

January 19<sup>th</sup> 2012, Vancouver, British Colombia – GoldQuest Mining Corp. (TSXV: GQC, “GoldQuest” or the “Company”) is pleased to announce the completion of their pre-drilling geophysical programs at the Company’s 100% owned Escandalosa gold project in the Dominican Republic. A magnetic survey is complete, and detailed geological mapping of anomalous areas is ongoing, to finalize potential drill site selection. The Company currently anticipates announcing a drill program to test the anomalies identified in this pre-drilling geophysical program, which lie outside but along the gold mineralization defined at the NI 43-101 compliant Escandalosa Sur Resource.

The detailed, 2011/12 magnetic and Induced Polarization (IP) surveys were completed over the Escandalosa hydrothermal district, originally discovered by GoldQuest by geochemical sampling and mapping. This is the first comprehensive geophysical survey ever carried out on GoldQuest’s properties, which includes the existing NI 43-101 Compliant Inferred Resource of 4.86 million tonnes grading 2.60 g/t gold (at 0.3 g/t gold cut off) at Escandalosa Sur, as reported in a technical report filed by the Company on November 16, 2010 (the “Escandalosa Sur Resource”).

Three trends have been identified across the Escandalosa gold project: Zones A, B, and C. The 3.4 kilometre long Zone A includes the Escandalosa Sur Resource, which is found over only 400 metres strike length, representing around 15% of Zone A’s strike length and includes GoldQuest’s Hondo Valle mineralization, 1.2 kilometers north of the Escandalosa Sur Resource.

“We are encouraged that the signatures from our geophysical surveys strongly correlate with confirmed gold mineralization,” commented Julio Espallat, GoldQuest’s CEO, “We have generated what we believe to be excellent targets, which are defined by High Chargeability, Low Resistivity, and Low Magnetic signatures. These geophysical characteristics are observed at both Escandalosa Sur and Hondo Valle zones, where we have encountered near surface gold in drilling and trenching, and extend into undrilled areas which we look forward to testing shortly.” (see [http://goldquestcorp.com/images/projects/escandalosa/NEW\\_MAP\\_MAG%5B1%5D.JPG](http://goldquestcorp.com/images/projects/escandalosa/NEW_MAP_MAG%5B1%5D.JPG) ) map

The Escandalosa gold project is located within the Tiro Formation in the central part of the Dominican Republic, an evolving mineralized district (see map below [http://www.goldquestcorp.com/images/projects/escandalosa/TiroFm\\_GQC\\_Concessions.jpg](http://www.goldquestcorp.com/images/projects/escandalosa/TiroFm_GQC_Concessions.jpg)). The Upper Tiro sequence hosts gold bearing hydrothermal systems over a distance of about 90 kilometers. GoldQuest’s 100% owned Jengibre project, 28 kilometres to the SE of the Escandalosa gold project, returned drilling results, where the best drill hole was **54 meters grading 1.03 g/t gold, including 22.0 metres grading 1.97 g/t gold** (see Company press release dated August 5<sup>th</sup>, 2009) and Unigold’s Candalones project, approximately 45 kilometers to the NW of La Escandalosa gold project, obtained drill results pursuant to which they recently announced a drill intersection of 73.0 metres grading 2.36 g/t (see Unigold release of January 16<sup>th</sup>, 2012).

GoldQuest has recently completed a 10 hole drill program (see releases of December 15<sup>th</sup>, 2011 and January 11<sup>th</sup>, 2012) focusing on proposed open pit design parameters at the Escandalosa Sur Resource. In addition, GoldQuest has completed a drilling program at the

Hondo Valle mineralization, at which the best drill hole returned **29.00 metres grading 2.18 g/t gold** (see press release May 16<sup>th</sup>, 2011).

Integrating the data from these new holes has assisted GoldQuest's geologists in identifying a strong correlation between the geophysical signature of the confirmed gold bearing hydrothermal system at the Escandalosa Sur Resource, and the geophysical signature along the undrilled parts of the 3.4 kilometre Zone A, and in the undrilled Zones B and C. Previous drill locations selected by GoldQuest were selected without the benefit of this geophysics, and did not test the most prospective locations. A drill rig is on site, and the Company currently anticipates the announcement of a drill program shortly, once the targeting of potential sites has been finalized.

The Company is unable to determine or predict whether the results observed at GoldQuest's Hondo Valle or Jengibre mineralization will contain NI 43-101 compliant resources.

### **About GoldQuest**

GoldQuest is a Vancouver based mineral exploration company with projects in Spain and the Dominican Republic traded on the TSX-V under the symbol GQC.V and in Frankfurt / Berlin with symbol M1W, with 103,508,601 shares outstanding and 113,576,851 fully diluted basis. The recent trading range has been C\$0.07 to C\$0.14.

The qualified person for the technical information in this press release is Mr. William Fisher, P. Geo., the chairman and a director of GoldQuest Mining Corp.

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*Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Although GoldQuest believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration success, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward looking statements are based on the beliefs, estimates and opinions of GoldQuest’s management on the date the statements are made. GoldQuest undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change, except as required by law.*