

GOLDQUEST MINING CORP.

Condensed Consolidated Interim Financial Statements

FOR THE THREE MONTHS ENDED MARCH 31, 2019

(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, 2019 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, 2019	December 31, 2018
ASSETS			
Current assets			
Cash and cash equivalents (note 4)	\$	17,841,000	\$ 18,495,590
Amounts receivable (note 5)		25,947	20,422
Prepaid expenses		153,949	157,132
Deposits		12,100	11,996
Total current assets		18,032,996	18,685,140
Non-current assets			
Long-term investment (note 6)		36,000	33,000
Equipment (note 7)		67,096	74,393
Evaluation and exploration assets (note 8)		1	1
Total non-current assets		103,097	107,394
TOTAL ASSETS	\$	18,136,093	\$ 18,792,534
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities (notes 10 and 12(b))	\$	321,629	\$ 557,147
TOTAL LIABILITIES		321,629	557,147
EQUITY			
Share capital (note 11)	\$	72,887,913	\$ 72,887,913
Other reserve		13,331,132	13,331,132
Stock options reserve		5,787,694	5,609,904
Accumulated other comprehensive income		12,000	9,000
Deficit		(74,204,275)	(73,602,562)
TOTAL EQUITY		17,814,464	18,235,387
TOTAL EQUITY AND LIABILITIES	\$	18,136,093	\$ 18,792,534

Corporate information and continuance of operations (note 1)

Commitment (note 13)

Segmented information (note 14)

Subsequent event (note 17)

See accompanying notes to these unaudited interim consolidated financial statements.

APPROVED BY THE BOARD:

/s/ William Fisher 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, 2019	March 31, 2018
EXPENSES		
Consulting fees	\$ -	\$ 8,750
Depreciation (note 7)	10,731	10,708
Directors' fees and management remuneration (note 12(a))	93,616	199,200
Evaluation and exploration costs (notes 9 and 12(a))	32,186	845,031
Foreign exchange loss (gain)	30,722	(73,772)
General and administrative	43,295	61,360
Investor relations and promotion	20,273	50,146
Professional fees	147,612	74,325
Project evaluation costs	62,506	-
Regulatory and transfer agents	9,705	16,751
Rent	10,911	13,115
Salaries and wages (note 12(a))	48,004	133,226
Share-based payments (note 11(d) and 12(a))	177,790	399,686
Travel	2,174	32,467
TOTAL EXPENSES	689,525	1,770,993
OTHER ITEMS		
Interest income	(68,468)	(63,919)
Gain on disposal of equipment (note 7)	(19,344)	-
LOSS FOR THE PERIOD	\$ 601,713	\$ 1,707,074
OTHER COMPREHENSIVE LOSS		
Unrealized loss (gain) on long-term investment (note 6)	(3,000)	7,500
TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ 598,713	\$ 1,714,574
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
Weighted average number of common shares outstanding - basic and diluted	257,067,384	254,498,495

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)

	Number of shares	Amount	Other reserve	Stock options reserve	Warrants reserve	Accumulated other comprehensive income	Deficit	Total
Balance at December 31, 2018	257,067,384	\$ 72,887,913	\$ 13,331,132	\$ 5,609,904	\$ -	\$ 9,000	\$ (73,602,562)	\$ 18,235,387
Share-based payments	-	-	-	177,790	-	-	-	177,790
Other comprehensive loss	-	-	-	-	-	3,000	-	3,000
Loss for the year	-	-	-	-	-	-	(601,713)	(601,713)
Balance at March 31, 2019	257,067,384	\$ 72,887,913	\$ 13,331,132	\$ 5,787,694	\$ -	\$ 12,000	\$ (74,204,275)	\$ 17,814,464

Balance at December 31, 2017	254,367,384	\$ 72,200,197	\$ 11,384,121	\$ 6,303,919	\$ 618,176	\$ 4,500	\$ (67,450,910)	\$ 23,060,003
Shares issued for cash - exercise of stock options	200,000	65,000	-	-	-	-	-	65,000
Reclassification of grant-date fair value on exercise of stock options	-	58,712	-	(58,712)	-	-	-	-
Reclassification of grant-date fair value on expired stock options	-	-	858,410	(858,410)	-	-	-	-
Share-based payments	-	-	-	399,686	-	-	-	399,686
Other comprehensive loss	-	-	-	-	-	(7,500)	-	(7,500)
Loss for the period	-	-	-	-	-	-	(1,707,074)	(1,707,074)
Balance at March 31, 2018	254,567,384	\$ 72,323,909	\$ 12,242,531	\$ 5,786,483	\$ 618,176	\$ (3,000)	\$ (69,157,984)	\$ 21,810,115

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, 2019	March 31, 2018
Cash flows provided from (used by):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (601,713)	\$ (1,707,074)
Adjustments for items not affecting cash:		
Depreciation	10,731	10,708
Share-based payments	177,790	399,686
Gain on disposal of equipment	(19,334)	-
Net changes in non-cash working capital items:		
Amounts receivable	(5,525)	24,874
Prepaid expenses	3,183	16,635
Deposits	(104)	13
Accounts payable and accrued liabilities	(235,518)	(213,401)
Net cash flows used in operating activities	(670,490)	(1,468,559)
FINANCING ACTIVITIES		
Proceeds from share issuance, net of share issue costs	-	65,000
Net cash flows from financing activities	-	65,000
INVESTING ACTIVITIES		
Purchase of equipment	(3,434)	(3,222)
Proceeds from disposal of equipment	19,334	-
Net cash flows used in investing activities	15,900	(3,222)
Net decrease in cash and cash equivalents	(654,590)	(1,406,781)
Cash and cash equivalents, beginning of period	18,495,590	21,986,039
Cash and cash equivalents, end of period	\$ 17,841,000	\$ 20,579,258
Cash received during the year from interest	\$ 68,468	\$ 63,919
Supplementary cash flow information		
Reclassification of the fair value of options exercised	\$ -	\$ 58,712
Reclassification of the fair value of options expired	-	858,410

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, 2019
(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. 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, 2019, 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, 2019 were approved by the Board of Directors on May 27, 2018.

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Three Months Ended March 31, 2019
(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, 2018. Certain amounts in prior periods have been reclassified to conform to the current period presentation.

3) SIGNIFICANT ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

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:

- 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. The Company completed an assessment and concluded that no significant change to its financial statements from adopting this new standard.
- IFRIC 23 – Uncertainty over Income Tax Treatments: This standard was issued by the IASB in June 2017 and specifies the interpretation to be applied to the determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company completed an assessment and concluded that there will be no significant change to its financial statements from adopting this new standard.

4) CASH AND CASH EQUIVALENTS

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

	March 31, 2019		December 31, 2018	
Cash	\$	17,806,000	\$	18,460,590
Term deposits		35,000		35,000
	\$	17,841,000	\$	18,495,590

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)

5) AMOUNTS RECEIVABLE

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

	March 31, 2019		December 31, 2018	
Harmonized sales tax receivable and value-added tax receivable	\$	13,267	\$	8,058
Other receivables		12,680		12,364
	\$	25,947	\$	20,422

6) LONG-TERM INVESTMENT

As at March 31, 2019

	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, 2018

	Number of shares	Carrying value	Closing market price	Fair value
Portex Minerals Inc.	15,151,273	\$ -	\$ -	-
Precipitate Gold Corporation	300,000	64,500	0.110	33,000

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, 2019, the Company recognized \$36,000 as the fair value of the 300,000 common shares received from Precipitate (December 31, 2018 – \$33,000). The change in fair value of \$3,000 for the three months ended March 31, 2019 is recognized as other comprehensive income (March 31, 2018 – comprehensive loss of \$7,500).

GoldQuest Mining Corp.
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7) EQUIPMENT

The Company's equipment is broken down as follows:

	Computer equipment	Office equipment	Software	Vehicles	Total
Cost					
As at December 31, 2018	\$ 140,642	\$ 16,544	\$ 127,565	\$ 358,354	\$ 643,105
Additions for the period	-	-	3,434	-	3,434
Balance as at March 31, 2019	\$ 140,642	\$ 16,544	\$ 130,999	\$ 358,354	\$ 646,539
Depreciation					
As at December 31, 2018	\$ (109,754)	\$ (13,734)	\$ (126,759)	\$ (318,465)	\$ (568,712)
Charged for the period	(4,773)	(112)	(806)	(5,040)	(10,731)
Balance as at March 31, 2019	\$ (114,527)	\$ (13,846)	\$ (127,565)	\$ (323,505)	\$ (579,443)
Net book value					
As at December 31, 2018	\$ 30,888	\$ 2,810	\$ 806	\$ 39,889	\$ 74,393
As at March 31, 2019	\$ 26,115	\$ 2,698	\$ 3,434	\$ 34,849	\$ 67,096

During the three months ended March 31, 2019, the Company disposed the fully amortized vehicles for cash proceeds of \$19,334; as a result, the Company recognized a gain on disposal of \$19,334 in the statements of loss and comprehensive loss.

8) EVALUATION AND EXPLORATION ASSETS

Dominican Republic – 100% owned

On August 5, 2009, the Company entered into a purchase agreement with Gold Fields Dominican Republic BVI Limited ("GFL") to acquire 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.

On October 2015 GoldQuest submitted an Exploitation Application to advance the 100% owned Romero Project in the Dominican Republic. The Company received notification in January 2018 that the Minister of Energy and Mines ("MEM") of the Dominican Republic has approved GoldQuest's Exploitation Permit Application. The Application has been sent to the President for ratification, which is required prior to receiving the final Exploitation Permit. The Exploitation Permit would give the Company the rights to the property for 75 years, with a Tax Stability Agreement that freezes the tax treatment for the project for a minimum of 25 years which is protected under the current Mining Law. After receipt of the Exploitation Permit the Company will be required to complete an Environment Assessment and receive an Environmental License from the Ministry of Environment prior to the start of construction activities.

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)

9) EVALUATION AND EXPLORATION COSTS (CONTINUED)

	For the three months ended March 31, 2018		
	Tireo	General	Total
Access fees	\$ 1,298	\$ -	\$ 1,298
Drilling	203,639	-	203,639
Field	167,015	4,584	171,599
Field technicians	109,019	-	109,019
Geological	116,551	4,044	120,595
Lodging and food	38,528	-	38,528
Sample analysis	7,536	-	7,536
Social responsibility	109,118	-	109,118
Technical studies	81,112	-	81,112
Transportation	2,587	-	2,587
	\$ 836,403	\$ 8,628	\$ 845,031
		Cumulative costs, beginning of period	34,893,486
		Cumulative costs, end of period	\$ 35,738,517

10) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	March 31, 2019	December 31, 2018
Trade payables	\$ 263,179	\$ 210,845
Accrued liabilities	58,450	346,302
	\$ 321,629	\$ 557,147

11) SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

At March 31, 2019 and December 31, 2018, the Company had 257,067,384 common shares issued and outstanding with a value of \$72,887,913.

During the three months ended March 31, 2019, no share capital transactions occurred.

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
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11) SHARE CAPITAL (CONTINUED)

c) 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, 2019 and 2018 are as follows:

	<u>March 31, 2019</u>		<u>March 31, 2018</u>	
	<u>Number outstanding</u>	<u>Weighted average exercise price</u>	<u>Number outstanding</u>	<u>Weighted average exercise price</u>
Balance, beginning of period	16,051,837	\$ 0.42	20,652,167	\$ 0.42
Granted	5,250,000	0.15	-	-
Expired	(944,171)	0.44	(2,385,001)	0.50
Forfeited	(6,666)	0.25	-	-
Exercised	-	-	(200,000)	0.33
Balance, end of period	<u>20,351,000</u>	\$ 0.35	<u>18,067,166</u>	\$ 0.40

During the three months ended March 31, 2019:

- On January 21, 2019, the Company granted 4,750,000 options with an exercise price of \$0.15 to the directors and officers of the Company. The options are exercisable for a period of five years. One-third vest on date of grant and one-third will vest every six months thereafter.
- On March 11, 2019, the Company granted 500,000 options with an exercise price of \$0.15 to an officer of the Company. The options are exercisable for a period of five years. One-third vest on date of grant and one-third will vest every six months thereafter.
- 944,171 options expired unexercised.

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)

11) SHARE CAPITAL (CONTINUED)

c) Stock options

The estimated grant date fair value of the options granted during the three months ended March 31, 2019 and 2018 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	For the three months ended	
	March 31, 2019	March 31, 2018
Number of options granted	5,250,000	N/A
Risk-free interest rate	1.92%	N/A
Expected annual volatility	80%	N/A
Expected life	5.00	N/A
Expected dividend yield	0.00%	N/A
Grant date fair value per option	\$ 0.07	N/A
Share price at grant date	\$ 0.11	N/A

During the three months ended March 31, 2019 and 2018, the Company recognized share-based payments expense of \$177,790 and \$399,686, respectively.

The following summarizes information about stock options outstanding and exercisable at March 31, 2019:

Grant date	Expiry date	Options outstanding	Options exercisable	Exercise price	Estimated grant date fair value	Weighted average remaining contractual life (in years)
May 14, 2014	May 14, 2019	25,000	25,000	\$ 0.310	\$ 6,655	0.12
January 20, 2015	January 20, 2020	1,364,000	1,364,000	\$ 0.150	\$ 150,623	0.81
December 14, 2015	December 14, 2020	2,460,000	2,460,000	\$ 0.130	\$ 273,881	1.71
August 12, 2016	August 12, 2021	4,852,500	4,852,500	\$ 0.600	\$ 2,504,540	2.37
October 13, 2016	October 13, 2021	600,000	600,000	\$ 0.360	\$ 218,833	2.54
April 10, 2017	April 10, 2022	5,067,000	5,067,000	\$ 0.500	\$ 2,029,472	3.03
April 18, 2017	April 18, 2022	100,000	100,000	\$ 0.500	\$ 39,110	3.05
July 19, 2018	July 19, 2023	632,500	421,669	\$ 0.250	\$ 70,334	4.30
January 21, 2019	January 21, 2024	4,750,000	1,583,333	\$ 0.150	\$ 308,275	4.81
March 6, 2019	March 6, 2024	500,000	166,667	\$ 0.150	\$ 35,947	4.94
		20,351,000	16,640,169		\$ 5,637,669	3.05

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)

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, 2019	December 31, 2018
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.

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
David Massola	CEO
William Fisher	Non-Executive Chairman
Frank Balint	Director
Patrick Michaels	Director
Florian Siegfried	Director
Julio Espailat	Director
Paul Robertson	CFO
Quantum Advisory Partners LLP	A partnership in which the CFO is a partner
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, 2019 and 2018 is as follows:

	For the three months ended	
	March 31, 2019	March 31, 2018
Directors' fees	\$ 24,000	\$ 46,000
Management remuneration	69,616	153,200
Salaries and wages	9,214	28,668
Share-based compensation	176,290	337,118
	\$ 279,120	\$ 564,986

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
For the Three Months Ended March 31, 2019
(Expressed in Canadian Dollars)

12) RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

a) Related party transactions (continued)

During the three months ended March 31, 2019, the Company paid professional fees of \$32,250 (March 31, 2018 – \$33,750) 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 \$29,086 as at March 31, 2019 (December 31, 2018 – \$340,783), which were paid subsequent to March 31, 2019. These amounts are unsecured, non-interest bearing and payable on demand.

13) COMMITMENT

The Company is a party to certain management contracts. These contracts contain clauses requiring that approximately \$576,000 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, 2019</i>			
Evaluation and exploration assets	\$ -	\$ 1	\$ 1
Long-term investment	36,000	-	36,000
Equipment	26,670	40,426	67,096
	\$ 62,670	\$ 40,427	\$ 103,097
<i>As at December 31, 2018</i>			
Evaluation and exploration assets	\$ -	\$ 1	\$ 1
Long-term investment	33,000	-	33,000
Equipment	28,507	45,886	74,393
	\$ 61,507	\$ 45,887	\$ 107,394

GoldQuest Mining Corp.
Notes to the Interim Condensed Consolidated Financial Statements (unaudited)
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(Expressed in Canadian Dollars)

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, 2019.

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.

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.

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, 2019 and December 31, 2018, the financial instrument recorded at fair value on the consolidated statement of financial position are cash and cash equivalents and long-term investment which are measured using Level 1 of the fair value hierarchy.

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16) FINANCIAL INSTRUMENTS (CONTINUED)

a) Fair value (continued)

Set out below are the Company's financial assets and financial liabilities by category:

<i>As at March 31, 2019</i>				
	FVTPL	Amortized cost	FVTOCI	
Financial assets:				
Cash and cash equivalents	\$ 17,841,000	\$ -	\$ -	
Amounts receivable	-	25,947		
Long-term investment	-	-	36,000	
Financial liabilities:				
Accounts payable and accrued liabilities	-	321,629		
<hr/>				
<i>As at December 31, 2018</i>				
	FVTPL	Amortized cost	FVTOCI	
Financial assets:				
Cash and cash equivalents	\$ 18,495,590	\$ -	\$ -	
Amounts receivable	-	20,422		
Long-term investment	-	-	33,000	
Financial liabilities:				
Accounts payable and accrued liabilities	-	557,147		

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.

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16) FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management (continued)

Liquidity risk (continued)

The Company maintained sufficient cash and cash equivalents at March 31, 2019 in the amount of \$17,841,000, in order to meet short-term business requirements. At March 31, 2019, the Company had accounts payable and accrued liabilities of \$321,629. 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, 2019.

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 March 31, 2019 would result in an approximately \$178,000 change to the Company's loss for the three months ended March 31, 2019.

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.

The Company had the following balances in foreign currency as at March 31, 2019:

	in CAD	in USD	in DOP
Cash and cash equivalents	16,590,907	883,142	2,724,015
Amounts receivable	13,365	-	480,216
Long-term investment	36,000	-	-
Accounts payable and accrued liabilities	(143,850)	(51,822)	(4,145,439)
	16,496,422	831,320	(941,208)
Rate to convert to \$1.00 CAD	1.000	0.7492	38.1679
Equivalent to Canadian dollars	16,496,422	1,109,558	(24,661)

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16) FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management (continued)

Currency risk (continued)

Based on the above net exposures as at March 31, 2019, 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, 2019</i>			
If CAD appreciated by 10%	\$ 110,956	\$ (2,466)	\$ 108,490
If CAD depreciated by 10%	(110,956)	2,466	(108,490)

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, 2019, 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 reduced the fair value of the 15,151,273 shares of Portex to \$nil; as a result of the fair value adjustment, 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, 2019 would result in a \$3,600 change to the Company's comprehensive loss for the three months ended March 31, 2019

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.

17) SUBSEQUENT EVENT

Subsequent to March 31, 2019, 25,000 option with an exercise price of \$0.31 expired, unexercised.