

TORONTO, ONTARIO--(CCNMatthews - July 26, 2006) - GoldQuest Mining Corp. ("GoldQuest" or the "Company")(TSX VENTURE:GQC)(FWB:M1W) is pleased to provide an update regarding ongoing developments at the Las Tres Palmas (LTP) project in the western Dominican Republic.

The Company has reviewed all data with its JV partner Gold Fields' and it has been agreed to carry out an additional 2,000 metres of diamond drilling on the Escandalosa and Hondo Valle targets as soon as a drill rig becomes available.

Drilling will follow up on the initial success at Escandalosa which returned several significant intersections including hole LTP-07 with 63 metres grading 2.19 g/t Au, including 18 meters grading 6.87 g/t Au (see press release of May 30th 2006). This hole is interpreted to have intercepted a shallowly dipping stratiform body which is open to the north, south and east. The same mineralized horizon was intercepted in holes LTP-08, 09 and 10 giving GoldQuest confidence in the continuity of the flat lying replacement style mineralisation.

Several drill holes are also planned for the Hondo Valle target where initial drilling intercepted 20 meters grading 2.65 g/t Au (Press Release of May 2nd 2006).

Significant developments as a result of field and core review are as follows:

- The Hondo Valle Zone may extend further north than previously considered as indicated by the presence of anomalous hanging wall rocks 180 meters north of LTP-03. The Hondo Valle mineralization may also extend west 275 meters from drill holes LTP-01 and 02 where a rock sample in outcrop in the river bed returned 3.54 g/t Au and 5.5% Zn from silica-pyrite altered breccia.
- The Escandalosa Zone is a flat lying zone of intense quartz flooding and veining which returned a best intersection of 18 meters grading 6.87 g/t Au in LTP-07. Mineralization is open to the south, north and east as shown by the soil geochemistry and a new outcrop that has the mineralization "daylighting" 50 meters west of LTP-09. In addition new mineralized outcrops have been identified 1,200 meters south of LTP-09, where nine outcrop samples of what is interpreted to be silicified limestone returned an average grade of 9.46 g/t Au, 217 g/t Ag, 1.06% Zn and 0.54% Pb.
- The Escandalosa Zone is interpreted to be associated with a major NE trending district scale structure that has controlled the emplacement of sub-volcanic domes with associated quartz-baritepyrite structures with similar geochemistry to the high sulphidation replacement mineralization.

The Company and Gold Fields are confident that the Escandalosa Zone can be traced for several hundred metres by continuity between drill intersections and recently discovered mineralized outcrops.

All the results from remaining Phase I drill hole results have now been received. Holes LTP-11, 12 and 13 were drilled to test the Los Tomates zone located approximately 1,200 meters south west of the gold mineralization at Hondo Valle. These holes established the importance of

limestones within the project rock package and also, significantly, intersected quartz eye porphyry with silica alteration. Though lacking any significant values it is interpreted that this intrusion is one of the drivers of the extensive gold (+/- copper +/- zinc) mineralization at LTP.

LTP-14 was drilled 440 meters south of LTP-01 and 02. The hole intersected gold mineralization similar to that intersected in holes 1 and 2 with intense silica-pyrite alteration in a pyritic polymictic breccia. The best intersection is 50 meters from 8 to 58 meters grading 0.28 g/t Au with a peak value of 1.86 g/t Au over 2 meters.

LTP-04, located 90 meters east of hole LTP-02 at Hondo Valle returned 106.88 meters grading 0.19 g/t Au from 44.00 to 150.88 meters. The hole intersected unmineralised hanging wall from surface to 44 meters followed by pyritic breccias similar to those in holes LTP-01, 02 and 03.

Holes LTP- 15, 16 and 17 were drilled in the Hilguera Zone and intersected altered volcanic rocks with no intersections of practical interest.

Gold Fields is funding 100% of the exploration expenditures at Las Tres Palmas and can earn 60% by spending US\$5M on a portfolio of GoldQuest properties over three years.

The preparation and geochemical analysis of all samples was undertaken at ALS Chemex in Vancouver. The qualified person for the technical information in this press release for the purposes of National Instrument 43-101 is Dr. Stewart D. Redwood, FIMMM, Consulting Geologist to the Company.

### **About GoldQuest**

GoldQuest is an exploration company focused in the Dominican Republic where it has a portfolio of gold and copper exploration projects. The Company has three mining companies as shareholders Gold Fields Ltd, Barrick Gold Corporation and MinMet Plc, which own a combined total of 30.6%.

GoldQuest is traded on the TSX-V exchange under the symbol GQC.V and in Frankfurt under the symbol M1W.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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