

GOLDQUEST MINING CORP.
(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2008 and 2007

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 accompanying un-audited interim financial statements of the Company have been prepared by, and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of the financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

SEPTEMBER 30, 2008 AND DECEMBER 31, 2007

<i>(All amounts in US dollars unless otherwise stated)</i>	September 30, 2008 Un-audited	December 31, 2007 Audited
ASSETS		
Current Assets		
Cash and cash equivalents	2,945,791	3,507,302
Amounts receivable	9,710	3,851
Prepaid expenses and deposits	26,865	19,071
Total Current Assets	2,992,366	3,530,224
Equipment (Note 5)	204,998	182,208
Mineral properties and deferred exploration expenditures (Note 6)	6,123,333	4,572,245
TOTAL ASSETS	9,310,697	8,284,677
LIABILITIES		
Current		
Accounts payable and accrued liabilities	735,987	281,224
Future Income Tax Liability	1,060,453	735,600
Total Liabilities	1,796,440	1,016,824
SHAREHOLDERS' EQUITY		
Common shares (Note 7(a))	9,098,291	8,361,860
Warrants (Note 7(b))	232,001	374,041
Contributed surplus (Note 7(d))	4,481,767	4,303,545
Deficit	(6,297,813)	(5,771,593)
TOTAL EQUITY	7,514,246	7,267,853
TOTAL LIABILITIES AND EQUITY	9,310,697	8,284,677

(The accompanying notes are an integral part of these unaudited, consolidated financial statements)

Approved on behalf of the Board,
Signed "Alistair Waddell"

Director

Signed "Neil MacDonald"

Director

GOLDQUEST MINING CORP.
(A DEVELOPMENT STAGE COMPANY)

**CONSOLIDATED STATEMENTS
OF OPERATIONS AND DEFICIT**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, (unaudited)

<i>(All Amounts are in US \$'s unless otherwise stated)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
	US \$'s	US \$'s	US \$'s	US \$'s
Revenue				
Interest	6,636	6,681	50,741	6,797
Management Fees (Gold Fields Option)	–	–	–	24,101
	6,636	6,681	50,741	30,898
Expenses				
General and administrative	169,858	98,420	503,008	493,144
Stock based compensation	107,749	–	174,457	180,000
Foreign exchange (gain)/loss	(179,347)	(15,400)	(107,489)	(86,812)
Amortization	3,009	9,283	6,985	27,849
	101,269	92,303	576,961	619,181
Net loss for the period	94,633	85,622	526,220	588,283
Deficit, beginning of period	6,203,180	5,740,607	5,771,593	5,237,946
Deficit, end of period	6,297,813	5,826,229	6,297,813	5,826,229
Basic and diluted net loss per share	0.003	0.002	0.009	0.011
Weighted average number of shares outstanding	61,545,551	56,885,441	61,172,298	51,360,479

The accompanying notes are an integral part of these unaudited, consolidated financial statements.

GOLDQUEST MINING CORP.
(A DEVELOPMENT STAGE COMPANY)

**CONSOLIDATED STATEMENTS
OF CASH FLOWS**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, (unaudited)

<i>(All Amounts are in US \$'s unless otherwise stated)</i>	Three Months Ended		Year to Date	
	September 30		September 30	
	2008	2007	2008	2007
	US \$'s	US \$'s	US \$'s	US \$'s
Operating Activities				
Net loss for the period	(94,633)	(85,622)	(526,220)	(588,283)
Operating items not involving cash and cash equivalents				
Stock-based compensation	107,749	–	174,457	180,000
Stock-based compensation – Geological Consulting	4,516	–	4,516	–
Stock-based compensation – Investor Relations	22,580	–	22,580	–
Amortization	3,009	9,283	6,985	27,849
Unrealized foreign exchange gain/(loss)	(117,883)	–	(117,883)	–
Net changes in non-cash working capital balances	264,492	(160,683)	441,109	–
Cash used in operating activities	189,830	(237,022)	(5,544)	(594,212)
Investing Activities				
(Additions)/reductions to exploration properties,	(676,025)	(444,620)	(1,226,223)	(1,428,585)
(Additions)/reductions of equipment	9,246	–	(29,774)	–
Cash used in investing activities	(666,779)	(444,620)	(1,255,997)	(1,428,585)
Financing Activities				
Advances by Optionee	–	255,647	–	855,604
New issue of common stock	–	–	–	908,655
Exercise of Warrants	–	1,110,861	468,770	3,067,201
Exercise of Options	–	–	102,289	320,118
Cash provided by financing activities	–	1,420,019	571,059	5,151,578
Foreign exchange effect on cash	117,883	–	117,883	–
Net increase (decrease) in cash and cash equivalents	(359,066)	735,809	(561,511)	3,073,790
Cash and cash equivalents, beginning of period	3,304,857	3,122,554	3,507,302	784,573
Cash and cash equivalents, end of period	2,945,791	3,858,363	2,945,791	3,858,363
Cash and cash equivalents are composed of the following:			September	September
			30, 2008	30, 2007
Cash			2,571,327	601,191
Cash equivalents			374,464	3,257,172
			2,945,791	3,858,363

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS)

1. NATURE OF OPERATIONS AND GOING CONCERN

GoldQuest Mining Corp. (the "Company") is a development stage company as defined by the Canadian Institute of Chartered Accountants ("CICA") accounting guidelines and currently has interests in exploration and development properties in the Dominican Republic through its wholly owned subsidiary Exploration and Discovery Latin America (Panama) Inc. ("EDLA"). Substantially all of the Company's efforts are devoted to financing and developing these properties. There has been no determination whether the Company's interests in exploration properties contain mineral reserves, which are economically recoverable.

These interim financial statements are unaudited and have not been reviewed by the Company's auditors. The management of GoldQuest has prepared these financial statements in accordance with Canadian generally accepted accounting principles. These statements should be read in conjunction with the audited financial statements for the year ended December 31, 2007. The disclosure in these interim financial statements does not contain all the necessary disclosure in order to conform in all respects to Canadian generally accepted accounting principals for annual financial statements.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the nine months ended September 30, 2008 may not be indicative of the results that may be expected for the full year ending December 31, 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

Except as disclosed below, these unaudited consolidated financial statements are prepared using the same accounting policies and methods of application as those disclosed in Note 2 to the Company's annual audited consolidated financial statements for the year ended December 31, 2007.

NEW ACCOUNTING PRONOUNCEMENTS:

On December 1, 2006, the CICA issued three new accounting standards: Capital Disclosures (Handbook Section 1535), Financial Instruments – Disclosures (Handbook Section 3862), and Financial Instruments – Presentation (Handbook Section 3863). These new standards became effective for the Company on January 1, 2008.

(i) Capital Disclosures

Handbook Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such noncompliance. The Company has included disclosures recommended by the new Handbook section in note 3 to these interim unaudited consolidated financial statements.

(ii) Financial Instruments - Disclosures and Presentation

Handbook Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the

entity manages those risks. The Company has included disclosures recommended by the new Handbook section in note 4 to these interim unaudited consolidated financial statements.

3. CAPITAL MANAGEMENT

The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out planned exploration, and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the nine months ended September 30, 2008.

4. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

CREDIT RISK

The Company's credit risk is primarily attributable to cash equivalents and amounts receivable. The Company has no significant concentration of credit risk arising from operations. Cash equivalents consist of guaranteed investment certificates and bankers acceptances, which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist of goods and services tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to these financial instruments is remote.

LIQUIDITY RISK

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2008, the Company had a cash and cash equivalents balance of \$2,945,790 (December 31, 2007 - \$3,507,302) to settle current liabilities of \$735,987 (December 31, 2007 - \$281,224).

4. FINANCIAL RISK FACTORS (continued)

MARKET RISK

(a) Interest rate risk

The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company is primarily exposed to currency fluctuations relative to the US dollar on expenditures that are denominated in Canadian dollars (CAD) and Dominican Republic Pesos (RD \$). These potential currency fluctuations could have a significant impact on exploration and operating costs. The Company is also exposed to the impact of currency fluctuations on its monetary assets and liabilities.

The Company does not actively manage this exposure.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices, specifically precious and non-precious metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future mining operations will be significantly affected by changes in the market prices for metals, which fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for metals, the level of interest rates, the rate of inflation, investment decisions by large holders of metals including governmental reserves and stability of exchange rates can all cause significant fluctuations in metal's prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

SENSITIVITY ANALYSIS

The Company has designated its cash and cash equivalents as held-for-trading, measured at fair value. Amounts receivable included in other assets are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

As at September 30, 2008, the carrying and fair value amounts of the Company's financial instruments are the same.

The Company holds significant balances in Canadian currency. Management does not feel this practice gives rise to significant exposure to foreign exchange risk. The Company does not hold any significant balances in any other foreign currencies to give rise to exposure to foreign exchange risk.

5. EQUIPMENT

	September 30, 2008		
	Cost \$	Accumulated Amortization \$	Net \$
Vehicles	265,508	108,018	157,490
Office Furniture	10,663	3,972	6,690
Computer Equipment	67,182	37,242	29,940
Field Equipment	18,227	7,349	10,878
	361,580	156,582	204,998

6. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

	Balance December 31, 2007 \$	Additions \$	Optionee contributions \$	Write off \$	Balance September 30, 2008\$
Gold Fields	2,234,540	487,531	(526,596)	–	2,212,051
Other	1,602,105	1,265,288	–	–	2,568,446
Future Income Tax Effect	735,600	324,865	–	–	1,060,465
Total Exploration Properties and Deferred Exploration Expenditures	4,572,245	2,077,684	(526,596)	–	6,123,333

7. SHARE CAPITAL

a) Common Shares

Authorized: An unlimited number of common shares

Issued: **61,545,551** common shares

Transactions during the nine months ended September 30, 2008 are summarized as follows:

	Number of Shares	Amount \$
Balance, December 31, 2007	59,969,551	8,361,860
Options exercised – cash	406,000	102,290
Options exercised – valuation allocation	–	39,459
Warrants exercised – cash	1,170,000	468,771
Warrants exercised – valuation allocation	–	125,912
Balance, June 30, 2008	61,545,551	9,098,291

7. SHARE CAPITAL (CONTINUED)

b) Warrants

The following is a summary of warrant activity for the nine month period ended September 30, 2008 and comparative figures for the year ended December 31, 2007:

	September 30, 2008		December 31, 2007	
	Warrants	Weighted-average exercise price	Warrants	Weighted-average exercise price
	#	CAD\$	#	CAD\$
Balance, beginning of period	3,283,074	0.39	9,991,000	0.30
Options re-priced during period – old price	(1,965,551)	(0.40)	–	–
Options re-priced during period new price	1,965,554	0.50	–	–
Granted	–	–	4,171,285	0.40
Exercised	(1,170,000)	0.40	(1,087,921)	0.31
Expired / cancelled	(126,000)	0.40	–	–
Balance, end of period	1,987,074	0.50	3,283,074	0.39

As at September 30, 2008, the following share purchase warrants were outstanding:

Expiry Date	Exercise Price	Estimated Fair Value	No. of Warrants
	CAD\$	CAD\$	#
February 19, 2009 (i)	0.30	2,454	21,523
February 19, 2009	0.50	229,547	1,965,551
		232,001	1,987,074

- i) Warrants to purchase units of the Company. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company for a period of 2 years for CAD \$0.40 per share in the first year and CAD\$0.50 per share in the second year.

7. SHARE CAPITAL CONTINUED

c) Stock Options

During the nine months ended September 30, 2008, options totaling 2,120,000 exercisable at \$0.40 per share vesting over one to two years and expiring June 11, 2013 were granted to directors, officers, consultants and employees of the company.

The following is a summary of stock option activity for the nine months ended September 30, 2008:

	2008		2007	
	Options	Weighted- average exercise price	Options	Weighted- average exercise price
	#	CAD\$	#	CAD\$
Balance, beginning of year	2,681,000	0.32	2,325,000	0.32
Granted	2,120,000	0.40	1,325,000	0.40
Exercised	(406,000)	0.25	(969,000)	0.28
Cancelled/Expired	–	–	–	–
Balance, end of period	4,395,000	0.37	2,681,000	0.38

As at September 30, 2008, the following stock options were outstanding:

Expiry Date	Exercise Price	Options	Vested	Estimated Fair Value
	CAD\$			#
July 6, 2009	0.50	675,000	100%	252,742
April 28, 2010	0.25	400,000	100%	54,000
March 4, 2011	0.25	75,000	100%	13,026
May 8, 2012	0.40	1,125,000	100%	338,861
June 11, 2013	0.40	2,120,000	0.2%	644,480
TOTAL		4,395,000		1,303,109

7. SHARE CAPITAL CONTINUED

d) Contributed Surplus

The following is a summary of contributed surplus activity:

Balance, December 31, 2007	4,303,545
Options exercised – valuation allocation	(39,459)
Warrants expired – valuation allocation	16,128
Geological Consultant stock based compensation	4,516
Investor relations stock based compensation	22,580
Employee stock-based compensation	174,457
September 30, 2008	4,481,767

8. RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2008, legal fees in the amount of \$Nil (2007 – \$43,853) were paid or accrued to a law firm of which a former director was an associate.

The above transaction is in the normal course of operations and is measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

9. COMMITMENTS AND CONTINGENCIES

The Company has entered into a lease for its office premises in Vancouver. The lease is for a five year period ending May 31, 2013. The Company paid a deposit of nine months rent. The amounts due to the termination of the lease are as follows:

Year	Amount
2008	6,607
2009	26,689
2010	26,689
2011	26,689
2012	24,465
2013	Nil, paid with deposit

The Company is party to certain management contracts. These contracts require that additional payments of up to \$270,000 be made upon the occurrence of certain events such as a change of control. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these consolidated financial statements. Minimum management contract commitments remaining under the agreements are approximately \$90,000, all due within one year.

10. SEGMENTED INFORMATION

The Company operates in the mining industry.

All of the Company's operating and exploration activities relate to the Dominican Republic exploration properties referred to in Note 6.

Geographic breakdown of total assets as at September 30, 2008 is as follows:

- Canada - \$2,294,559,
- Dominican Republic - \$6,649,998.

GOLDQUEST MINING CORP.

(A Development Stage Company)

Management Discussion and Analysis For the Quarter Ended September 30, 2008

Date Submitted: November 14, 2008

INTRODUCTION

The following discussion and analysis of the operating results and financial position of GoldQuest Mining Corp (the "Company or GoldQuest"), dated for reference November 14, 2008, constitutes management's view of the factors that affected the Company's financial and operating performance for the quarter ended September 30, 2008. This discussion should be read in conjunction with the audited financial statements and related notes of the Company for the year ended December 31, 2007.

All dollar amounts are in US currency unless otherwise specified.

The Company's website can be found at www.goldquestcorp.com. Additional regulatory filings for the Company can be found on the Sedar website at www.sedar.com.

This MD&A is prepared in conformity with National Instrument 51-102 F1 and has been approved by the Board of Directors.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments except as required by applicable Canadian Securities law.

STRUCTURE AND BUSINESS DESCRIPTION

GoldQuest Mining Corp. is a development stage company as defined in the Canadian Institute of Chartered Accountants ("CICA") Guideline II, with interests in exploration and development properties in the Dominican Republic through its wholly-owned subsidiary GoldQuest Panama Inc., which in turn owns Exploration and Discovery Latin America (Panama) Inc. ("EDLA") and the wholly owned subsidiary of EDLA, INEX, Ingenieria y Exploración S.A. ("INEX"). EDLA has a second subsidiary, Exploraciones de Latinoamerica S.A., an empty shell corporation registered in the Dominican Republic with zero assets and zero liabilities. EDLA's sole asset is its investment in INEX. The four companies are collectively referred to as the "Company".

Substantially all of the Company's efforts are devoted to developing these properties. There has been no determination whether the Company's interests in exploration properties contain mineral reserves which are economically recoverable.

GoldQuest, through its wholly-owned subsidiaries, and in conjunction with Gold Fields ("GF"), which is currently managing regional exploration in the Dominican Republic under its option earn in agreement (the "GF Option"), explores for gold and other metals in the Dominican Republic (DR). The principal focus of activities during the year has been on the Las Animas, Piedra Imán and the San Juan group of projects as well as following up a pipeline of targets generated by the GF funded exploration programme.

The Company's head office is located at Suite 720, 700 West Pender Street, Vancouver, BC, Canada, V6C 168. The company's registered and records office is located at Getz Price Wells LLP, Suite 1810 – 1111 West Georgia Street, Vancouver, BC, Canada V6E 4M3.

The Company is a junior mining exploration company engaged in the exploration and development of mineral concessions in the Dominican Republic. The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades on the TSX Venture Exchange under the symbol "GQC".

The Company is also listed on the Berlin and Frankfurt stock Exchanges under the symbol "M1W".

OPERATING ACTIVITIES

The net loss for the quarter ended September 30, 2008 was \$94,633 compared to a net loss of \$85,262 for the quarter ended September 30, 2007.

GoldQuest continued actively to explore its properties in the Dominican Republic during the quarter. The principal focus of activities continued to be drilling on the Las Animas, Piedra Imán and the San Juan group of projects as well as following up a pipeline of targets generated by the Gold Fields funded exploration programme.

FINANCINGS

The company did not engage in any financings during the quarter.

CORPORATE DEVELOPMENTS

For the quarter ended September 30, 2008, there were no significant corporate developments.

INVESTOR RELATIONS

In July, 2008, the Company launched an improved website intended to provide a better information flow to the public.

The Company decided not to retain the services of the Investor Relations professional in Europe as previously advised and the appropriate notifications to the TSX were made in August, 2008..

PROJECT UPDATE AND FUTURE PLANS

GENERAL

The Company is now operating primarily under the GF Option which will continue until January 31, 2009 by which time GF is to have funded a total of \$5 million on the projects selected for the Option Earn In.

The Company also works on the Las Animas, El Toro, Santa Ana and El Tuerto concessions which are excluded from the GF option.

GF is now the operator under the GF Option and operations. All locally contracted work in the Dominican Republic, both Gold Fields and GoldQuest, is managed by the Company's subsidiary, INEX.

Projects under the GF Option to date have fallen under the following specific projects:

- Cerro Dorado
- San Juan (Las Tres Palmas, Loma Viejo Pedro and Jengibre), and
- Piedra Imán; and

- Regional Exploration Projects, which include all remaining concessions held by the Company and which are all included in the GF Option as well as any additional concessions that may be acquired during the tenure of the GF Option.

PROJECTS INCLUDED IN GOLD FIELDS OPTION

On September 16, 2008, a news release was issued which provided a detailed update on Gold Fields' work pursuant to its earning an interest in the option. Gold Fields provided the company with an update on the Jengibre, Loma Viejo Pedro and Piedra Imán projects.

Highlights of the update included

- The commencement of drilling on GoldQuest's 100% owned Jengibre Au-Ag-Cu-Zn project;
- Gold Fields also announced drilling was to commence on GoldQuest's 100% owned Loma Viejo Pedro Au Project testing newly-defined targets.

JENGIBRE PROJECT

The Jengibre discovery is the third significant zone of mineralization defined by GoldQuest and Gold Fields in a new 35 km NNW-trending gold district extending from the Las Tres Palmas and Loma Viejo Pedro properties in the northwest, to Jengibre in the southeast.

LOMA VIEJO PEDRO PROJECT

Gold Fields is completing a series of exploration drill holes on the Loma Viejo Pedro project to target a 1.2 km mineralized trend which was returned gold in rock chip samples with values up to 15.3 g/t Au.

PIEDRA IMAN PROJECT

Gold Fields reports that no significant gold values were intercepted from the campaign of drilling completed earlier in the year with the best being from hole PI-19 which returned 4 meters grading 0.87 ppm gold from a zone of strong silicification, pyrite and pyrophyllite veinlets. Gold Fields has no plans for further drilling on the Piedra Imán project at this time.

OTHER PROJECTS

Gold Fields are still completing systematic follow-up exploration on numerous other targets identified by the regional exploration programme. Sample results from the different projects will be released as soon as they become available.

PROJECTS EXCLUDED FROM THE GF OPTION.

On July 22, 2008, the Company issued a news release detailing results on its Las Animas and Las Guazumitas projects. Highlights of the release included

- Drill hole LA-35 returned 10.08 meters grading 2.29 g/t Au, 3.76 % Cu, 3.62 % Zn and 51.84 g/t Ag extending the massive sulphide mineralization at depth and to the east;
- Drill hole LA-36 returned 4.79 meters grading 2.50 g/t Au, 2.77 % Cu, 5.45 % Zn, and 49.63 g/t Ag extending the massive sulphide mineralization at depth and to the west;
- Trench sampling from the newly defined Las Guazumitas target returned 9.10 metres grading 4.33 g/t Au from a zone of gossanous schists;
- Boulder float samples of baritic gossan from the Las Guazumitas zone returned values up to 21.40 g/t Au;

On September 25, 2008, the Company issued a news release detailing results on its El Toro project. Highlights included:

- New rock samples of mesothermal quartz vein returned values up to 35.19 g/t gold;
- 14 samples returned values greater than 10 g/t gold;
- 40% of all rock samples greater than 1 g/t gold;
- Mineralised quartz veins have now been defined over approximately 2.6 kilometres.

GEOLOGICAL EXPLORATION EXPENDITURES

During the quarter, GoldQuest incurred \$450,724 in exploration on its Las Animas Project.

Expenditures are summarized as follows:

Geology, Geophysics, Consultants	31,956
Assay	31,409
Drilling including field costs associated with drilling	316,501
General and Administrative	70,857
Totals	450,724

Gold Fields incurred and funded an additional \$240,828 in exploration (through INEX).

Expenditures through INEX are summarized as follows:

Geology, Geophysics, Consultants	\$ 32,947
Drilling including field costs associated with drilling	123,601
General and Administrative	84,280
Total	\$ 240,828

In addition to the above expenditures by Gold Fields, all drilling, assaying, consulting costs, etc. are funded directly by Gold Fields.

All scientific and technical information or other technical information was prepared by or under the supervision of either Dr. Stewart Redwood, FIMMM Consulting Geologist to the company or David J. Hall, the Company's Vice-Chairman. Dr. Redwood and Mr. Hall are both Qualified Persons under National Instrument 43-101.

Work by Gold Fields is completed under the supervision of Nathan Brewer. Mr. Brewer is a Qualified Person for the purposes of National Instrument 43-101.

RESULTS OF OPERATIONS

Operational results reflect overhead costs incurred for mineral property acquisitions and associated exploration expenses as well as other regulatory expenses incurred by the Company in the Dominican

Republic, and to maintain the administrative infrastructure required to operate locally and report to Vancouver Head Office.

General and administrative costs can be expected to fluctuate relationally with acquisitions, exploration and operations.

REVENUES

The Company is currently engaged in mineral property acquisition and exploration and does not have revenues from its operations other than interest on deposits.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected consolidated current quarterly information and historically for the preceding eight quarters ending September 30, 2008.

	30-Sept-08	30-Jun-08	31-Mar-08	31-Dec-07
Revenue	6,636	26,597	17,508	73,697
Net (Gain)/loss for the period	94,633	195,340	236,247	(54,636)
Net (Gain)/loss per share	0.003	0.003	0.005	(0.01)

	30-Sept-07	30-Jun-07	31-Mar-07	31-Dec-06
Revenue	6,681	24,101	116	5,124
Net loss for the period	92,203	180,063	225,958	337,895
Net loss per share	0.002	0.003	0.008	0.008

This financial data has been prepared in accordance with Canadian generally accepted accounting principles.

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2008

Expenses for the three months ended September 30, 2008 include General and Administrative of \$169,858 (2007 - \$98,420), Stock Based Compensation of \$134,845 (including \$4,516 in geological consulting and \$22,580 in Investor Relations) (2007 - \$Nil), and Unrealized Foreign Exchange Loss/(Recovery) \$(179,347) (2007 - (\$15,400)).

OTHER DISCLOSURE

CAPITAL RESOURCES

The Company plans to focus its exploration activities on Las Animas, El Toro, El Tuerto and the other projects currently excluded from the GF Option. This work will be funded from the working capital of the Company.

LIQUIDITY

As at September 30, 2008 the working capital position of GoldQuest was approximately \$2,246,379 (2007 - \$3,667,813).

In addition, at the end of the quarter, the Company had 1,987,074 in warrants outstanding with a potentially realizable value of approximately \$989,231 CAD. Also at September 30, 2008, 4,395,000 in unexercised stock options with a total exercise value of \$1,754,250 CAD were also outstanding.

The Company has made a practice of investing its cash in fixed deposits and GICs at a term of no longer than 90 days. The investments are cashable in full or in part prior to maturity without interest penalty.

TREASURY

As at November 14, 2008, the company had **61,545,551** shares outstanding:

OPTIONS OUTSTANDING AS AT NOVEMBER 14, 2008, 2008

As at November 14, 2008, the following stock options were outstanding:

Expiry Date	Exercise Price	Options	Vested	Estimated Fair Value
	CAD\$	#	%	\$
July 6, 2009	0.50	675,000	100%	252,742
April 28, 2010	0.25	400,000	100%	54,000
March 4, 2011	0.25	75,000	100%	13,026
May 8, 2012	0.40	1,125,000	100%	338,861
June 11, 2013	0.40	2,120,000	0.2%	644,480
Total		4,395,000		1,303,109

WARRANTS OUTSTANDING AS AT NOVEMBER 14, 2008

Expiry Date	Exercise Price	Warrants	Estimated Fair Value
	CAD\$	#	CAD\$
February 19, 2009	0.30	21,523	2,454
February 19, 2009	0.50	1,960,551	229,547
	0.50	1,987,074	232,001

OFF-BALANCE SHEET ARRANGEMENTS

As at November 14, 2008, the Company had no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

GoldQuest does not make any critical accounting estimates other than the carrying value of deferred exploration expenditures, the value of future tax assets, the value of warrants and the estimated value of stock-based compensation.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

There were no changes in internal controls over financial reporting during the period.

FINANCIAL INSTRUMENTS

FAIR VALUE

Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet dates, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for amounts receivable and accounts payable and accrued liabilities on the consolidated balance sheets approximate fair value because of the limited term of these instruments.

FOREIGN EXCHANGE RISK

The Company is subject to foreign exchange risk as some of its operating, investing and financing activities are transacted in currencies other than the United States dollar. The Company is therefore subject to gains and losses due to fluctuations in these currencies relative to the United States dollar.

The Company has maintained the majority of its cash in Canadian dollars, converting only as funds are required for exploration, etc.

COMMODITY PRICE RISK

The ability of the Company to develop its properties and the future profitability of the Company are directly related to the market price of certain minerals.

RISK FACTORS

GoldQuest Mining Corp. (the "Company") is a development stage company and currently has interests in exploration and development properties in the Dominican Republic through its wholly-owned subsidiary Exploration and Discovery Latin America (Panama) Inc. ("EDLA"). Substantially all of the Company's efforts are devoted to financing and developing these properties. There has been no determination whether the Company's interests in exploration properties contain mineral reserves which are economically recoverable.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programme will result in profitable mining operations. The recoverability of the carrying value of 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 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 and non-compliance with regulatory requirements.