d) Stock options

Under the Company's stock option plan, the Board of Directors may grant options for the purchase of up to a total of 10% of the total number of issued and outstanding common shares of the Company. Options granted under the plan may vest over a period of time at the discretion of the board of directors. Under the plan, the exercise price of each option equals the market price of the Company's stock as determined on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the Board of Directors.

Options to purchase common shares have been granted to directors, employees and consultants at exercise prices determined by reference to the market value of the Company's common shares on the date of the grant. The changes in options during the three months ended March 31, 2017 and 2016 are as follows:

	March 31, 2017		March 31, 2016	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Balance, beginning of period	18,780,166	\$ 0.43	16,107,666	\$ 0.34
Expired	-	-	(1,200,000)	0.41
Balance, end of period	18,780,166	\$ 0.43	14,907,666	\$ 0.35

During the three months ended March 31, 2016:

- 1,200,000 options expired unexercised.

The following summarizes information about stock options outstanding and exercisable at March 31, 2017:

Grant date	Expiry date	Options outstanding	Options exercisable	Exercise price	Estimated grant date fair value	Weighted average remaining contractual life (in years)
May 31, 2012	May 31, 2017	2,623,332	2,623,332	\$ 0.560	\$ 1,594,036	0.17
June 1, 2012	June 1, 2017	73,334	73,334	\$ 0.680	\$ 48,225	0.17
September 11, 2012	September 4, 2017	250,000	250,000	\$ 1.560	\$ 376,726	0.43
March 8, 2013	March 8, 2018	2,445,000	2,445,000	\$ 0.500	\$ 874,293	0.94
May 22, 2013	May 22, 2018	500,000	500,000	\$ 0.350	\$ 131,412	1.14
December 19, 2013	December 19, 2018	2,357,000	2,357,000	\$ 0.250	\$ 490,173	1.72
May 14, 2014	May 14, 2019	150,000	150,000	\$ 0.310	\$ 39,928	2.12
January 20, 2015	January 20, 2020	1,524,000	1,524,000	\$ 0.150	\$ 168,292	2.81
December 14, 2015	December 14, 2020	2,745,000	1,830,005	\$ 0.130	\$ 305,611	3.71
June 1, 2016	June 1, 2021	200,000	166,668	\$ 0.325	\$ 58,711	4.17
August 12, 2016	August 12, 2021	5,312,500	1,770,839	\$ 0.600	\$ 2,741,961	4.37
October 13, 2016	October 13, 2021	600,000	-	\$ 0.360	\$ 218,833	4.54
		18,780,166	13,690,178		\$ 7,048,201	2.61

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Three Months Ended March 31, 2017
(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

d) Stock options (continued)

During the three ended March 31, 2017 and 2016, the Company recognized share-based payments expense of \$681,933 and \$106,089, respectively. For the three ended March 31, 2017 and 2016, share-based payments expense consists of the following:

	For the three months ended	
	March 31, 2017	March 31, 2016
For services in respect of:		
Directors' fees	\$ 203,373	\$ 14,630
Investor relations	5,820	-
Management fees	393,640	79,897
Salaries and wages	79,100	11,562
	\$ 681,933	\$ 106,089

e) Earnings (loss) per share

The Company calculated the basic earnings (loss) per share by using the weighted-average number of shares outstanding during the period. The diluted earnings per share reflects the potential dilution of common share equivalents, such as outstanding stock options and warrants, in the weighted average number of common shares outstanding during the period. In determining the weighted average number of common shares outstanding during the period for the diluted loss per share, warrants and options are not included as the impact would be anti-dilutive.

12. RELATED PARTY TRANSACTIONS AND BALANCES

The financial statements include the accounts of GoldQuest Mining Corp. and its subsidiaries listed in the following table:

Name	Country of Incorporation	Equity Ownership as at	
		March 31, 2017	December 31, 2016
GoldQuest Mining (BVI) Corp	British Virgin Islands	100%	100%
Goldquest Dominicana SRL	Dominican Republic	100%	100%

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Three Months Ended March 31, 2017
(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

a) Related party transactions

The Company's related parties as defined by IAS 24, *Related Party Disclosures*, include the Company's subsidiaries (above), and the following directors, executive officers, key management personnel, and enterprises which are controlled by these individuals:

Related Party	Relationship
William Fisher	Executive Chairman
Frank Balint	Director
Patrick Michaels	Director
Florian Siegfried	Director
Julio Espaillat	Director, President and CEO
Paul Robertson	CFO
Quantum Advisory Partners LLP	A partnership in which the CFO is a partner
Jeremy Niemi	Vice President, Exploration
David Massola	Vice President, Corporate Development
Felix Mercedes	Country Manager, Dominican Republic

The Company considered the executive officers and directors as the key management of the Company.

Total compensation of key company personnel for the three months ended March 31, 2017 and 2016 is as follows:

	For the three months ended	
	March 31, 2017	March 31, 2016
Directors' fees	\$ 36,000	\$ 21,000
Management remuneration	188,850	111,750
Salaries and wages	27,400	28,345
Evaluation and exploration costs	50,000	40,000
Share-based compensation	622,853	94,527
	\$ 925,103	\$ 295,622

During the three months ended March 31, 2017, the Company paid professional fees of \$31,500 (March 31, 2016 – \$36,764) to Quantum Advisory Partners LLP, a partnership in which the CFO is an incorporated partner, for professional services including accounting, corporate secretarial, transaction support and tax compliance.

b) Related party balances

The balances due to the Company's directors and officer included in accounts payables and accrued liabilities were \$312,506 as at March 31, 2017 (December 31, 2016 – \$214,498), which were paid subsequent to March 31, 2017. These amounts are unsecured, non-interest bearing and payable on demand.

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13. COMMITMENTS

Commitments

The Company is a party to certain management contracts. These contracts contain clauses requiring that approximately \$2.3 million be paid to certain management personnel upon a change of control of the Company. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these consolidated financial statements.

14. SEGMENTED INFORMATION

The Company has one reportable segment, being the evaluation and exploration of mineral exploration properties. The Company's assets and liabilities are as follows:

	Canada	Dominican Republic	Total
<i>As at March 31, 2017</i>			
Evaluation and exploration assets	\$ -	\$ 1,247,000	\$ 1,247,000
Long-term investment	36,000	-	36,000
Equipment	62,258	47,627	109,885
	\$ 98,258	\$ 1,294,627	\$ 1,392,885
<i>As at December 31, 2016</i>			
Evaluation and exploration assets	\$ -	\$ 1,247,000	\$ 1,247,000
Long-term investment	64,500	-	64,500
Equipment	64,350	42,209	106,559
	\$ 128,850	\$ 1,289,209	\$ 1,418,059

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the evaluation and exploration of its mineral exploration properties and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of share capital.

There were no changes to the Company policy for capital management during the three months ended March 31, 2017.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, acquire or dispose of assets, or adjust the amount of cash and cash equivalents and short-term investments. In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company and its subsidiaries are not subject to any externally imposed capital requirements.

The Company's investment policy is to invest its excess cash in very low risk financial instruments such as term deposits or by holding funds in high yield savings accounts with major Canadian banks. By using this strategy, the Company preserves its cash resources and can marginally increase these resources through the yields on these investments. The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

The Company expects that its current capital resources will be sufficient to fund its present operational commitments and working capital needs for the coming twelve months.

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16. FINANCIAL INSTRUMENTS

a) **Fair value**

The carrying values of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments. Long-term investment is determined by the closing market price of the securities held by the Company.

As at March 31, 2017

	Loans and receivables and other liabilities	Assets at fair value through profit or loss	Available-for-sale assets	Total
Cash and cash equivalents	\$ -	\$ 28,011,196	\$ -	\$ 28,011,196
Amounts receivable	20,884	-	-	20,884
Long-term investment	-	-	36,000	36,000
Accounts payable and accrued liabilities	748,013	-	-	748,013

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs that are not based on observable market data.

As at March 31, 2017 and December 31, 2016, the financial instrument recorded at fair value on the consolidated statement of financial position is long term investment which is measured using Level 1 of the fair value hierarchy.

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16. FINANCIAL INSTRUMENTS (continued)

b) Financial risk management

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company manages its credit risk through its counterparty ratings and credit limits.

The Company's cash and cash equivalents are held through large Canadian financial institutions. Guaranteed investment certificates are composed of financial instruments issued by Canadian banks and companies with high investment-grade ratings. These instruments mature at various dates over the current operating period and are cashable on the maturity date.

The total cash and cash equivalents, and amounts receivable represent the maximum credit exposure. The Company limits its credit risk exposure by holding cash and cash equivalents with reputable financial institutions with high credit ratings. The Company's amounts receivable balance is not significant and does not represent significant credit exposure as it is principally due from the Government of Canada.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

The Company's expected source of cash flow in the upcoming year will be through equity financings.

The Company maintained sufficient cash and cash equivalents at March 31, 2017 in the amount of \$28,011,196, in order to meet short-term business requirements. At March 31, 2017, the Company had accounts payable and accrued liabilities of \$856,813. All accounts payable and accrued liabilities are current.

Market risk

The significant market risks to which the Company is exposed are interest rate risk, currency risk and commodity price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents are held mainly in high yield saving accounts and term deposits and therefore there is currently minimal interest rate risk. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of March 31, 2017.

The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash and cash equivalents. A 1% change in interest rates on cash and cash equivalents outstanding at March 31, 2017 would result in an approximately \$280,000 change to the Company's net loss for the three months ended March 31, 2017.

Currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities and long-term investment are held in Canadian Dollars ("CAD"), US Dollars ("USD") and Dominican Pesos ("DOP"); therefore, USD and DOP accounts are subject to fluctuation against the Canadian dollar.

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16. FINANCIAL INSTRUMENTS (continued)

b) Financial risk management (continued)

Currency risk (continued)

The Company had the following balances in foreign currency as at March 31, 2017:

	in CAD	in USD	in DOP
Cash and cash equivalents	26,859,028	790,091	3,558,701
Amounts receivable	98	-	746,361
Long-term investment	36,000	-	-
Accounts payable and accrued liabilities	(626,419)	(2,762)	(4,233,839)
	26,268,707	787,329	71,223
Rate to convert to \$1.00 CAD	1.000	0.7503	35.9066
Equivalent to Canadian dollars	26,268,707	1,049,376	1,983

Based on the above net exposures as at March 31, 2017, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the CAD against the USD and DOP would have had the following impact:

	Additional foreign exchange gain (loss) (before tax) (in CAD)		
	USD	DOP	Total
<i>For the three months ended March 31, 2017</i>			
If CAD appreciated by 10%	\$ 104,938	\$ 198	\$ 105,136
If CAD depreciated by 10%	(104,938)	(198)	(105,136)

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk, financial market risk, or currency risk.

As March 31, 2017, the Company held 15,151,273 and 300,000 common shares of Portex and Precipitate, respectively, which are publicly traded on the Canadian National Stock Exchange and TSX Venture Exchange, respectively.

During the year ended December 31, 2015, the Company impaired the carrying value of the 15,151,273 shares of Portex to \$nil; as a result of the impairment, the Company believe price risk from the investment in Portex is minimal.

A 10% change in share price of Precipitate's shares at March 31, 2017 would result in a \$3,600 change to the Company's comprehensive loss for the three months ended March 31, 2017

Other than this, the Company is not exposed to significant other price risk.

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16. FINANCIAL INSTRUMENTS (continued)

b) Financial risk management (continued)

Commodity risk

The Company is exposed to price risk with respect to commodity prices, specifically gold. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for these commodities, the level of interest rates, the rate of inflation, investment decision by large holders of commodities including governmental reserves and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. As the Company does not have production assets, management believes this risk is minimal.

17. SUBSEQUENT EVENTS

Subsequent to March 31, 2017:

- On April 10, 2017, the Company granted 6,158,666 options with an exercise price of \$0.50 to certain officers, directors and employees. The options are exercisable for a period of five years. One-third vest six months from the date of grant and one-third will vest every six months thereafter.
- On April 18, 2017, the Company granted 230,000 options with an exercise price of \$0.50 to certain officers and employees. The options are exercisable for a period of five years. One-third vest six months from the date of grant and one-third will vest every six months thereafter.
- 25,000 warrants were exercised for proceeds of \$4,500.