

**GOLDQUEST DRILLING INTERCEPTS 29.0 METRES GRADING 2.18 g/t
GOLD AT HONDO VALLE, 1.6 KILOMETRES NORTH OF
ESCANDALOSA SUR**

VANCOUVER, MAY 16, 2011 - GoldQuest Mining Corp. (GQC.TSXV, "GoldQuest" or the "Company") is pleased to announce assay results from the final 7 diamond drill holes which were pending from the 24 hole program completed in March 2011 at its La Escandalosa Concession in the Dominican Republic. Results from the other 17 holes were reported on April 19, 2011.

The best intersection was:

29.00 metres grading 2.18 g/t gold, including 17.00 metres grading 3.45 g/t Au and 1.44 metres grading 14.20 g/t Au, in drill hole LTP-65

The above intersection represents the thickest and highest grade mineralized section to date at the Hondo Valle area. This is located 1.6 kilometres to the north of the existing NI 43-101 Compliant Inferred Resource containing 4.86 million tonnes grading 2.60 g/t gold at Escandalosa Sur (see release of 9th November 2010).

"We are encouraged by the grade and thickness of the mineralization in the northern part of the Hondo Valle area. This important discovery significantly increases the potential strike length of the project, 1.6 kilometres to the north of Escandalosa Sur, where the vast majority of our exploration has been concentrated to date, and where we established our first NI 43-101 Compliant Inferred Resource. We will now concentrate our efforts to define further mineralization in this northerly direction," commented Julio Espailat, the Company's President & CEO.

The Company is carrying out a 15.7 square kilometer Induced Polarization (IP) and magnetic ground geophysical survey from 2.0 kilometers north of Hondo Valle to 2.2 kilometers south of Escandalosa Sur (see map on www.goldquest.com). Once this work is completed, the Company intends to conduct up to 3,000 meters of additional diamond drilling during the second half of 2011, to test the extension of known mineralization and potential new targets being defined by the ongoing geology, geochemical and geophysical programs. The planned ground geophysical survey will take approximately ten weeks. GQC expects to finish the program and receive the interpretation reports by the end of July 2011. The Company is fully funded to cover the \$200,000 all inclusive cost of the geophysical survey and the future cost of the subsequent drill program proposed.

The 7 drill holes reported today are the final holes from the fourth phase of diamond drilling at the Escandalosa Sur – Hondo Valle zones. Twenty four (24) holes totaling 3,413 metres, averaging 142.2 metres depth, were drilled to test a combination of targets including lateral extensions to the known mineralization under a barren cover and to carry out some confirmatory infill drilling.

Drill intersections are currently interpreted to be near true widths as the holes were vertical and mineralization is interpreted to be a relatively flat-lying, stratiform horizon. Gold grades are reported both un-cut and cut to 20.0 g/t gold for comparison.

The results of the seven holes pending from the phase IV drilling, at a cut off of 0.3 g/t Au, are as follows:

Hole No.	Zone	From (m)	To (m)	Interval (m)	Au (g/t)	Cu (%)	Ag (g/t)	
LTP-49	Escandalosa Sur	74.00	94.00	20.00	1.32	0.39	1.5	
including	Escandalosa Sur	74.00	86.00	12.00	2.04	0.24	1.8	
LTP-56	Escandalosa Sur	45.00	61.00	16.0	0.49	NSV	NSV	
	Including	55.00	61.00	6.0	0.97	NSV	NSV	
LTP-57	Escandalosa Sur	76.00	82.00	6.0	0.41	NSV	14.0	
and	Escandalosa Sur	138.00	142.00	4.0	0.45	0.28	3.5	
LTP-63	La Escandalosa	No Significant Values (NSV)						
LTP-64	Hondo Valle	1.07	40.00	38.93	0.71	NSV	4.2	
including	Hondo Valle	1.07	16.00	14.93	1.24	NSV	8.5	
and	Hondo Valle	48.00	56.00	8.00	0.31	NSV	1.0	
LTP-65	Hondo Valle	50.00	79.00	29.00	2.18	0.25	4.2	
including	Hondo Valle	58.00	75.00	17.00	3.45	0.42	5.0	
including		67.61	69.05	1.44	14.20	2.04	9.0	
LTP-66	Hondo Valle	111.82	133.97	22.15	0.66	0.12	1.9	

Core size NTW

The Escandalosa Sur and Hondo Valle zones are interpreted to be part of an epithermal intermediate sulphidation type system hosted in an outcropping, flat-lying to shallowly dipping volcanic sequence. Mineralization typically occurs as a stratiform, weakly silicified body associated with a quartz vein stockwork, with sulphide mineralization characterized by fine-grained pyrite accompanied by minor sphalerite and chalcopyrite.

Core samples were sawn in half lengthways and one half sampled. The samples were prepared and analyzed by Acme Analytical Laboratories Ltd in Maimon, Dominican Republic and Vancouver (ISO 9000) for gold by fire assay with atomic absorption spectrometry (AAS) finish. Multi-elements were analyzed by four acid digestion and inductively coupled plasma atomic emission spectrometer (ICP-ES) analysis. Standards, blanks and duplicate samples were routinely inserted for quality assurance and quality control.

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 112,066,851 on a fully diluted basis. The recent trading range has been C\$0.20 to C\$0.40.

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.

For further information please contact:

Julio Espailat
President & Chief Executive Officer
Tel : +1 809 385 2222
jespaillat@goldquestcorp.com

Dan Maarsman
Investor Relations – Vancouver, Canada
Tel: +1-604-632 4333

www.goldquestcorp.com
investorrelations@goldquestcorp.com

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