

GOLDQUEST MINING CORP.

Condensed Consolidated Interim Financial Statements

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

(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 nine months ended September 30, 2015 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>	September 30, 2015	December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents (note 4)	\$ 2,198,863	\$ 5,624,051
Amounts receivable (note 5)	48,266	24,336
Prepaid expenses	238,623	129,773
Deposits	116,943	98,659
Total current assets	2,602,695	5,876,819
Non-current assets		
Long-term investment (note 6)	-	75,756
Equipment (note 7)	113,602	165,195
Evaluation and exploration assets (note 8)	1,247,000	1,247,000
Total non-current assets	1,360,602	1,487,951
TOTAL ASSETS	\$ 3,963,297	\$ 7,364,770
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (notes 10 and 12(b))	\$ 266,059	\$ 241,136
TOTAL LIABILITIES	266,059	241,136
EQUITY		
Share capital (note 11)	\$ 37,619,206	\$ 37,571,448
Other reserve	8,469,213	8,357,754
Stock options reserve	4,413,397	4,355,843
Deficit	(46,804,578)	(43,161,411)
TOTAL EQUITY	3,697,238	7,123,634
TOTAL EQUITY AND LIABILITIES	\$ 3,963,297	\$ 7,364,770

Corporate information and continuance of operations (note 1)

Commitments and contingencies (note 13)

Subsequent event (note 11(b))

See accompanying notes to these condensed consolidated interim financial statements.

APPROVED BY THE BOARD:

/s/ Julio Espaillat 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		For the nine months ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
EXPENSES				
Depreciation	11,289	16,436	\$ 39,839	\$ 78,925
Directors' fees and management remuneration	154,950	148,763	470,850	452,138
Evaluation and exploration costs (note 9)	474,260	1,139,983	2,544,152	3,379,156
Foreign exchange loss (gain)	(196,044)	36,592	(323,590)	167,577
General and administrative	50,130	72,394	185,406	249,098
Investor relations and promotion	32,550	68,347	119,773	215,249
Professional fees	18,667	39,242	90,972	117,837
Regulatory and transfer agents	6,736	16,412	58,062	63,780
Rent	14,490	12,213	41,063	34,293
Salaries and wages	15,503	55,664	118,733	201,801
Share-based payments (note 11(d))	24,104	133,143	188,771	628,448
Travel	19,902	35,971	46,608	75,720
TOTAL EXPENSES	626,537	1,775,160	3,580,639	5,664,022
OTHER ITEMS				
Interest income	(2,075)	(13,504)	(13,228)	(47,957)
Fair value loss on available-for-sale investments (note 6)	-	-	75,756	-
NET LOSS FOR THE PERIOD	624,462	1,761,656	\$ 3,643,167	\$ 5,616,065
OTHER COMPREHENSIVE LOSS				
Unrealized loss on available-for-sale assets (note 6)	-	151,513	-	984,833
TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ 624,462	\$ 1,913,169	\$ 3,643,167	\$ 6,600,898
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)	\$ 0.00	\$ 0.01	\$ 0.02	\$ 0.04
Weighted average number of common shares outstanding - basic and diluted	145,955,044	145,755,044	145,849,549	145,525,465

See accompanying notes to these condensed consolidated interim financial statements.

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

	Share capital			Reserves			Accumulated other comprehensive income	Deficit	Total
	Number of shares	Amount		Other reserve	Stock options reserve	Warrants reserve			
Balance at December 31, 2014	145,755,044	\$ 37,571,448		\$ 8,357,754	\$ 4,355,843		\$ -	\$ (43,161,411)	\$ 7,123,634
Shares issued for cash - exercise of stock options	200,000	28,000		-	-	-	-	-	28,000
Reclassification of grant-date fair value on exercise of stock options	-	19,758		-	(19,758)	-	-	-	-
Reclassification of grant-date fair value on expired stock options	-	-		111,459	(111,459)	-	-	-	-
Share-based payments	-	-		-	188,771	-	-	-	188,771
Other comprehensive loss	-	-		-	-	-	-	-	-
Net loss for the period	-	-		-	-	-	-	(3,643,167)	(3,643,167)
Balance at September 30, 2015	145,955,044	\$ 37,619,206		\$ 8,469,213	\$ 4,413,397		\$ -	\$ (46,804,578)	\$ 3,697,238
Balance at December 31, 2013	143,980,044	\$ 37,253,320		\$ 6,828,681	\$ 3,674,115	\$ 1,557,439	\$ 151,513	\$ (36,126,858)	\$ 13,338,210
Shares issued for cash - warrant exercise	1,700,000	255,000		-	-	-	-	-	255,000
Shares issued for cash - stock option exercise	75,000	7,500		-	-	-	-	-	7,500
Reclassification of grant-date fair value on exercise of warrants	-	49,266		-	-	(49,266)	-	-	-
Reclassification of grant-date fair value on exercise of stock options	-	6,362		-	(6,362)	-	-	-	-
Reclassification of grant-date fair value on expired warrants	-	-		1,508,173	-	(1,508,173)	-	-	-
Reclassification of grant-date fair value on expired stock options	-	-		20,900	(20,900)	-	-	-	-
Share-based payments	-	-		-	628,448	-	-	-	628,448
Fair value adjustment on available-for-sale investments	-	-		-	-	-	(984,833)	-	(984,833)
Net loss for the period	-	-		-	-	-	-	(5,616,065)	(5,616,065)
Balance at September 30, 2014	145,755,044	\$ 37,571,448		\$ 8,357,754	\$ 4,275,301		\$ (833,320)	\$ (41,742,923)	\$ 7,628,260

See accompanying notes to these condensed consolidated interim financial statements.

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

	For the nine months ended	
	September 30, 2015	September 30, 2014
Cash flows provided from (used by):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (3,643,167)	\$ (5,616,065)
Adjustments for items not affecting cash:		
Depreciation	51,593	95,301
Share-based payments	188,771	628,448
Fair value loss on available-for-sale investments	75,756	-
	(3,327,047)	(4,892,316)
Net changes in non-cash working capital items:		
Amounts receivable	28,409	18,917
Prepaid expenses	(161,189)	36,829
Deposits	(18,284)	(27,005)
Accounts payable and accrued liabilities	24,923	580,726
Net cash flows used in operating activities	(3,453,188)	(4,282,849)
FINANCING ACTIVITIES		
Proceeds from common shares issued on exercise of warrants and options	28,000	262,500
Net cash flows from financing activities	28,000	262,500
INVESTING ACTIVITIES		
Purchase of equipment	-	(6,923)
Net cash flows used in investing activities	-	(6,923)
Net decrease in cash and cash equivalents	(3,425,188)	(4,027,272)
Cash and cash equivalents, beginning of period	5,624,051	10,901,946
Cash and cash equivalents, end of period	\$ 2,198,863	\$ 6,874,674
Cash received during the period from interest	\$ 13,228	\$ 47,957
Supplementary cash flow information		
Reclassification of the fair value of warrants exercised	\$ -	\$ 49,266
Reclassification of the fair value of options exercised	19,758	6,362
Reclassification of the fair value of warrants expired	-	1,508,173
Reclassification of the fair value of options expired	111,459	20,900
	\$ 131,217	\$ 1,584,701

See accompanying notes to these condensed consolidated interim financial statements.

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Nine Months Ended September 30, 2015
(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 September 30, 2015, 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 nine months ended September 30, 2015 were approved by the Board of Directors on November 27, 2015.

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Nine Months Ended September 30, 2015
(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, 2014. Certain amounts in prior periods have been reclassified to conform to the current period presentation.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

New standards adopted during the year

Effective January 1, 2015, the following standards were adopted but did not have a material impact on the financial statements.

- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015.

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 future accounting periods. 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, tentatively effective for annual periods beginning on or after January 1, 2018.

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Nine Months Ended September 30, 2015
(Expressed in Canadian Dollars)

4. CASH AND CASH EQUIVALENTS

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

	September 30, 2015		December 31, 2014	
Cash	\$	2,163,863	\$	5,589,051
Term deposits		35,000		35,000
	\$	2,198,863	\$	5,624,051

5. AMOUNTS RECEIVABLE

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

	September 30, 2015		December 31, 2014	
Harmonized sales tax receivable and value-added tax receivable	\$	8,789	\$	20,840
Other receivables		39,477		3,496
	\$	48,266	\$	24,336

6. LONG-TERM INVESTMENT

On April 30, 2012, the Company received 15,151,273 shares of 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 nine months ended September 30, 2015, the Company reduced the carrying value of the 15,151,273 shares of Portex to \$nil (December 31, 2014 – \$75,756); as a result, a fair value loss on available-for-sale investments of \$75,756 was recognized in the statement of loss and comprehensive (September 30, 2014 – \$nil).

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Nine Months Ended September 30, 2015
(Expressed in Canadian Dollars)

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, 2014	\$ 121,809	\$ 172,110	\$ 13,791	\$ 117,930	\$ 277,723	\$ 703,363
Balance as at September 30, 2015	\$ 121,809	\$ 172,110	\$ 13,791	\$ 117,930	\$ 277,723	\$ 703,363
Depreciation						
As at December 31, 2014	\$ (37,971)	\$ (148,506)	\$ (12,057)	\$ (115,642)	\$ (223,992)	\$ (538,168)
Charged for the period	(12,173)	(11,754)	(572)	(1,872)	(25,222)	(51,593)
Balance as at September 30, 2015	\$ (50,144)	\$ (160,260)	\$ (12,629)	\$ (117,514)	\$ (249,214)	\$ (589,761)
Net book value						
As at December 31, 2014	\$ 83,838	\$ 23,604	\$ 1,734	\$ 2,288	\$ 53,731	\$ 165,195
As at September 30, 2015	\$ 71,665	\$ 11,850	\$ 1,162	\$ 416	\$ 28,509	\$ 113,602

8. EVALUATION AND EXPLORATION ASSETS

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

	Balance as at December 31, 2014	Additions	Balance as at September 30, 2015
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 1.5% 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 an estimated fair value of \$1,247,000.

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Nine Months Ended September 30, 2015
(Expressed in Canadian Dollars)

9. EVALUATION AND EXPLORATION COSTS

The Company's evaluation and exploration costs during the nine ended September 30, 2015 and 2014 related to projects in the Dominican Republic are broken down as follows:

For the nine months ended September 30, 2015			
	Tireo	Other	Total
Access fees	\$ 788	\$ 2,671	\$ 3,459
Depreciation	4,792	6,962	11,754
Drilling	923,776	-	923,776
Equipment rental	36,157	1,070	37,227
Field	369,398	45,110	414,508
Field technicians	269,586	3,682	273,268
Geological	579,056	19,483	598,539
Lodging and food	91,889	565	92,454
Recoveries	-	(24,000)	(24,000)
Salaries and wages	-	174,906	174,906
Sample analysis	4,903	-	4,903
Social responsibility	31,018	-	31,018
Transportation	2,296	44	2,340
	\$ 2,313,659	\$ 230,493	\$ 2,544,152

Cumulative costs, beginning of period	21,725,054
Cumulative costs, end of period	\$ 24,269,206

For the nine months ended September 30, 2014			
	Tireo	Other	Total
Access fees	\$ 8,773	\$ 4,608	\$ 13,381
Depreciation	15,377	999	16,376
Drilling	527,490	-	527,490
Engineering	62,687	-	62,687
Equipment rental	10,080	-	10,080
Field	516,490	168,147	684,637
Field technicians	341,309	1,175	342,484
Geological	1,361,941	47,255	1,409,196
Lodging and food	162,789	8,173	170,962
Sample analysis	92,917	-	92,917
Social responsibility	28,870	10,856	39,726
Transportation	9,220	-	9,220
	\$ 3,137,943	\$ 241,213	\$ 3,379,156

Cumulative costs, beginning of period	17,824,237
Cumulative costs, end of period	\$ 21,203,393

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Nine Months Ended September 30, 2015
(Expressed in Canadian Dollars)

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	September 30, 2015		December 31, 2014	
Trade payables	\$	156,846	\$	205,600
Accrued liabilities		108,253		35,536
	\$	265,099	\$	241,136

11. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

At September 30, 2015, the Company had 145,955,044 common shares issued and outstanding (December 31, 2014 – 145,755,044) with a value of \$37,619,206 (December 31, 2014 – \$37,571,448).

During the nine months ended September 30, 2015, 200,000 options were exercised for proceeds of \$28,000. In addition, the Company reclassified the grant date fair value of the exercised options of \$19,758 from stock options reserve to share capital.

On October 19, 2015, the Company completed a private placement comprised of 18,090,910 units of the Company (the "Units") at a price of \$0.11 per Unit for aggregate gross proceeds of \$1,990,000. Each Unit consists of one common share of the Company and one-half of one Common Share purchase warrant of the Company (each whole warrant, a "Warrant"). Each Warrant is exercisable for an additional Common Share at an exercise price of \$0.18 for a period of three years following the closing date of the issuance.

On November 6, 2015, the Company completed another private placement comprised of 13,636,271 Units of the Company at a price of \$0.11 per Unit for aggregate gross proceeds of \$1,499,990. Each Unit consists of one common share of the Company and one-half of one Common Share purchase warrant of the Company. Each Warrant is exercisable for an additional Common Share at an exercise price of \$0.18 for a period of three years following the closing date of the issuance.

c) Warrants

The changes in warrants during the nine months ended September 30, 2015 and 2014 are as follows:

	September 30, 2015		September 30, 2014	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Balance, beginning of period	-	\$	3,289,855	\$ 0.46
Expired	-	-	(1,589,855)	0.79
Exercised	-	-	(1,700,000)	0.15
Balance, end of period	-	\$	-	\$ -

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Nine Months Ended September 30, 2015
(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 10 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 nine months ended September 30, 2015 and 2014 are as follows:

	September 30, 2015		September 30, 2014	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Balance, beginning of period	12,856,163	\$ 0.40	12,828,330	\$ 0.40
Granted	1,700,000	0.15	165,000	0.31
Expired	(765,667)	0.16	(51,667)	(0.57)
Forfeited	(122,333)	0.15	(10,500)	0.25
Exercised	(200,000)	0.14	(75,000)	0.10
Balance, end of period	13,468,163	\$ 0.39	12,856,163	\$ 0.40

During the nine months ended September 30, 2015:

- On January 20, 2015, the Company granted 1,650,000 options with an exercise price of \$0.15 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 January 20, 2015, the Company granted 50,000 options with an exercise price of \$0.15 to an employee. The options are exercisable for a period of five years. A quarter vest three months from the date of grant and a quarter will vest every three months thereafter.
- 200,000 options were exercised for proceeds of \$28,000.

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Nine Months Ended September 30, 2015
(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

d) Stock options (continued)

The following summarizes information about stock options outstanding and exercisable at September 30, 2015:

Grant date	Expiry date	Options outstanding	Options exercisable	Exercise price	Estimated grant date fair value	Weighted average remaining contractual life (in years)
January 20, 2011	January 20, 2016	200,000	200,000	\$ 0.360	\$ 58,827	0.31
March 1, 2011	March 1, 2016	1,000,000	1,000,000	\$ 0.420	\$ 356,070	0.42
August 24, 2011	August 24, 2016	2,225,000	2,225,000	\$ 0.200	\$ 292,025	0.90
May 31, 2012	May 31, 2017	2,623,335	2,623,335	\$ 0.560	\$ 1,594,039	1.67
June 1, 2012	June 1, 2017	93,334	93,334	\$ 0.680	\$ 61,376	1.67
September 11, 2012	September 4, 2017	250,000	250,000	\$ 1.560	\$ 374,812	1.93
March 8, 2013	March 8, 2018	2,470,000	2,470,000	\$ 0.500	\$ 883,233	2.44
May 22, 2013	May 22, 2018	500,000	500,000	\$ 0.350	\$ 131,681	2.64
December 19, 2013	December 19, 2018	2,383,494	2,383,494	\$ 0.250	\$ 495,693	3.22
May 14, 2014	May 14, 2019	165,000	109,998	\$ 0.310	\$ 42,472	3.62
January 20, 2015	January 20, 2020	1,558,000	535,333	\$ 0.150	\$ 123,169	4.31
		13,468,163	12,390,494		\$ 4,413,397	2.22

The estimated grant date fair value of the options granted during the nine months ended September 30, 2015 and 2014 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	For the nine months ended	
	September 30, 2015	September 30, 2014
Number of options granted	1,700,000	165,000
Risk-free interest rate	0.95%	1.35%
Expected annual volatility	131%	130%
Expected life	5.00	5.00
Expected dividend yield	0.00%	0.00%
Grant date fair value per option	\$ 0.11	\$ 0.31
Share price at grant date	\$ 0.13	\$ 0.30

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Nine Months Ended September 30, 2015
(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

d) Stock options (continued)

During the nine months ended September 30, 2015 and 2014, the Company recognized share-based payments expense of \$188,771 and \$628,448, respectively. For the nine months ended September 30, 2015 and 2014, share-based payments expense consists of the following:

	For the nine months ended	
	September 30, 2015	September 30, 2014
For services in respect of:		
Directors' fees	\$ 57,373	\$ 229,181
Management fees	104,095	336,676
Salaries and wages	27,303	62,591
	\$ 188,771	\$ 628,448

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	
		September 30, 2015	December 31, 2014
GoldQuest Mining (BVI) Corp	British Virgin Islands	100%	100%
Goldquest Dominicana SRL	Dominican Republic	100%	100%

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Nine Months Ended September 30, 2015
(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

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 Espailat	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
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 nine months ended September 30, 2015 and 2014 is as follows:

	For the nine months ended	
	September 30, 2015	September 30, 2014
Directors' fees	\$ 63,000	\$ 63,000
Management fees, salaries and wages	613,190	588,414
Share-based compensation	161,468	565,854
	\$ 837,658	\$ 1,217,268

During the nine months ended September 30, 2015, the Company paid professional fees of \$29,592 (September 30, 2014 – \$44,506) to Quantum Advisory Partners LLP, a partnership in which the CFO is an incorporated partner, for other professional services including 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 \$29,858 as at September 30, 2015 (December 31, 2014 – \$27,020) , which were paid subsequent to year end. These amounts are unsecured, non-interest bearing and payable on demand.

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13. COMMITMENTS AND CONTINGENCIES

a) Commitments

The Company is a party to certain management contracts. These contracts contain clauses requiring that \$1,530,000 be paid 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.

b) Contingencies

Lawsuit

In August 2014, the Company received notice of a civil lawsuit filed with the Commercial and Civil Chamber of the Courts of First Instance in the city of San Juan de La Maguana, Dominican Republic. The lawsuit alleges that the Company entered the claimants' property without authorization, damaged crops, drove out livestock, and extracted gold. The claimants are seeking, amongst other things, damages totaling USD\$5,000,000 relating to the surface damage and the extraction of gold from the property in question. The Company is of the view that any minor surface disturbances were fully remediated and that the Company was in full compliance with the conditions of both its exploration concession and environmental permits issued by the Dominican government. No amount has been provided for in these financial statements for this claim because it is too early to predict the outcome of this lawsuit; however, management's view is that the claim against the Company is without merit.

14. SEGMENTED INFORMATION

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

	Canada	Dominican Republic	Total
<i>As at September 30, 2015</i>			
Evaluation and exploration assets	\$ -	\$ 1,247,000	\$ 1,247,000
Equipment	77,393	36,209	113,602
Other assets	1,846,478	756,217	2,602,695
Liabilities	(196,581)	(69,478)	(266,059)
	\$ 1,727,290	\$ 1,969,948	\$ 3,697,238
<i>As at December 31, 2014</i>			
Evaluation and exploration assets	\$ -	\$ 1,247,000	\$ 1,247,000
Long-term investment	75,756	-	75,756
Equipment	97,795	67,400	165,195
Other assets	5,482,031	394,788	5,876,819
Liabilities	(182,640)	(58,496)	(241,136)
	\$ 5,472,942	\$ 1,650,692	\$ 7,123,634
<i>Comprehensive loss:</i>			
For the nine months ended September 30, 2015	\$ 2,588,961	\$ 1,054,206	\$ 3,643,167
For the nine months ended September 30, 2014	\$ 4,657,194	\$ 958,871	\$ 5,616,065

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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 nine months ended September 30, 2015.

The Company manages the capital structure and makes adjustments to 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 is able to 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.

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.

	Loans and receivables and other liabilities	Assets at fair value through profit or loss	Total
Cash and cash equivalents	\$ 2,163,863	\$ 35,000	\$ 2,198,863
Amounts receivable	39,477	-	39,477
Accounts payable and accrued liabilities	266,060	-	266,060

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16. FINANCIAL INSTRUMENTS (continued)

a) Fair value (continued)

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 September 30, 2015 and December 31, 2014, the financial instruments recorded at fair value on the consolidated statement of financial position are cash equivalents which are measured using Level 2 of the fair value hierarchy and long term investments measured using Level 1 of the fair value hierarchy.

b) Financial risk management

Credit risk

The Company is exposed to credit risk with respect to its cash and cash equivalents. Cash and cash equivalents have been placed on deposit with major Canadian and Dominican financial institutions.

The risk arises from the non-performance of counterparties of contractual financial obligations. The Company's cash and cash equivalents are mainly held through large Canadian institutions and at September 30, 2015 are mainly held in savings accounts and accordingly credit risk is minimized.

The Company manages credit risk, in respect of cash and cash equivalents, by purchasing term deposits held at a major Canadian financial institution.

Concentration of credit risk exists with respect to the Company's cash and cash equivalents as the majority of the amounts are held at a single Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is as follows:

	September 30, 2015
Held at major Canadian financial institution:	
Cash	\$ 1,734,052
Short-term money market instruments	35,000
	<u>1,769,052</u>
Held at major Dominican Republic financial institution:	
Cash	\$ 429,811
Total cash and cash equivalents	<u>\$ 2,198,863</u>

The credit risk associated with cash and cash equivalents is minimized by ensuring the majority of these financial assets are held with major Canadian and Dominican financial institutions with strong investment-grade ratings by a primary rating agency.

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16. FINANCIAL INSTRUMENTS (continued)

b) Financial risk management (continued)

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 September 30, 2015 in the amount of \$2,198,863, in order to meet short-term business requirements. At September 30, 2015, the Company had accounts payable and accrued liabilities of \$266,059. 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 September 30, 2015.

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 September 30, 2015 would result in a \$21,989 change to the Company's net loss for the nine months ended September 30, 2015.

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 September 30, 2015:

	in CAD	in USD	in DOP
Cash and cash equivalents	385,597	1,321,774	1,391,118
Amounts receivable	25,717	-	468,021
Accounts payable and accrued liabilities	(185,283)	(8,426)	(2,363,207)
	226,031	1,313,348	(504,068)
Rate to convert to \$1.00 CAD	1.000	0.7458	34.0136
Equivalent to Canadian dollars	226,031	1,761,068	(14,820)

Based on the above net exposures as at September 30, 2015, 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 nine months ended September 30, 2015</i>			
If CAD appreciated by 10%	\$ 176,107	\$ (1,482)	\$ 174,625
If CAD depreciated by 10%	(176,107)	1,482	(174,625)

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 at September 30, 2015, the Company held 15,151,273 common shares of Portex which is publicly traded on the Canadian National Stock Exchange. During the nine months ended September 30, 2015, the Company further 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.

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

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.