

GOLDQUEST MINING CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2024

(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 six months ended June 30, 2024 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.

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GoldQuest Mining Corp.

Condensed Consolidated Interim Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	As at	June 30,	December 31,
	Note(s)	2024	2023
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	4	8,314,889	9,398,893
Amounts receivable		76,430	65,888
Prepaid expenses		131,675	153,866
Deposits		23,202	22,942
		8,546,196	9,641,589
Non-current assets			
Long-term investments	5	21,000	24,000
Equipment	6	50,620	61,535
Evaluation and exploration assets	7	1	1
		71,621	85,536
TOTAL ASSETS		8,617,817	9,727,125
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9, 11	312,704	155,173
TOTAL LIABILITIES		312,704	155,173
SHAREHOLDERS' EQUITY			
Share capital	10	73,461,074	73,461,074
Stock options reserve	10	2,018,574	2,280,758
Additional paid-in capital	10	19,035,848	18,691,628
Deficit		(86,207,383)	(84,861,508)
Accumulated other comprehensive loss		(3,000)	-
Equity attributable to owners of the Company		8,305,113	9,571,952
TOTAL SHAREHOLDERS' EQUITY		8,305,113	9,571,952
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		8,617,817	9,727,125
Corporate information and continuance of operations	1		
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These unaudited condensed consolidated interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Luis Santana Director

/s/ Florian Siegfried Director

See accompanying notes to these unaudited condensed consolidated interim financial statements.

GoldQuest Mining Corp.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the three months ended		For the six months ended	
		June 30,	June 30,	June 30,	June 30,
		2024	2023	2024	2023
		\$	\$	\$	\$
Expenses					
Consulting fees		26,947	6,000	39,947	12,000
Depreciation	6	4,128	5,982	10,915	12,230
Evaluation and exploration costs	7	275,759	311,545	478,619	815,741
Foreign exchange (gain) loss		5,514	(4,965)	891	57,632
General and administrative		49,524	77,040	101,771	140,365
Investor relations and promotion		14,054	7,980	74,760	50,943
Management and directors' fees	11	116,920	143,474	230,170	284,160
Professional fees	11	135,553	73,326	165,548	100,767
Project evaluation costs		-	-	32,337	-
Regulatory and filing fees		7,933	24,246	18,342	36,168
Rent		21,435	22,891	42,642	44,253
Salaries and wages	11	69,705	68,720	131,990	136,096
Share-based payments	10, 11	22,034	18,415	82,036	44,874
Travel		1,717	218	17,318	4,020
		(751,223)	(754,872)	(1,427,286)	(1,739,249)
Other income					
Interest income		30,667	60,495	81,411	164,703
Net loss		(720,556)	(694,377)	(1,345,875)	(1,574,546)
Other comprehensive income (loss)					
Items that may be reclassified subsequently to profit or loss:					
Change in fair value on available-for-sale investments	5	3,000	(3,000)	(3,000)	(4,500)
Total comprehensive loss		(717,556)	(697,377)	(1,348,875)	(1,579,046)
 Basic and diluted loss per share for the period attributable to common shareholders (\$ per common share)					
		(0.00)	(0.00)	(0.01)	(0.01)
 Weighted average number of common shares outstanding - basic and diluted					
		259,442,384	259,442,384	259,442,384	259,442,384

See accompanying notes to these unaudited condensed consolidated interim financial statements.

GoldQuest Mining Corp

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (unaudited)

(Expressed in Canadian Dollars)

		Share capital			Stock options reserve	Additional paid-in capital	Deficit	Accumulated other comprehensive loss	TOTAL
	Note(s)	#	\$		\$	\$	\$	\$	\$
Balance as of December 31, 2023		259,442,384	73,461,074		2,280,758	18,691,628	(84,861,508)	-	9,571,952
Reclassification of grant-date fair value on expired stock options	10	-	-		(344,220)	344,220	-	-	-
Share-based payments	10	-	-		82,036	-	-	-	82,036
Loss and comprehensive loss		-	-		-	-	(1,345,875)	(3,000)	(1,348,875)
Balance as of June 30, 2024		259,442,384	73,461,074		2,018,574	19,035,848	(86,207,383)	(3,000)	8,305,113
Balance as of December 31, 2022		259,442,384	73,461,074		2,138,732	18,621,296	(82,278,164)	(1,500)	11,941,438
Share-based payments	10	-	-		44,874	-	-	-	44,874
Loss and comprehensive loss		-	-		-	-	(1,574,546)	(4,500)	(1,579,046)
Balance as of June 30, 2023		259,442,384	73,461,074		2,183,606	18,621,296	(83,852,710)	(6,000)	10,407,266

See accompanying notes to these unaudited condensed consolidated interim financial statements.

GoldQuest Mining Corp.

Condensed Consolidated Interim Statements of Cash Flows (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the six months ended	
		June 30,	June 30,
		2024	2023
		\$	\$
Cash flow from (used in)			
OPERATING ACTIVITIES			
Net loss		(1,345,875)	(1,574,546)
Depreciation	6	10,915	12,230
Share-based payments	10	82,036	44,874
Net changes in non-cash working capital items:			
Amounts receivable		(10,542)	(2,521)
Prepaid expenses		22,191	6,881
Deposits		(260)	(2,412)
Accounts payable and accrued liabilities		157,531	51,505
Cash flow used in operating activities		(1,084,004)	(1,463,989)
Decrease in cash and cash equivalents		(1,084,004)	(1,463,989)
Cash and cash equivalents, beginning of period		9,398,893	11,796,562
Cash and cash equivalents, end of period		8,314,889	10,332,573
Supplemental cash flow information			
Reclassification of grant-date fair value on expired stock options	10	344,220	-
Cash paid for income taxes		-	-
Cash paid for interest		-	-

See accompanying notes to these unaudited condensed consolidated interim financial statements.

GoldQuest Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2024

(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 condensed consolidated interim 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 June 30, 2024, 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 condensed consolidated interim financial statements of GoldQuest for the six months ended June 30, 2024 were approved by the Board of Directors on August 29, 2024.

GoldQuest Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

2. MATERIAL 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 IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). 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, 2023.

New accounting standards

Certain IFRS pronouncements that are mandatory for accounting years beginning on or after January 1, 2024 have been issued. The Company concludes that the effect of such amendments did not have a material impact and therefore did not record any adjustments to the financial statements.

3. JOINT OPERATION

On January 17, 2020, the Company entered into a joint agreement with Precipitate Gold Corporation that is accounted for as a joint operation under IFRS 11 Joint Arrangements. The purpose of the joint operation was to acquire exploration equipment that can be used by both parties on their respective projects.

The joint operation was made through the incorporation of Toro Negro drilling S.R.L ("Toro Negro"), a company incorporated under the laws of the Dominican Republic on January 30, 2020. The participating interests of both parties at the time of the joint operation is 50% with each party responsible for payment of its proportionate share of operating and capital costs. Upon formation of the joint operation, a management committee (the "Management Committee") consisting of two representatives of each party and holding voting rights in accordance with each party's participating interest, was established which shall make all decisions which are required to be made by the joint operation participants.

The Management Committee shall be responsible for managing the exploration equipment acquired.

4. CASH AND CASH EQUIVALENTS

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

	June 30, 2024	December 31, 2023
	\$	\$
Cash	339,072	5,431,605
Cash equivalents	7,975,817	3,967,288
	8,314,889	9,398,893

GoldQuest Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

5. LONG-TERM INVESTMENTS

	Number of shares #	Closing market price \$	Fair value \$
As at June 30, 2024			
Precipitate Gold Corporation	300,000	0.07000	21,000
			21,000
As at December 31, 2023			
Precipitate Gold Corporation	300,000	0.08000	24,000
			24,000

Precipitate Gold Corporation ("Precipitate")

As at June 30, 2024, the Company recognized \$21,000 as the fair value of the 300,000 common shares received from Precipitate (December 31, 2023 – \$24,000). The change in fair value of \$3,000 and 1,500 for the six months ended June 30, 2024 and 2023, respectively, is recognized as other comprehensive loss.

6. EQUIPMENT

The Company's equipment is broken down as follows:

	Computer equipment \$	Office equipment \$	Vehicles \$	Field equipment \$	Total \$
COST					
As of December 31, 2023	18,514	8,770	64,644	56,837	148,765
As of June 30, 2024	18,514	8,770	64,644	56,837	148,765
ACCUMULATED DEPRECIATION					
As of December 31, 2023	(17,192)	(4,094)	(16,703)	(49,241)	(87,230)
Addition	(191)	(353)	(4,448)	(5,923)	(10,915)
As of June 30, 2024	(17,383)	(4,447)	(21,151)	(55,164)	(98,145)
Net book value as of June 30, 2024	1,131	4,323	43,493	1,673	50,620

GoldQuest Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

7. 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 ("Tireo Property") 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.

In 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.

The Company received notice that a group of individuals in the Dominican Republic filed a claim against the Company's wholly owned subsidiary, GoldQuest Dominicana SRL, regarding the Romero project. The Penal Chamber of the First Instance Court of the Judicial District of San Juan de la Maguana reached a decision in late March 2018; however, the only information the Company received regarding the decision is a verbal summary of the decision that was delivered by a Court clerk. The written decision of the court, including the reasons for the decision, was received in early April 2018. Upon review of the written decision by the Company's outside legal counsel, the decision simply restates the existing legal requirements under present Mining Law 146 and hence has no effect on the operations of the Company or its plans going forward. The injunction is limited to the Exploitation Permit Application for the Romero Concession and does not relate to the Company's exploration licenses.

During the year ended December 31, 2018, the Company decided to impair the evaluation and exploration assets by \$1,246,999 to a nominal amount of \$1. The Impairment is based on guidance outlined in IFRS 6, Exploration for and Evaluation of Mineral Resources and IAS 36, Impairment of Assets.

On June 26, 2019, the Ministry of Energy and Mines of the Dominican Republic ("MEM") granted a new Exploration License to the Company. The Piedra Dura Exploration License is located north of the Romero Project.

As of June 30, 2024, the Company has not received the Exploitation Permit nor clarification from the Dominican Republic's government on any timeframe for receipt of the Exploitation Permit **TBC**.

GoldQuest Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

8. EVALUATION AND EXPLORATION COSTS

The Company's evaluation and exploration costs during the six months ended June 30, 2024 and 2023 related to projects in the Dominican Republic are broken down as follows:

	June 30, 2024	June 30, 2023
	\$	\$
Tireo		
Access fees	1,235	18,360
Field	179,350	171,720
Field technicians	156,651	200,589
Geological	1,357	64,924
Lodging and food	24,136	22,063
Mapping	6,713	-
Sample analysis	1,360	-
Social responsibility	73,228	253,630
Transportation	2,492	2,861
	446,522	734,147
General		
Access fees	-	3,379
Field	32,097	78,215
	32,097	81,594
Total evaluation and exploration costs incurred during the period	478,619	815,741
Cumulative costs, beginning of period	39,293,654	37,989,880
Cumulative costs, end of period	39,772,273	38,805,621

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	June 30, 2024	December 31, 2023
	\$	\$
Trade payables	280,704	115,173
Accrued liabilities	32,000	40,000
	312,704	155,173

GoldQuest Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

10. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

As of June 30, 2024 and December 31, 2023 and 2022, the Company had 259,442,384 common shares issued and outstanding with a value of \$73,461,074.

During the six months ended June 30, 2024 and 2023, no share capital transactions occurred.

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 six months ended June 30, 2024 is as follows:

	Number outstanding	Weighted average exercise price (\$)
Balance, opening	24,870,000	0.18
Expired	(5,250,000)	0.15
Balance, closing	19,620,000	0.19

During the six months ended June 30, 2024, 5,250,000 options expired, unexercised.

No options were granted, exercise or expired during the six months ended June 30, 2023.

During the six months ended June 30, 2024 and 2023, the Company recognized share-based payments expense of \$82,036 and \$44,874, respectively.

During the six months ended June 30, 2024 and 2023, the Company reclassified the fair value of the expired options with an amount of \$344,220 and \$nil from stock options reserve to additional paid-in capital.

GoldQuest Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (CONTINUED)**Stock options (continued)**

The following summarizes information about stock options outstanding and exercisable at June 30, 2024:

Expiry date	Exercise price (\$)	Options outstanding	Options exercisable	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
April 30, 2025	0.20	3,400,000	3,400,000	255,270	0.83
January 22, 2026	0.36	3,525,000	3,525,000	762,196	1.56
December 17, 2026	0.15	5,495,000	5,495,000	479,300	2.47
June 1, 2027	0.18	2,000,000	2,000,000	252,282	2.92
November 22, 2027	0.16	200,000	200,000	23,088	3.40
September 18, 2028	0.11	5,000,000	3,333,330	265,830	4.22
		19,620,000	17,953,330	2,037,966	2.52
Weighted average exercise price (\$)		0.19	0.20		

11. RELATED PARTY TRANSACTIONS AND BALANCES**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
Luis Santana	CEO
David Massola	Former CEO
William Fisher	Non-Executive Chairman
Frank Balint	Director
Patrick Michaels	Director
Florian Siegfried	Director
Julio Espaillet	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.

GoldQuest Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**Related party transactions (continued)**

Total compensation of key company personnel for the six months ended June 30, 2024 and 2023 is as follows:

	For the six months ended	
	June 30, 2024	June 30, 2023
	\$	\$
Directors' fees	60,000	60,000
Management remuneration	170,170	224,160
Salaries and wages	67,801	70,810
Share-based compensation	76,293	35,020
	374,264	389,990

During the six months ended June 30, 2024, the Company paid professional fees of \$53,063 (June 30, 2023 – \$39,500) 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.

Related party balances

The balances due to the Company's directors and officer included in accounts payables and accrued liabilities were \$69,594 as at June 30, 2024 (December 31, 2023 – \$9,000). These amounts are unsecured, non-interest bearing and payable on demand.

12. COMMITMENT

The Company is a party to certain management contracts. These contracts contain clauses requiring that approximately \$716,000 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.

GoldQuest Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

13. SEGMENTED INFORMATION

The Company has one reportable segment, being the evaluation and exploration of mineral exploration properties.

The Company's non-current assets and liabilities are as follows:

	June 30, 2024	Canada	Dominican Republic
	\$	\$	\$
Long-term investments	21,000	21,000	-
Equipment	50,620	-	50,620
Evaluation and exploration assets	1	-	1
	December 31, 2023	-	50,620
	\$	\$	\$
Long-term investments	24,000	24,000	-
Equipment	61,535	-	61,535
Evaluation and exploration assets	1	-	1

14. 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 six months ended June 30, 2024.

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.

GoldQuest Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

15. FINANCIAL INSTRUMENTS**Fair value**

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. Long-term investments are 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 June 30, 2024 and December 31, 2023, 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.

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

	June 30, 2024		FVTPL	Amortized costs	FVTOCI
	\$		\$	\$	\$
FINANCIAL ASSETS					
ASSETS					
Cash and cash equivalents	8,314,889		8,314,889	-	-
Amounts receivable	76,430		-	76,430	-
Deposits	23,202		-	23,202	-
Long-term investments	21,000		-	-	21,000
FINANCIAL LIABILITIES					
LIABILITIES					
Accounts payable and accrued liabilities	(312,704)		-	(312,704)	-
	December 31, 2023		FVTPL	Amortized costs	FVTOCI
	\$		\$	\$	\$
FINANCIAL ASSETS					
ASSETS					
Cash and cash equivalents	9,398,893		9,398,893	-	-
Amounts receivable	65,888		-	65,888	-
Deposits	22,942		-	22,942	-
Long-term investments	24,000		-	-	24,000
FINANCIAL LIABILITIES					
LIABILITIES					
Accounts payable and accrued liabilities	(155,173)		-	(155,173)	-

GoldQuest Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

15. FINANCIAL INSTRUMENTS (CONTINUED)

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 primarily 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 maintained sufficient cash and cash equivalents as of June 30, 2024 in the amount of \$8,314,889, in order to meet short-term business requirements. As of June 30, 2024, the Company had accounts payable and accrued liabilities of \$312,704. 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, other price 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 June 30, 2024.

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 as of June 30, 2024 would result in an approximately \$83,000 change to the Company's loss for the six months ended June 30, 2024.

GoldQuest Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

15. FINANCIAL INSTRUMENTS (CONTINUED)**Financial risk management (continued)****Market risk (continued)**

- 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 investments are held in Canadian Dollars ("CA\$"), US Dollars ("US\$") and Dominican Pesos ("RD\$" or "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 June 30, 2024:

	CA\$	US\$	RD\$
Cash and cash equivalents	8,188,941	7,176	5,071,609
Amounts receivable	12,539	6,962	2,374,332
Deposits	4,350	500	793,420
Long-term investments	21,000	-	-
Accounts payable and accrued liabilities	(161,685)	(22,772)	(5,234,968)
	8,065,145	(8,134)	3,004,393
Rate to convert to \$1.00 CA\$	1.00	1.37	0.02
Equivalent to CA\$	8,065,145	(11,125)	68,796

Based on the above net exposures as of June 30, 2024, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the CA\$ against the US\$ and DOP would increase/decrease comprehensive loss by \$5,700.

- 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 of June 30, 2024, the Company held 300,000 common shares of Precipitate which is publicly traded on the TSX Venture Exchange. A 10% change in share price of Precipitate's shares as of June 30, 2024 would result in a \$2,100 change to the Company's comprehensive loss for the six months ended June 30, 2024.

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.