

GOLDQUEST MINING CORP.

Management's Discussion and Analysis

For the Years Ended December 31, 2013 and 2012

This Management's Discussion and Analysis ("MD&A") of GoldQuest Mining Corp. and its subsidiaries (the "Company" or "GoldQuest") provides an analysis of GoldQuest's results of operations and financial condition for the year ended December 31, 2013. This MD&A supplements, but does not form part of, the audited consolidated financial statements of the Company and the notes thereto for the years ended December 31, 2013 and 2012, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Consequently, the following discussion of performance and financial condition should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2013 and 2012 and the notes thereto.

All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated. Additional information related to GoldQuest is available on SEDAR at www.sedar.com and on the Company's website at www.goldquestcorp.com.

This MD&A contains information up to and including April 22, 2014.

FORWARD-LOOKING INFORMATION

Statements in this MD&A that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. For more information on forward-looking information, please refer to page 23 of this MD&A.

NOTE TO U.S. INVESTORS CONCERNING ESTIMATES OF INDICATED AND INFERRED RESOURCES

The terms "Indicated" and "Inferred" Resources are used herein. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of a Mineral Resource is economically or legally mineable.

OVERVIEW

GoldQuest is a Canadian-based, mineral exploration company focused on exploring its portfolio of gold-copper assets 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" and on the Berlin and Frankfurt stock exchanges under the symbol "M1W". The Company's registered office is located at Suite 2600, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3.

GoldQuest commenced exploration activities in the Dominican Republic in 2001 and is currently focused on its portfolio of gold-copper projects located within the Tireo Formation in the western portion of the Dominican Republic. The Company recently published a NI 43-101 mineral resource estimate at the Romero Project which included 2.4 million ounces of gold equivalent Indicated mineral resources and 0.8 million ounces of gold equivalent Inferred mineral resources. There has been no determination whether the Company's interests in exploration properties contain mineral reserves which are economically recoverable.

The Company operates through its wholly-owned British Virgin Island subsidiary, GoldQuest Mining (BVI) Corp. and its wholly owned subsidiary, Goldquest Dominicana SRL (formerly known as INEX Ingeniería y Exploración S.A.), which is

domiciled in the Dominican Republic. The Company also holds an interest in Portex Minerals Inc. (CNSX: PAX), a mineral exploration company, focused on acquisition, exploration and development of base and precious metal properties in the Iberian Peninsula (Portugal and Spain).

2013 HIGHLIGHTS

Exploration

- \$5.2M spent on exploration during 2013 versus \$3.4M in 2012
- Reported Maiden NI 43-101 Resource Estimate from Romero and updated resource at Romero South¹
 - Indicated Resource of 2.4 Million oz. Gold Equivalent; Inferred Resource of 0.8 Million oz. Gold Equivalent
 - Fast track maiden indicated resource estimation achieved for Romero
 - 75% of the contained metal occurs within the higher confidence indicated category due to the low variability of the gold grade of the deposit and concentrated drilling density near the core of the deposit
 - The Company believes there is good potential for underground bulk mining at Romero
- Drilled 44 holes for a total of 18,291 metres during 2013 and announced results from 53 drill holes covering 22,625 metres during the year
- Granted Loma Los Comios concession that increased our land holding by 50%
- Initiated Preliminary Economic Assessment on Romero Project, engaged Micon International to complete the work with results expected in second quarter of 2014

Corporate Developments

- Bill Fisher to act as Executive Chairman for a further period of three years
- Frank Balint, former Inmet executive, appointed as a director bringing the total number of directors to five

Events Subsequent to 2013 Q4

- Completed 3,285 kilometer ZTEM survey over the Tireo concessions that cover the entire Goldquest land position in the San Juan district, including the Romero project
- Initiated phase three of an IP survey on April 7, 2014 over the Tireo concessions covering ground north and west of the Romero project and following favorable trends highlighted in the ZTEM survey

¹ Refer to the Company's news release dated October 29, 2013

BUSINESS STRATEGY

GoldQuest seeks to become the leading gold-copper exploration company in the Dominican Republic. The Company aims to maximize long-term value for its shareholders by fast-tracking exploration projects to a decision stage while discontinuing those projects that fall outside the Company's minimum technical criteria.

The Company is committed to the exploration of all of its mineral properties in the Dominican Republic in a socially and environmentally responsible manner that will be beneficial for all stakeholders. The Company's sustainable social responsibility mandate aims to provide employment opportunities and social support for local communities, sustainable development of local infrastructure and follow leading environmental practices in the various regions that GoldQuest operates in.

EVALUATION AND EXPLORATION ASSETS

Jeremy Niemi, P.Geol, the Company's Director of Technical Services and Compliance, is the Qualified Person, as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"), who has reviewed and approved the technical information disclosed in this MD&A.

DOMINICAN REPUBLIC

The Company holds exploration permits (granted or under application) to 26 concessions in the Dominican Republic. These projects are grouped into the following districts:

- **San Juan District**, including La Escandalosa (includes the Romero project), Jengibre, El Barrero, Los Comios, Loma Viejo Pedro, El Crucero, La Bestia, Los Chicharrones, Tocon de Pino, Las Tres Veredas and Patricio concessions (collectively referred to as the "Tireo Concessions").
- **Jarabacoa District**, including Loma Oculta, Las Animas II, El Toro, Santa Ana, El Tuerto, Rutillo, Guazumita and La Ceniza concessions.
- **Regional Exploration**, including El Salto, Joboban, El Meche, Sueño, Los Mineros and Pino Mocho concessions.

The Romero project (formerly Las Tres Palmas) in the San Juan District and the Loma Oculta project (formerly Las Animas) in the Jarabacoa District are the Company's material projects.

ROMERO PROJECT (FORMERLY LAS TRES PALMAS PROJECT)

The Romero Gold-Copper Project (100% owned) is located within the La Escandalosa Exploration concession (exploration permits) that encompasses 3,997 hectares in the province of San Juan de la Maguana, Dominican Republic (the "Concession"). The project is comprised of two mineral deposits, Romero and Romero South (formerly La Escandalosa Sur).

The Concession was granted to the Company on November 12, 2010 by way of Resolution IV-10 from the Minister of Industry and Commerce in the Dominican Republic. This Concession is a 3 year exploration permit, which may be further extended for another 2 years. The Company received the first 1 year extension during 2013 and is eligible to apply for another 1 year extension under the existing concession, which it intends to do so during 2014.

Drilling

During the year, the Company continued to drill at its 100% owned Romero Gold and Copper project as well as at a regional target called La Rosa. The Company drilled 44 holes for a total of 18,291 metres during 2013 using 2 portable drill rigs: one with the ability to drill to 500 metre depths and one deeper reaching portable rig with the ability to drill to 700 metres. Drilling was primarily targeted at testing expanding the Romero mineralization and testing new ground geophysical targets (“IP surveys”) and to the south of Romero near the community of Higueira.

The Company utilizes IP surveys in combination with mapping and interpretation of regional drilling results to identify new target areas. IP surveys map chargeable material in the ground and has proven to be successful in identifying areas containing sulphide mineralization, which were instrumental to the Romero discovery. However, distinguishing from the pyrite rich mineralization, which generally has lower gold grades, and the chalcopyrite rich mineralization, which generally has higher gold and copper values, can only be determined by drilling off these anomalies.

Highlights from drilling reported during the year include:

- Hole LTP-132 which returned 130 metres grading 1.22 g/t gold (uncut) and 0.24% copper (1.61 g/t gold equivalent) including 17 metres grading 6.21 g/t gold and 0.90 % copper (7.68 g/t gold equivalent)²
- Infill hole LTP-140, which returned 269 metres grading 2.35 g/t gold (uncut) and 0.56% copper, including 32 metres grading 9.95 g/t gold and 1.58% copper, representing the longest gold/copper intersection to date at the Romero discovery³
- Infill hole LTP-145, which contained 227 metres grading 1.78 g/t gold and 0.44% copper, including 47.0 metres grading 6.90 g/t gold and 0.94% copper⁴
- Infill hole LTP-146, which returned 119 metres grading 0.64 g/t gold (uncut) and 0.20% copper⁵

Subsequent to December 31, 2013, there was no additional drilling but the drills remain at the camp for future drilling campaigns.

From the commencement of exploration on this project and up to the date of this MD&A, a total of 44,250 metres have been drilled in 157 diamond drill holes at the Romero project, and 1,246 metres have been drilled in 5 holes at La Guama and 902 metres in 2 holes at La Rosa.

Mineral Resources

On October 29, 2013, the Company released NI 43-101 mineral resource estimates for Romero and Romero South (formerly La Escandalosa Sur) collectively known as the Romero Project. The total Indicated Resource includes 2.4 million ounce of gold equivalent metal from 19.4 million tonnes and an additional Inferred Resource of 0.8 million ounces of gold equivalent metal from 10 million tonnes. Both deposits were considered as underground mining operations for the estimations. The supporting Technical Report was filed on SEDAR on December 13, 2013.

² Refer to the Company's new release dated May 16, 2013.

³ Refer to the Company's news release dated July 9, 2013

⁴ Refer to the Company's news release dated August 21, 2013

⁵ Refer to the Company's news release dated October 2, 2013

GoldQuest Mining Corp. – MD&A for the Years Ended December 31, 2013 and 2012

The Indicated and Inferred Mineral Resources are summarized as follows:

Category	Zone	Tonnes	Au (g/t)	Cu (%)	Zn (%)	Ag (g/t)	AuEq (g/t)	Au Ounces	AuEq Ounces
Indicated	Romero	17,310,000	2.55	0.68	0.30	4.0	3.81	1,419,000	2,123,000
	Romero South	2,110,000	3.33	0.23	0.17	1.5	3.80	226,000	258,000
Total Indicated Resources		19,420,000	2.63	0.63	0.29	3.7	3.81	1,645,000	2,381,000
Inferred	Romero	8,520,000	1.59	0.39	0.46	4.0	2.47	437,000	678,000
	Romero South	1,500,000	1.92	0.19	0.18	2.3	2.33	92,000	112,000
	Total Inferred Resources	10,020,000	1.64	0.36	0.42	3.8	2.45	529,000	790,000

Key assumptions of the mineral resource estimates for Romero and Romero South deposits are as follows:

- The mineral resource estimate for the Romero and Romero South deposits has been prepared and categorized for reporting purposes by B.T. Hennessey, P.Geo., and A.J. San Martin, MAusIMM(CP), of Micon, following the guidelines of the Canadian Institute of Mining, Metallurgy and Petroleum. Both Mr. Hennessey and Mr. San Martin are Qualified Persons as defined by NI 43-101 on the basis of training and experience in the exploration, mining and estimation of mineral resources of gold deposits and they are both independent of GoldQuest.
- Resource estimate assumptions.
 - Drill core assays from GoldQuest's 2013 drill hole database, comprising all holes in the LTP series between LTP-01 and LTP-150.
 - Micon has verified over 80% of the assay database against original laboratory certificates delivered directly from the lab and reviewed the QA/QC procedures used in the sampling protocol. Micon is satisfied that the quality of the data is sufficient for resource estimation.
 - Samples were composited to a 2 metre sample length.
 - Grades at Romero capped as follows: Au=72.2 g/t, Cu=6.37%, Zn=6.91% and Ag=60 g/t
 - Grades at Romero South capped as follows: Au=20.5 g/t, Cu=1.25%, Zn=1.65% and Ag=15 g/t
 - Average specific gravity is assumed to be 2.94 g/cc. at Romero and 2.72 g/cc at Romero South.
 - NSR formula considered the following metal prices: gold=\$1400/ounce, copper=\$3.18/pound, zinc=\$0.95/pound and silver=\$22.50/ounce
 - The following costs were used in the NSR: mining = \$30/t (Romero) and \$24/t (Romero South); processing = \$12.50/t and G&A = \$2.50/t. The weighted (by metal price) average recovery of the 4 elements from the Romero South met test-work was 76.7%.
 - NSR cut-off = $(\$30 + \$12.50 + \$2.50) / 0.767$ at Romero (rounded to \$60) and $(\$24 + \$12.50 + \$2.50) / 0.767$ at Romero South (rounded to \$50)
 - NSR input formula for cut-off = $(\text{Au g/t} * \$45.01) + (\text{Ag g/t} * \$0.72) + (\text{Cu \%} * \$70) + (\text{Zn \%} * \$21)$
 - Block model with regular-shaped blocks measuring (X) 10 m by (Y) 4m by (Z) 4 m estimated with the Ordinary Kriging (OK) method at Romero.
 - Block model with regular-shaped blocks measuring (X) 10 m by (Y) 10m by (Z) 2 m estimated with the Ordinary Kriging (OK) method at Romero South.
- Micon considers a \$60 NSR cut-off at Romero to be reasonable with potential for economic extraction in a bulk tonnage underground mine and a \$50 NSR cut-off at Romero South to be reasonable with potential for economic extraction in a room and pillar underground mine.
- Resource estimate has been classified using the CIM Definition Standards – For Mineral Resources and Mineral Reserves. Specifically the Indicated and Inferred based upon the following criteria:
 - Resource blocks estimated with at least 6 samples from 3 distinct drill holes within the range of the variogram were assigned to the Indicated category (55m along strike, 75m down dip at Romero and 50 along strike and 70m down dip at Romero South).
 - All remaining resource blocks within the geological model were assigned to the Inferred category.
- It is Micon's opinion that there are no known environmental, permitting, legal, title, taxation, socio-economic, marketing or political issues which exist that would adversely affect the mineral resources for Romero and Romero South presented above. The mineral resources

presented herein are not mineral reserves as they have not been subject to adequate economic studies to demonstrate their economic viability. They represent in-situ tonnes and grades and have not been adjusted for mining losses or dilution.

6. *A portion of the mineral resource estimate has been calculated as Inferred as there has been insufficient exploration to define the resources as an indicated or measured mineral resource. It is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.*
7. *Effective date of the resource estimate is 29 October 2013.*

Metallurgy and Economic Evaluations

Preliminary results from the first round of tests of Romero South mineralization to examine amenability to leaching returned recoveries of approximately 80% of gold. These initial tests were performed by Resource Development Inc. Optimization is being considered, including examining higher recovery options. The ore contains some copper and zinc. Further testing including flotation of sulfides to create a concentrate was completed with similar recoveries in the concentrate than by leaching.

During the fourth quarter, the Company continued metallurgical testing of Romero mineralization with ALS Global (formerly G&T Metallurgical Services Ltd.) to perform preliminary evaluations of gold and copper recoveries to examine potential processing options. Additional sampling and work is anticipated to carry over into 2014.

Geophysical Survey

Subsequent to December 31, 2013, the Company completed an airborne ZTEM geophysical survey covering its 100% owned Tireo concessions in the San Juan district, which surround the Romero project. Geotech Limited of Canada has flown 3,285 kilometers of flight lines, with investigation depths reaching 1.6 kilometers, allowing the Company to quickly and effectively evaluate the geological and mineral potential of these concessions.

Results of the ZTEM Survey show:

- A strong correlation between the Romero and Romero South mineralization
- The Romero resistivity trend extends northwards over 1 kilometer past existing drilling and 0.5 kilometers south of Romero South
- Additional new trends have been identified from the survey and field crews have been mobilized for ground follow up carrying out ground geophysics, along with geological and alteration mapping
- An Induced Polarization program has been commenced over ZTEM targets

2014 Objectives

The 2014 field exploration program has commenced and a focused ground IP program is underway. Insight Geophysics of Oakville, Ontario, Canada is on site completing the ground IP program. The IP program is designed to identify chargeable zones along the regional trends identified by the ZTEM survey and mapping. The starting point for the IP program was along trend and directly north of Romero. Regional work will follow up on targets generated from the airborne ZTEM survey and focus on mapping, sampling to refine drill targets. The Company will commence drilling in Q2 2014 to test regional targets.

Looking forward to the remainder of 2014, the Company will complete the preliminary engineering and economic analysis at Company's flagship gold-copper project, the Romero Project, and continue to develop a pipeline of regional drill-ready targets.

JENGIBRE PROJECT

Background

The Jengibre Project (100% owned) is located in a remote area of western Dominican Republic, approximately 30 kilometres south east of the Romero Project. Jengibre has been previously tested with soil sampling, channel sampling and a seven drill hole program that provided prospective results, of which the best hole returned 22 metres grading 2.0 g/t gold (see press release August 5, 2009). A Channel sampled over 59.5 metres on the main mineralized outcrop, returned an average grade of 1.58 grams per tonne gold and one drill hole (JG-02) intercepted 54 metres grading 1.03 grams per ton gold. The mineralization was encountered within the same Tiroo Formation volcanics as Romero.

2014 Objectives

The Company is reviewing the results of the ZTEM airborne survey over its Tiroo group of concessions and has reviewed and sampled existing core for detailed petrography to examine the alteration mineralogy. Field activities are currently on hold at Jengibre as efforts focus on targets closer to the Romero Project.

LOMA OCVLTA PROJECT (FORMERLY KNOWN AS LAS ANIMAS)

Background

On August 20, 2012, the Company filed a NI 43-101 technical report (the “Las Animas Report”) and mineral resource estimate for Las Animas Project, Province of La Vega, Dominican prepared by Jonathan Steedman, MAusIMM (CP) and Richard M. Gowans, P.Eng of Micon, each a Qualified Person under NI 43-101.

An economic cut-off grade of 1.0 g/t gold or 1.5% copper was used to define the Las Animas Mineral Resources. Indicated Mineral Resources are estimated at 1.01 Mt at 2.81 g/t gold and 2.4% copper and Inferred Mineral Resources at 0.44 Mt at 1.68 g/t gold and 2.56% copper.

The mineral resources estimated by Micon at Las Animas occur in the El Yujo massive sulphide deposit. The mineral resource was geologically modeled with a cut-off grade of 0.5 g/t gold or 0.5% copper and minimum thickness of 2 metres. The resultant model is a single vertical to steeply dipping body with a strike length of 130 metres, true average width of 6.3 metres (2.0 to 28.0 metres), and a depth of 350 metres. The oxide zone is 40 to 65 metres thick and has higher gold and silver grades, but low grade copper and zinc.

The mineral resource estimate for Las Animas is summarized as follows:

Indicated					
Type	Tonnes (kt)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
Sulphide	922	2.64	48.16	2.66	2.86
Oxide	89	4.28	61.95	0.15	0.04
Total	1,011	2.81	49.58	2.4	2.57
Contained Metal					
		Au (000's oz)	Ag (000's oz)	Cu (000's lbs)	Zn (000's lbs)
Total		91	1,605	54,289	58,180
Inferred					
Sulphide	431	1.66	35.99	2.6	4.76
Oxide	8	2.49	80.98	0.35	0.22
Total	439	1.68	36.907	2.558	4.67
Contained Metal					
		Au (000's oz)	Ag (000's oz)	Cu (000's lbs)	Zn (000's lbs)
Total		24	518	24,790	45,272

Notes:

- Resource estimate is based on:
 - Drill core assays from GoldQuest's 2011 drill hole database.
 - Average specific gravity in sulphide resources is 4.76 g/cc based upon the average of 28 core measurements by the displacement method. Average specific gravity for oxide resources is assumed to be 4.00 g/cc.
 - A geological model with a cut-off grade of 0.5 g/t Au or 0.5% Cu and a minimum thickness of 2 m.
 - Block model with regular-shaped blocks measuring (X) 10 m by (Y) 2m by (Z) 10 m and sub blocks measuring (X) 2.5 m by (Y) 2 m by (Z) 2.5 m estimated with Inverse Distance Cubed (ID3) method
- Micon considers a cut-off of 1.0 g/t Au or 1.5% Cu to be reasonable with potential for economic extraction in a small underground operation.
- The resource estimate has been classified as Indicated and Inferred based upon the following criteria:
 - Resource blocks estimated with at least 2 drill intersection within a 60 m radius, based on at least 5 assays were assigned to the Indicated category
 - All remaining resource blocks within the geological model were assigned to the Inferred category.
- There has been insufficient exploration to define the inferred resources as an indicated or measured mineral resource. It is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.
- Effective date of the resource estimate is 31 July 2011.

According to the Las Animas Report, the resources occur in such a spatial distribution that would render them amenable to extraction using conventional, underground mining methods with a possible small open pit in the oxide zone.

Metallurgy

Minor metallurgical complementary work was performed, improving some of the bulk concentrate grades. A program to test and separate a copper and a zinc concentrate is being designed.

2014 Objectives

The Company continues to review data and information to identify new targets that may warrant drilling in the vicinity of the known massive sulphide mineralization that remains open at depth, and to better define the regional trend of the mineralized horizon. Future drilling would be planned to expand the resources and provide fresh samples for updated metallurgical recovery work.

RESULTS FROM OPERATIONS

Selected Information

	For the year ended		
	December 31, 2013	December 31, 2012	December 31, 2011
Operating expenses from continuing operations	\$ 8,097,406	\$ 6,922,657	\$ 3,191,358
Interest and miscellaneous income	(90,506)	(35,165)	(12,985)
Net loss from continuing operations	8,006,900	6,887,492	3,178,373
Net loss (gain) from discontinued operations	-	(668,355)	357,386
Net loss for the year	8,006,900	6,219,137	3,535,759
Comprehensive loss for the year	7,855,387	6,219,137	3,535,759
Basic loss per share:			
- continuing operations	\$ (0.06)	\$ (0.06)	\$ 0.03
- discontinued operations	\$ -	\$ 0.01	\$ -
- net loss	\$ (0.06)	\$ (0.05)	\$ 0.03
Diluted loss (earnings) per share:			
- continuing operations	\$ (0.06)	\$ (0.06)	\$ 0.03
- discontinued operations	\$ -	\$ 0.01	\$ -
- net loss	\$ (0.06)	\$ (0.05)	\$ 0.03

<i>As at:</i>	December 31, 2013	December 31, 2012	December 31, 2011
Working capital	\$ 10,760,609	\$ 17,589,104	\$ 953,493
Total assets	13,725,855	20,710,814	2,596,548
Total liabilities	387,645	792,499	312,323
Share capital	37,253,320	37,253,320	16,539,516
Deficit	36,126,858	28,119,958	21,900,821

Three Months Ended December 31, 2013 compared with the Three Months Ended December 31, 2012

The Company incurred a net loss of \$1,241,834 for the three months ended December 31, 2013, representing a decrease of \$1,084,625 when compared with \$2,326,459 for the three months ended December 31, 2012. The decrease in net loss during the three months ended December 31, 2013 was primarily the result of the decrease in evaluation and exploration costs and share-based payments.

Evaluation and exploration costs decreased by \$740,127 to \$651,554 for the three months ended December 31, 2013, from \$1,391,681 for the three months ended December 31, 2012. Drilling expenditures decreased by \$694,888 to \$87,834 for the three months ended December 31, 2013, from \$782,722 for the three months ended December 31, 2012. This decrease resulted from nominal drilling activity in the fourth quarter of 2013 relative to the prior year's comparative period.

Share-based payments were \$186,933 for the three months ended December 31, 2013 versus \$495,878 for the three months ended December 31, 2012. This decrease in share-based payments for the three months ended December 31, 2013 resulted from the decrease in number of options vesting during the period and a corresponding recognition of the related expense.

Year ended December 31, 2013 compared with the Year ended December 31, 2012

The Company incurred a net loss from continuing operations of \$8,006,900 for the year ended December 31, 2013, representing an increase of \$1,119,408 when compared with \$6,887,492 for the year ended December 31, 2012. The increase in net loss during the year ended December 31, 2013 was primarily the result of the increase in evaluation and exploration costs and general and administrative expenses which was partially offset by the decrease in share-based payments and the recognition of a foreign exchange gain.

Evaluation and exploration costs increased by \$1,828,223 to \$5,244,930 for the year ended December 31, 2013, from \$3,416,707 for the year ended December 31, 2012. Drilling expenditures increased by \$225,243 to \$2,159,134 for the year ended December 31, 2013, from \$1,933,891 for the year ended December 31, 2012. This increase was related to an increase of metres drilled at the Romero project during the year ended December 31, 2013 compared to December 31, 2012. In connection with the increase in drilling, the Company's sample analysis costs were higher by \$255,517 to \$530,021 during the year ended December 31, 2013 compared to \$274,504 during the year ended December 31, 2012. In addition, geological expenditures increased by \$977,537 to \$1,445,507 during the year ended December 31, 2013 from \$467,970 for the year ended December 31, 2012. The Company's geophysical consultants continued with a comprehensive ground geophysics program over the Romero project completing approximately 330 line kilometres (\$557,986) and other technical studies such as environmental baseline work and mineral resource scoping work were carried out (\$76,660). Given the significant increase in exploration activities during the year ended December 31, 2013, the Company also incurred additional field related costs of \$360,228 compared to the same period in the prior year.

General and administrative expenses increased by \$391,891 to \$1,909,964 for the year ended December 31, 2013, from \$1,518,073 for the year ended December 31, 2012. This increase was primarily the increase in directors' fees and management remuneration of \$335,247, investor relations and promotion expenses of \$133,306, and office and administrative expenses of \$104,091, which was partially offset by the decrease in salaries and wages. The increase in directors' fees and management remuneration is mainly the result of management fees paid to the executive chairman of the Company during the year ended December 31, 2013. Investor relations and promotion expenses were higher due to travel and related costs associated with attending various investor conferences during the year ended December 31, 2013, retaining a full-time investor relations consultant during 2013, and running a public relations campaign in the Dominican Republic as part of the Company's continued efforts to share and exchange information with the local communities and stakeholders. In order to support higher level of business activities, office and administrative expenses increased during the year ended December 31, 2013 mainly due to higher insurance costs as the Company enhanced certain policy coverage limits (\$19,877), additional maintenance, support and licensing costs for the Company's recently upgraded information technology and telecommunication systems (\$56,763), and the recognition of an asset tax expense in the Dominican Republic (\$42,363) that was classified as office and administrative expenses. Salaries and wages decreased by \$140,603 during the year ended December 31, 2013 compared December 31, 2012. During the year ended December 31, 2012, the Company paid performance bonuses to certain officers and employees given the significant exploration success achieved in 2012. No such bonuses were paid in 2013.

Foreign exchange gain increased by \$436,357, to \$433,071 for the year ended December 31, 2013, from a loss of \$3,286 for the year ended December 31, 2012. The foreign exchange gain was primarily related to the revaluation of the cash and cash equivalents held in US Dollars as at December 31, 2013 and 2012 to Canadian dollars. The Company is required to re-measure monetary items denominated in foreign currencies at each reporting date using the spot rate. During the year ended December 31, 2013, the Company recorded an exchange gain of \$491,407 on cash and cash equivalents held in US Dollars as a result of the appreciation of the U.S. dollar over the Canadian dollar. During the year ended December 31, 2012, the Company recorded an exchange loss of \$29,063 on cash and cash equivalents held in US Dollars as a result of the depreciation of the U.S. dollar over the Canadian dollar.

Share-based payments were \$1,275,282 for the year ended December 31, 2013 versus \$1,947,947 for the year ended December 31, 2012. This decrease in share-based payments for the year ended December 31, 2013 resulted from the decrease in number of options vesting during the period and a corresponding recognition of the related expense.

SUMMARY OF QUARTERLY RESULTS

	Three months ended			
	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
Interest income	\$ 21,324	\$ 22,065	\$ 23,904	\$ 23,813
Net loss	(1,241,834)	(2,048,979)	(2,212,191)	(2,503,896)
Comprehensive loss	(787,296)	(1,973,223)	(2,287,947)	(2,806,921)
Basic and diluted loss for the period attributable to common shareholders per share	(0.01)	(0.01)	(0.02)	(0.02)

	Three months ended			
	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
Interest income	\$ 19,075	\$ 13,686	\$ 650	\$ 1,754
Net loss	(2,326,459)	(2,286,611)	(757,718)	(848,349)
Comprehensive loss	(2,629,484)	(1,983,586)	(757,718)	(848,349)
Basic and diluted loss for the period attributable to common shareholders per share	(0.02)	(0.01)	(0.01)	(0.01)

The Company's comprehensive losses are mainly due to evaluation and exploration costs, share-based payments and general and administrative costs and can vary from quarter to quarter based on planned exploration activities, resource constraints, and share-based compensation expenses. The significant increase in the comprehensive loss over the most recent six quarters is related to a comprehensive exploration and drilling program that commenced at the Romero project after the discovery late in the second quarter of 2012. Given the Company is in the pre-production phase and does not currently generate revenue from operations, there is no significant seasonality that impacts its business.

The Company prepared the financial statements for the periods indicated above in accordance with IFRS.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2013, the Company had working capital of \$10,760,609 (December 31, 2012 – \$17,589,104), including cash and cash equivalents of \$10,901,946 (December 31, 2012 – \$18,099,569).

The Company expects to obtain financing in the future primarily through further equity financings. At present, the Company has no operations that generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits, raise required funding through future equity issuances, asset sales or a combination thereof. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. The Company relies on equity financings and the exercise of options and warrants to fund its exploration activities and its corporate and overhead expenses. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities.

The Company's operations to date have been financed by issuing common shares. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. There is no guarantee that the Company will be able to secure additional financings in the future at terms that are favorable. To date, the Company has not used debt or other means of financing to further its exploration programs, and the Company has no plans to use debt financing at the present time.

Based on the cash position on hand as at the date of this MD&A and expected cash flow requirements of the Company for the next twelve months, management believes that the Company is sufficiently capitalized to fund its present operational commitments and working capital needs.

OUTSTANDING SHARE DATA

As at December 31, 2013, the Company had 143,980,044 common shares issued and outstanding.

During the year ended December 31, 2013:

- On March 11, 2013, the Company granted 2,625,000 options with an exercise price of \$0.50 to certain officers, directors, employees and consultants. 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 May 22, 2013, the Company granted 500,000 stock options with an exercise price of \$0.35 to a director. 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 December 19, 2013, the Company granted 2,410,000 stock options with an exercise price of \$0.25 to certain officers, directors, employees and consultants. 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.

During the year ended December 31, 2012:

- On March 2, 2012, the Company completed a non-brokered private placement of 6,600,000 units for gross proceeds of \$660,000. Each unit consisted of one common share and one share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of \$0.15 per share for a period of 24 months from the date of issuance. In addition, the Company incurred \$24,050 in share issuance costs.
- On June 20, 2012, the Company completed a bought deal private placement with Dundee Securities Ltd. on behalf of a syndicate of underwriters including Stifel Nicolaus Canada Inc., Canaccord Genuity Corp. and Raymond James Ltd. (the "Underwriters") for 14,605,000 common shares at a price per share of \$0.45 for total gross proceeds of \$6,572,250. In connection with this private placement, the Underwriters were granted 876,300 warrants with an exercise price of \$0.45. The warrants will expire on June 20, 2014. In addition, the Company incurred \$489,959 in share issuance costs.
- On August 21, 2012, the Company completed a bought deal private placement with Dundee Securities Ltd. on behalf of a syndicate of underwriters including Stifel Nicolaus Canada Inc., Clarus Securities Inc., GMP Securities L.P. and Raymond James Ltd. (the "Underwriters") for 12,000,000 common shares at a price per share of \$1.25 for total gross proceeds of \$15,000,000. In connection with this private placement, the Underwriters were granted 720,000 warrants with an exercise price of \$1.25. The warrants will expire on August 21, 2014. In addition, the Company incurred \$1,062,138 in share issuance costs.
- The Company received various options exercises during the year ended December 31, 2012 resulting in the issuance of 2,359,998 common shares for proceeds of \$474,400. In addition, the Company has reclassified the grant date fair value of the exercised options of \$365,961 from stock options reserve to share capital.
- The Company received various warrant exercises during the year ended December 31, 2012 resulting in the issuance of 4,906,445 common shares for proceeds of \$775,400. In addition, the Company has reclassified the grant date fair value of the exercised warrants of \$210,514 from warrants reserve to share capital.

- On May 31, 2012, the Company granted 2,660,000 options with an exercise price of \$0.56 to certain officers, directors and employees. The options are exercisable for a period of five years. One-third of the options granted vest immediately at the date of the grant. One-third vest six months from the date of grant and one-third vest twelve months from the date of grant.
- On June 1, 2012, the Company granted 170,000 options with an exercise price of \$0.68 to certain employees. The options are exercisable for a period of five years. One-third of the options granted vest immediately at the date of the grant. One-third vest six months from the date of grant and one-third vest twelve months from the date of grant.
- On June 6, 2012, the Company granted 50,000 options with an exercise price of \$0.70 to its investor relations consultant. The options are exercisable for a period of five years. A quarter of the options granted vest three months from the date of grant and a quarter will vest every three months thereafter.
- On September 11, 2012, the Company granted 250,000 options with an exercise price of \$1.56 to an employee. The options are exercisable for a period of five years. A quarter of the options granted vest immediately at the date of the grant and a quarter will vest every three months thereafter.

Subsequent to December 31, 2013:

- 1,700,000 warrants were exercised for proceeds of \$255,000;
- 75,000 stock options were exercised for proceeds of \$7,500;
- 125,000 warrants with expiry date of March 2, 2014 expired unexercised; and
- 41,667 stock options granted to employees were cancelled.

As at the date of this MD&A, the Company had 145,755,044 common shares issued and outstanding.

The Company had the following warrants and stock options outstanding at the date of this MD&A:

- 744,855 warrants each exercisable for one common share at an exercise price of \$0.45, which expire on June 20, 2014.
- 720,000 warrants each exercisable for one common share at an exercise price of \$1.25, which expire on August 21, 2014.
- 12,711,644 stock options with exercise prices ranging from \$0.10 to \$1.56 per share.

TRANSACTIONS WITH RELATED PARTIES

The Company's related parties include 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

Related party transactions

Total compensation of key personnel of the Company for the years ended December 31, 2013 and 2012 is as follows:

	For the year ended	
	December 31, 2013	December 31, 2012
Directors' fees	\$ 71,747	\$ 82,000
Management fees (1)	844,097	395,782
Professional fees (2)	77,894	75,623
Share-based compensation	1,147,940	1,753,340
	\$ 2,141,678	\$ 2,306,744

- 1) During the year ended December 31, 2013, the Company paid \$88,000 (December 31, 2012 - \$84,000) to Quantum Advisory Partners LLP, a partnership in which the CFO is an incorporated partner, for management fees.
- 2) Professional fees relate to amounts paid 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.

During year ended December 31, 2013, the Company paid \$71,747 (December 31, 2012 – \$82,000) in fees to the Company's directors. The balances due to the Company's directors included in accounts payables and accrued liabilities were \$nil as at December 31, 2013 (December 31, 2012 – \$7,030).

During the year ended December 31, 2013, the Company paid \$296,500 (December 31, 2012 - \$nil) of salaries and wages to the Executive Chairman of the Company. The balances due to the Executive Chairman of the Company included in accounts payables and accrued liabilities were \$72,500 as at December 31, 2013 (December 31, 2012 – \$132,000), which were paid subsequent to year end.

During the year ended December 31, 2013, the Company paid \$225,000 (December 31, 2012 - \$180,000) of salaries and wages to the President and CEO of the Company.

During the year ended December 31, 2013, the Company paid \$88,000 (December 31, 2012 - \$84,000 to Quantum Advisory Partners LLP ("Quantum"), a partnership in which the CFO is an incorporated partner, for management fees. In addition, during the year ended December 31, 2013, the Company paid \$77,984 (December 31, 2012 - \$75,623) to

Quantum for professional fees including corporate secretarial, transaction support, and tax compliance services. The balances due to the Quantum included in accounts payables and accrued liabilities were \$12,022 as at December 31, 2013 (December 31, 2012 – \$15,254), which were paid subsequent to year end.

During the year ended December 31, 2013, the Company paid \$151,667 (December 31, 2012 - \$54,000) of salaries and wages to the Director of Technical Services and Compliance of the Company. The balances due to the Director of Technical Services and Compliance of the Company included in accounts payables and accrued liabilities were \$1,667 as at December 31, 2013 (December 31, 2012 – \$nil), which were paid subsequent to year end.

During the year ended December 31, 2013, the Company paid \$82,930 (December 31, 2012 - \$77,782) of salaries and wages to the Country Manager of the Company.

During the years ended December 31, 2013, the Company granted 4,926,000 options with an exercise price ranged from \$0.25 to \$0.50 the related parties noted above (December 31, 2012 – 2,800,000 options with an exercise price ranged from \$0.56 to \$1.56).

The transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties. For disclosure of ongoing related party contractual commitments, refer to *Commitments, Contingencies and Contractual Obligations* section below. The balances due to the related parties are unsecured, non-interest bearing and payable on demand.

COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

The Company is a party to certain management contracts. These contracts contain clauses requiring that approximately \$1,044,000 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.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

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 a major Canadian and Dominican Republic financial institutions. Credit 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 December 31, 2013 are mainly held in savings accounts and accordingly credit risk is minimized. The Company's cash and cash equivalents include term deposits. The Company's cash and cash equivalents are held mainly in high yield saving accounts and term deposits and therefore is currently minimal interest rate risk. The Company is not exposed to significant interest rate risk due to the short-term maturity of these monetary assets given fluctuations in market rates do not have a significant impact on estimated fair values at December 31, 2013. Future cash flows from interest on cash and cash equivalents will be affected by interest rate fluctuations.

Foreign exchange risk is the risk arising from changes in foreign currency fluctuations. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency rates. The Company maintains a portion of its cash, accounts receivable, deposits and accounts payable in U.S. dollars (USD) and Dominican Republic Pesos (DOP). Also, a significant portion of the Company's exploration is conducted in Dominican Republic, and as a result current resource property expenditures may fluctuate dependent upon the current exchange rate between the

Canadian dollar, USD and DOP. 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 or currency risk. As December 31, 2013, the Company held 15,151,273 common shares of Portex which is publicly traded in Canadian National Stock Exchange. Any changes in share price of Portex's shares at each reporting date would result an unrealized gain or loss to the Company's comprehensive loss. Other than this, the Company is not exposed to significant other price 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 December 31, 2013 in the amount of \$10,901,946, in order to meet short-term business requirements. At December 31, 2013, the Company had accounts payable and accrued liabilities of \$387,645. All accounts payable and accrued liabilities are current.

OUTLOOK

The Romero Project and the contained resources at the Romero and Romero South deposits offer evidence of the mineral potential in the Tiroo Formation. The Company will continue to advance the Romero Project towards a production decision by completing the Preliminary Economic Assessment and potentially advancing through to a pre-feasibility study. Concurrently, the Company will aggressively explore to discover additional mineral resources and to uncover the potential of the Company's Tiroo concessions in this newly emerging belt.

RISKS AND UNCERTAINTIES

The Company is in the business of acquiring and exploring gold and base metal properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subjected to variations in commodity prices, market sentiment, exchange rates for currency, inflations and other risks. The Company currently has no source of revenue other than interest income. The Company will rely mainly on equity financing to fund exploration activities on its mineral properties.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

1. Going Concern

The Company's capability to continue as a going concern is dependent upon its ability to obtain additional debt or equity financing to meet its obligations as they come due. If the Company was to become unable to continue as a going concern, then significant adjustments would be required to the carrying value of assets and liabilities, and to the balance sheet classifications currently used.

GoldQuest has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to other companies in the same business, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues.

The Company plans to obtain financing in the future primarily through further equity financing, as well as through joint venturing and/or optioning with respect to the Company's properties with qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in

the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its mineral properties.

Management has initiated a strict cost control program to effectively control expenditures. As a result of these cost control measures, it is expected that the current cash position will be sufficient to fund the Company's needs for the next twelve months. Management will review several funding options including equity financing and seeking joint venture partners to further its mineral property interests at the appropriate time. While the Company has been successful in raising funds in the past, there are no assurances that additional funding and/or suitable joint venture agreements will be obtained.

2. Exploration and Mining Risks

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, the Company's properties have no known body of commercial ore. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable adequate machinery, equipment or labor are other risks involved in the operation of mines and the conduct of exploration programs. The Company has relied on and may continue to rely upon consultants and others for exploration and development expertise. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineral deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing gold, copper and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The Company has no producing mines at this time. All of the properties in which the Company may earn an interest are at the exploration stage only. Most exploration projects do not result in the discovery of commercially mineable deposits of ore.

3. Development Risks

The marketability of any minerals which may be acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection.

4. Loss of Interest in and Value of Properties

The Company's ability to maintain its interests in its mineral properties and to fund ongoing exploration costs will be entirely dependent on its ability to raise additional funds by equity financings. If the Company is unable to raise such funds it may suffer dilution or loss of its interest in its mineral properties. The amounts attributed to the Company's interests in mineral properties in its financial statements represent acquisition and exploration costs, and should not be taken to reflect realizable value.

5. Financing Risks

The Company has no history of earnings and no source of operating cash flow and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its equity shares. Even if the results of exploration are

encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its property, there is no assurance that any such funds will be available. If available, future equity financings may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

6. Metal Prices

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of ore are discovered, a profitable market may exist for the sale of minerals produced by the Company. Factors beyond the control of the Company may affect the marketability of any substances discovered. Mineral prices, in particular gold prices, have fluctuated widely in recent years. The marketability of minerals is also affected by numerous other factors beyond the control of the Company. These other factors include government regulations relating to price, royalties, allowable production and importing and exporting of minerals.

7. Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

8. Environmental and Other Regulatory Requirements

Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit the mining properties is subject to various reporting requirements and to obtaining certain government approvals and there is no assurance that such approvals, including environmental approvals, will be obtained without inordinate delay or at all. GoldQuest believes that it is in compliance with all environmental regulations in the Dominican Republic and has made no provision for environmental remediation costs as such costs are believed to be immaterial.

9. Operations in Foreign Countries and Regulatory Requirements

The Company's principal properties are located in the Dominican Republic and mineral exploration and mining activities may be affected in varying degrees by changes in political, social and financial stability, inflation and changes in government regulations relating to the mining industry. Any changes in regulations or shifts in political, social or financial conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and opposition to mining from environmental or other non-governmental organizations. The Dominican Republic's status as a developing country may make it more difficult for the Company to obtain any financing required for the exploration and development of its properties due to real or perceived increased investment risk.

10. No Assurance of Titles, Boundaries or Surface Rights

The Company has investigated rights of ownership of all of the mineral properties in which it has an interest and, to the best of its knowledge, all agreements relating to such ownership rights are in good standing. However, all properties may be subject to prior claims or agreement transfers, and rights of ownership may be affected by

undetected defects. While to the best of the Company's knowledge, title to all properties in which it has the right to acquire an interest is in good standing, this should not be construed as a guarantee of title. Other parties may dispute title to the mining properties in which the Company has the right to acquire an interest. The properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects or the statutes referred to above.

11. Permits and Licenses

The operations of the Company may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

12. Reliance on Key Personnel

The nature of the business of the Company, the ability of the Company to continue its exploration and other activities and to thereby develop a competitive edge in the marketplace depends, in a large part, on the ability of the Company to attract and maintain qualified key management personnel. Competition for such personnel is intense, and there can be no assurance that the Company will be able to attract and retain such personnel. The development of the Company now and in the future, will depend on the efforts of key management figures, the loss of whom could have a material adverse effect on the Company. The Company does not currently maintain key-man life insurance on any of the key management employees.

CONFLICTS OF INTEREST

GoldQuest's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which GoldQuest may participate, the directors and officers of GoldQuest may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, GoldQuest will follow the provisions of the *Business Corporations Act (BC)* ("Corporations Act") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of GoldQuest's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of GoldQuest are required to act honestly, in good faith, and in the best interest of GoldQuest.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

GoldQuest's general and administrative expenses for the years ended December 31, 2013 and 2012 are broken down as follows:

	For the year ended	
	December 31, 2013	December 31, 2012
Directors' fees and management remuneration	\$ 681,247	\$ 346,000
Investor relations and promotion	378,823	245,517
Office and administrative	297,697	193,608
Professional fees	181,106	228,310
Regulatory and transfer agents	67,774	65,850
Salaries and wages	265,424	406,027
Travel	37,891	32,761
	\$ 1,909,962	\$ 1,518,073

GoldQuest's exploration and evaluation costs in the Dominican Republic for the years ended December 31, 2013 and 2012 are broken down as follows:

	For the year ended December 31, 2013					Total
	Las Tres Palmas	Las Animas	Jenigbre	Others		
Access fees	\$ 15,574	\$ 686	\$ 3,704	\$ 1,966	\$	21,930
Depreciation	19,462	58	405	546		20,471
Drilling	2,159,134	-	-	-		2,159,134
Equipment rental	22,427	-	-	-		22,427
Field	678,083	375	15,158	94,308		787,924
Field technicians	408,592	-	18,202	1,640		428,434
Geological	901,701	6,246	77,543	9,156		994,646
Lodging and food	240,949	95	10,535	22,104		273,683
Sample analysis	518,129	6,480	-	5,412		530,021
Transportation	5,642	-	96	522		6,260
	\$ 4,969,693	\$ 13,940	\$ 125,643	\$ 135,654	\$	5,244,930

	For the year ended December 31, 2012					Total
	Las Tres Palmas	Las Animas	Jenigbre	Others		
Access fees	\$ 12,648	\$ 361	\$ 9	\$ 281	\$	13,299
Depreciation	10,654	67	-	52		10,773
Drilling	1,933,891	-	-	-		1,933,891
Equipment rental	11,586	-	-	-		11,586
Field	550,937	950	331	10,580		562,798
Field technicians	265,363	-	568	1		265,932
Geological	178,666	8,445	-	2,847		189,958
Lodging and food	146,362	-	15	5,512		151,889
Mapping	419	-	65	10		494
Sample analysis	265,924	8,213	-	367		274,504
Transportation	1,546	-	-	37		1,583
	\$ 3,377,996	\$ 18,036	\$ 988	\$ 19,687	\$	3,416,707

Additional disclosure concerning GoldQuest’s exploration and evaluation assets and costs is provided in the Company’s annual consolidated financial statements for the year ended December 31, 2013 (note 8 and 9), which are available on GoldQuest’s website at www.goldquestcorp.com or on SEDAR at www.sedar.com.

CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING DEVELOPMENTS

Changes in Accounting Policies

The Company prepared the audited annual consolidated financial statements for the year ended December 31, 2013 follow the same accounting policies and methods of application as the annual audited consolidated financial statements for the year ended December 31, 2012, with the exception of the following new accounting standards and amendments which the Company adopted and are effective for the Company's interim and annual consolidated financial statements commencing January 1, 2013.

- IAS 1 Presentation of Financial Statements (“IAS 1”)
- IAS 27 Separate Financial Statements (“IAS 27”)
- IAS 28 Investments in Associates and Joint Ventures (“IAS 28”)
- IFRS 7 Financial Instruments: Disclosures (“IFRS 7”)
- IFRS 10 Unaudited interim condensed consolidated financial statements (“IFRS 10”)
- IFRS 11 Joint Arrangements (“IFRS 11”)
- IFRS 12 Disclosure of Interests In Other Entities (“IFRS 12”)
- IFRS 13 Fair Value Measurement (“IFRS 13”)
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (“IFRIC 20”)

The additional disclosure concerning the impacts of the above new accounting standards and amendments which the Company adopted during the year ended December 31, 2013 is provided in the Company’s audited annual consolidated financial statements for the year ended December 31, 2013 (note 2).

Future Accounting Pronouncements

Standards issued but not yet effective up to the date of issuance of the Company’s financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. As at December 31, 2013, the Company does not expect the impact of such changes on the financial statements to be material.

		<u>Effective Date</u>
IAS 32 (Amendment)	Financial Instruments: Presentation	January 1, 2014
IFRS 9	Financial Instruments	January 1, 2015

APPROVAL

The Board of Directors of GoldQuest has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

FORWARD-LOOKING INFORMATION

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve known and unknown risks and uncertainties. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to the Company's plans and exploration programs for its mineral properties, including the timing of such plans and programs; the granting of concessions; future equity financings; the estimation of mineral resources; capital expenditures; the success of exploration activities and requirements for additional capital. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "has proven", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to commodity prices; changes in general economic conditions; market sentiment; currency exchange rates; the Company's ability to continue as a going concern; the Company's ability to raise funds through equity financings; risks inherent in mineral exploration; risks related to operations in foreign countries; uncertainties inherent in the estimation of mineral resources; future prices of metals; failure of equipment or processes to operate as anticipated; accidents, labor disputes and other risks of the mining industry; delays in obtaining governmental approvals; government regulation of mining operations; environmental risks; title disputes or claims; limitations on insurance coverage and the timing and possible outcome of litigation, as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. All statements are made as of the date of this MD&A and the Company is under no obligation to update or alter any forward-looking statements except as required under applicable securities laws.

Forward-looking statements and other information contained herein are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable, including expectations regarding mineral exploration and development costs; expected trends in mineral prices and currency exchange rates; the accuracy of the Company's current mineral resource estimates; that the Company's activities will be in accordance with the Company's public statements and stated goals; that there will be no material adverse change affecting the Company or its properties; that all required approvals will be obtained and that there will be no significant disruptions affecting the Company or its properties. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.