GOLDQUEST MINING CORP.

Management's Discussion and Analysis

June 30, 2014

(unaudited)

Contents

1. Introduction

This Management's Discussion and Analysis ("MD&A") of GoldQuest Mining Corp. and its subsidiaries (the "Company" or "GoldQuest") is intended to help the reader understand GoldQuest's results of operations, financial performance, and current and future business environment This MD&A is intended to supplement the unaudited consolidated interim financial statements of the Company and the notes thereto for the three and six months ended June 30, 2014, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2013, prepared in accordance with IFRS and the related MD&A.

This MD&A is prepared as of August 27, 2014. 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 was approved by the Board of Directors and authorized for issue on August 27, 2014.

2. 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.

3. Overview

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. 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 announced the results of and published a preliminary economic assessment ("PEA") on the Romero Project (refer to news releases dated May 27 & July 16, 2014). A PEA is a conceptual study of the potential viability of mineral resources. There has been no determination whether the Company's interests in exploration properties contain mineral reserves which are economically recoverable.

2014 Q2 Highlights

Exploration

- Commenced 10,000 meter drilling campaign at Tireo Property, exploring for new mineralized bodies
- Expanded concession footprint of Tireo Property
- Continued ground IP following Romero trend northwards to concession boundary and to west of Romero
- Completed 3D inversion of airborne geophysical dataset
- Completed TerraSpec alteration mineralogy study of Romero project

Events Subsequent to 2014 Q2

- Published NI 43-101 Technical Report for PEA which is available on SEDAR
- Continued with 10,000 meter drill program
- Continued with ground IP program to the west of Romero

4. 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 mining 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.

5. Evaluation and Exploration Assets

Jeremy Niemi, P.Geo, the Company's Vice-President, Exploration, 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 23 concessions in the Dominican Republic. These projects are grouped into the following districts:

- **San Juan District**, including La Escandalosa (includes the Romero project), Aguita Fria (Jenigbre), Valentin, Loma Los Comios, Loma El Cachimbo (Loma Viejo Pedro), Los Gajitos, Los Lechones, Descansadero, Tocon de Pino, Las Tres Veredas, Piedra Dura, La Tachuela (formerly La Fortuna), La Guinea, Toribio and La Pelada concessions (collectively referred to as the "Tireo Property").

- **Jarabacoa District**, including Loma Oculta and La Rabona concessions.

- **Regional Exploration**, including Loma El Catey, El Candongo, Pesquero, Loma La Damajagua, Hoyo Prieto and Recodo concessions.

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

<u>Tireo Property</u>

The Tireo Property (100% owned) is a group of 15 concessions located within the San Juan Valley that encompass 20,850 hectares in the province of San Juan de la Maguana, Dominican Republic. The majority of the project area is in the exploration stage, with the exception of La Escandalosa concession which contains the Romero project.

The Romero Gold-Copper Project (100% owned) is located within the La Escandalosa exploration Concession that encompasses 3,997 hectares. 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.

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 also commenced a 10,000 meter drill program in Q2 2014 to test regional targets.

The 2014 drilling program will test new targets both proximal to the Romero deposits and targets to the north and west of the deposits. The goal of the program is to expand the Company's mineral resource inventory in the district through new discoveries.

Looking forward to the remainder of 2014, the Company will continue to advance the Tireo Property towards a production decision and develop a pipeline of regional drill-ready targets.

Preliminary Economic Assessment

On May 27, 2014, the Company announced positive results from the un-optimized, maiden NI 43-101 compliant PEA for a proposed underground mine at its 100% owned Romero and Romero South Gold-Copper Deposits on the Tireo Property. The PEA was led by Micon International Limited. The conclusions and recommendations of the PEA are that the Romero deposit may be economically viable and the Company should proceed to a Pre-feasibility study ("PFS"). Highlights of the PEA are summarized below (all values shown are in $US).

The PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the results of the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

PEA Highlights:

- A 15 year underground mine producing an average of 90,000 ounces of payable gold and 15.6 million lbs. of payable copper for each year of full production in two concentrates from 3,800 tonnes per day (129,000 ounces of gold equivalent ("AuEq"))
- All-in sustaining costs ("AISC"), net of copper and minor silver by-products, of $353/oz for 90,000 ounces of gold per year consisting of on-site operating cash costs (net of by-product credits of $557/oz) of $153, concentrate transportation and Treatment Charges /Refining Charges ("TC/RCs") costs of $147/oz, royalties of $21/oz and sustaining capital of $32/oz
- Metal recoveries are estimated to be 83% for gold and 91% for copper resulting, after allowing for transportation and TC/RCs, in net payable gold of 79.2% and net payable copper of 86.5%
- Total Life of Mine ("LOM") revenue of $2.35 billion, an undiscounted pre-tax cash flow of $0.86 billion ($0.60 billion post tax), producing 1.26 million ounces of payable gold (1.81 million payable ounces of AuEq.) from processing 18.5 million tonnes grading 2.69 g/t and 0.61% copper with a Net Smelter Return of $117 per tonne and cash operating costs of $58.69 per tonne
- Total LOM capital cost of $374 million, which includes an initial capital cost of $333.5 million and a sustaining capital cost of $40.4 million
- Pre-tax Internal Rate of Return ("IRR") of 19.7% (15.1% after tax)
- Pre-tax Net Present Value ("NPV") of $318 million based on an 8% discount rate ($176 million after tax)
- Pre-tax NPV of $471 million based on a 5% discount rate ($274 million after tax)
- PEA completed only 2 years after discovery
- Of the mineral resources used in the PEA mine plan, 80% are from the indicated category
- The PEA contemplates an environmentally sensitive approach, including a small surface footprint and no use of cyanide on site, seeking to minimize the impact on the environment and the local communities

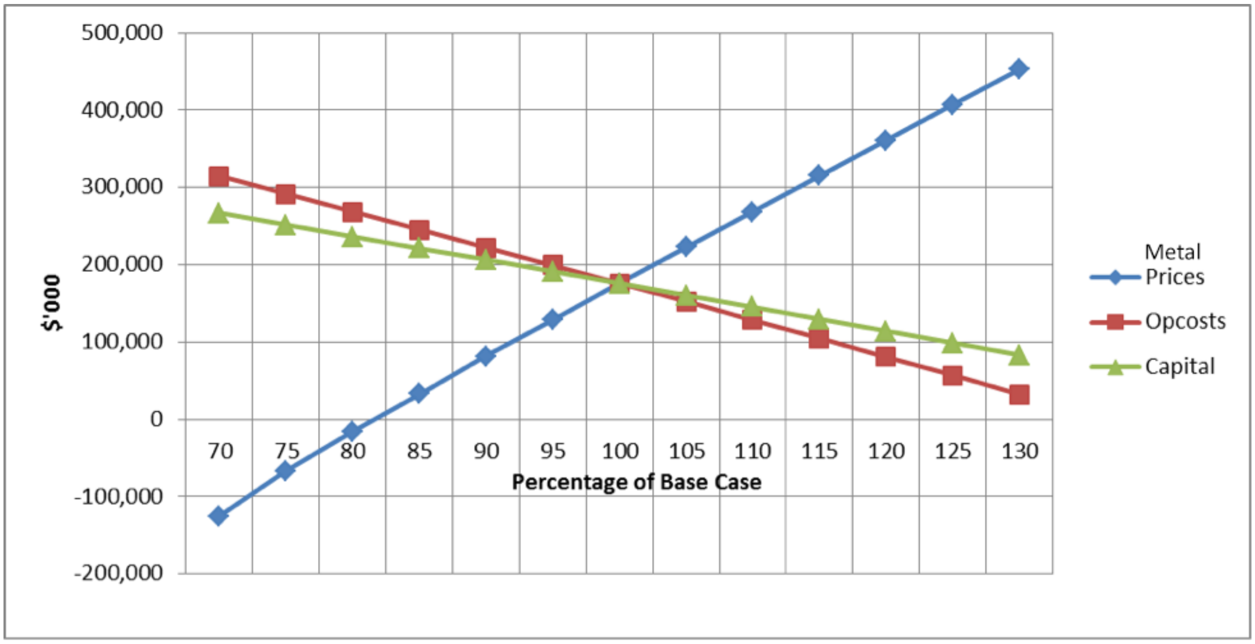
The following table is a summary of the PEA parameters or inputs:

PEA Parameters	**Measure Criteria**	**Input**
Metal Grades	Unit	Average Grade
• Gold • Copper	g/t %	2.69 0.61
Metal Prices		
• Gold • Copper • Silver	US$/oz. US$/lb. US$/oz.	$1300 $3.25 $22
Exchange Rates		
• CAD/USD	Today's rate	0.90
Taxation	Taxable Income	Income Tax Rates
• Dominican Republic	Federal Environmental	25% 5%
Third Party Royalties	Net Smelter Royalty	1.25%

The following table is a summary of the PEA results:

Life of Mine Average	**US$ millions LOM**	**US$/t milled**	**US$/oz. gold**
Gross Revenue Gold Copper Silver Total	 2,348	 127	 1,300 549 8 1,857
Operating Costs			
Mining Costs Processing Costs General & Administrative Costs On Site Costs sub-total Less By-Product Credits	584 281 33	31.61 15.24 1.76	462 223 26 710 -557
Total Add Smelting and Refining Charges	897 186	48.62 10.07	153 147
Cash operating Cost	1,083	58.69	301
Net Operating Margin Royalties Sustaining Capital All in Sustaining Cost	1,264 27 40 1,151	68.50 1.46 2.19 62.34	1,558 21 32 353
Capital Expenditure(initial)	333	18.07	264
Pre-tax Cash Flow Taxation	864 269	46.78 14.55	683 212
Net Cash Flow After Tax	595	32.23	471

The following figure presents the PEA sensitivities, showing leverage to metal prices being the most important variable:



Mineral resources:

The basis for the PEA is the mineral resource estimate prepared by Micon as set out in the Company's NI 43-101 report dated December 13, 2013 and effective October 29, 2013 entitled "A Mineral Resource Estimate for the Romero Project, Tireo Property, Province of San Juan, Dominican Republic", which was filed on SEDAR on December 13, 2013. An updated NI 43-101 Technical Report, supporting the PEA, was filed on SEDAR on July 11, 2014. For the purposes of reporting the mineral resources, Micon selected a net smelter returns ("NSR") cut-off of US$60 (operating cost/commodity price weighted recovery) as an estimate of what might be a reasonable marginal cost of extraction at Romero and US$50 as the marginal cost of extraction at Romero South. Metal prices used were Au = US$1,400/oz., Ag = US$22.50/oz., Cu = US$3.18/lb. and Zn = US$0.95/lb.

A summary of this resource is:

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 Mineral 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 Mineral Resources		**10,020,000**	**1.64**	**0.36**	**0.42**	**3.8**	**2.45**	**529,000**	**790,000**

Note: Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Mine Plan:

The mine plan for the Romero deposit uses mechanized longhole stoping with both ramp and shaft access. At full production, crushed ore is hoisted to the surface at an average rate of 3,800 tpd. The mining method requires sinking and equipping the shaft, installing the primary crusher station at the bottom of the mine and making provision for backfill from bottom up during the pre-production development period, which generally increases up-front capital (lowering IRR) but results in lower sustaining capital and lower operating costs per tonne, compared to other operations. The mine plan includes provisions for mining losses and dilution. Some further drilling is recommended to upgrade inferred resources to the higher measured and indicated categories, as well as geotechnical and metallurgical drilling as part of any pre-feasibility study.

It is proposed that the Romero South deposit would go into production in year 14. The mine plan takes advantage of the deposit outcrop and requires very little waste development. Modified room and pillar mining with backfill is the proposed mining method. The planned production rate is 2,700 tpd and the mining is expected to continue through the third quarter of year 15.

Processing and Metallurgy:

The processing flow sheet selected for the PEA consists of crushing, grinding and flotation to produce two concentrates; a copper/gold sulphide concentrate and a gold oxide concentrate, neither of which contains any significant deleterious elements. 92% of the total copper and 51% of the total gold reports to the copper concentrate and 32% of the total gold reports to the gold concentrate. Bio-oxidation will be used for the gold concentrate only and dry stacking will be used for tailings disposal. This flow sheet is based on extensive metallurgical testing carried out by ALS laboratories in Kamloops BC and Perth Australia under the supervision of Micon. Total recoveries into the final concentrates, based on existing metallurgical test work, are expected to be approximately 83% for gold and 91% for copper resulting in net payable gold of 79.2% and net payable copper of 86.5%. Both concentrates will be trucked from the mine site for further processing.

Operating Costs:

The operating costs used in the PEA were estimated from first principles using local unit rates for labour, consumables and power where possible, and Micon's estimates for the off-site costs. The Life of Mine All-In Sustaining Costs (AISC) are estimated to be $353/oz of Au per year, for 90,000 ounce of Au per year, consisting of on-site operating cash costs of $153/oz, net of copper and minor silver by-products, concentrate transportation and TC/RC costs of $147/oz, royalties of $21/oz and sustaining capital of $32/oz.

Capital Costs:

The pre-production capital cost is estimated to be $333.5 million, plus $40.4 million for LOM sustaining capital, for a total estimated LOM capital cost of $374 million, for a pre-production capital intensity of $18.07 per LOM tonne processed. Initial capital expenditures are based on 3,800 tonnes per day (1,380,000 tonnes per year) throughput. The up-front capital costs include the underground mine, processing facilities, infrastructure and hydro-electric installations prior to production and include contingencies of $52.4 million, EPCM costs of $19.8 million and $55.4 million for infrastructure costs including the hydro-electric installations. Project electrical requirements are estimated at 14MW.

Sustaining capital consists of capitalized waste development after the initial production start-up, major equipment replacement and tailings expansions. Mining development costs during production are included in the mining operating costs.

The estimated preproduction capital costs are summarized in the table below.

Capital Costs US$ Thousand	Start Up Minus 2	Start Up Minus 1	Start Up Year 1	Start Up Total
Preproduction	$97	$9,469	-	$9,566
Mining Capital	$29,892	$9,316	$9,078	$48,286
Processing Capital	-	$73,723	$36,311	$110,034
Infrastructure Capital	-	$48,888	$6,540	$55,428
Indirect Capital	-	$44,474	$7,386	$51,860
Owner's Costs		$3,958	$1,558	$5,516
Closure Bonding		$200	$200	$400
Contingency	$5,978	$36,072	$10,359	$52,409
Total	$35,967	$226,099	$71,433	333,499,

*Includes access road, dry stack tailings storage facility, grid power connection and hydro-electric installations.

Qualified Person:

The independent qualified persons responsible for preparing the Romero Preliminary Economic Assessment are Messrs. Hennessey, Jacobs, Gowans and Ms. Dreesbach of Micon International Ltd., all of whom are Qualified Persons and independent of GoldQuest as defined by NI 43-101.

Drilling

In Q2 2014, the Company commenced a 10,000 meter exploration drill program at new target areas within its Tireo Property concessions, which includes the Romero project. The drill program is designed to identify new mineralized bodies which could increase the mineral resources in the Romero Project area. Seven holes have been completed from the program and the eight hole is in progress totaling 2,751 meters.

From the commencement of exploration on this project and up to the date of this MD&A, a total of 49,149 meters have been drilled in 172 diamond drill holes at the Tireo Property (including 2014 exploration program).

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 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 may be required throughout 2014.

Geophysical Survey

During the quarter, the Company continued to expand the coverage of ground IP over favorable trends to the north and west of the Romero deposit. The IP survey is on-going and a key component in the company's targeting approach. We have been able to maintain high productivity and work through the rainy season due to effect use of fly-camps which reduce travel time to the survey area. By the end of the quarter, the 2014 IP program has completed 93.7 kilometers of gradient data collection and 19.25 kilometers of Insight sections. The gradient work identifies chargeability target locations and the Insight sections refine the depth of the targets looking up to 500 meters below surface.

Loma Oculta Project (formerly Las Animas)

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 meters. The resultant model is a single vertical to steeply dipping body with a strike length of 130 meters, true average width of 6.3 meters (2.0 to 28.0 meters), and a depth of 350 meters. The oxide zone is 40 to 65 meters 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					
	Tonnes	Au	Ag	Cu	Zn
Type	(kt)	(g/t)	(g/t)	(%)	(%)
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	Ag	Cu	Zn
		(000's oz)	(000's oz)	(000's lbs)	(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	Ag	Cu	Zn
		(000's oz)	(000's oz)	(000's lbs)	(000's lbs)
Total		24	518	24,790	45,272

Notes:

1. *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*
2. *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.*
3. *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.*
4. *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.*
5. *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.

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.

6. Results of Operations

Second Quarter

	For the three months ended		Change in	
	June 30, 2014	June 30, 2013	$	%
EXPENSES				
Depreciation	$ 31,338	$ 16,433	$ 14,905	91%
Directors' fees and management remuneration	151,375	142,213	9,162	6%
Evaluation and exploration costs	1,065,807	1,523,407	(457,600)	(30%)
Foreign exchange (gain) loss	285,271	(230,367)	515,638	(224%)
General and administrative	67,897	71,582	(3,685)	(5%)
Investor relations and promotion	84,081	109,362	(25,281)	(23%)
Professional fees	51,600	77,985	(26,385)	(34%)
Regulatory and transfer agents	23,405	14,554	8,851	61%
Rent	11,035	11,400	(365)	(3%)
Salaries and wages	67,149	30,161	36,988	123%
Share-based payments	215,598	462,371	(246,773)	(53%)
Travel	8,342	6,394	1,948	30%
	2,062,898	2,235,495	(172,597)	(8%)
OTHER (INCOME) LOSS				
Interest income	(15,861)	(23,904)	8,043	(34%)
Loss on disposal of equipment	-	600	(600)	(100%)
NET LOSS FOR THE PERIOD	2,047,037	2,212,191	(165,154)	(7%)
OTHER COMPREHENSIVE LOSS				
Unrealized loss (gain) on available-for-sale assets	530,295	75,756	454,539	600%
TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$ 2,577,332	$ 2,287,947	$ 289,385	13%

The Company incurred a net loss of $2,047,037 for the three months ended June 30, 2014, representing a decrease of $165,154 when compared with $2,212,191 for the prior-year quarter. The decrease in net loss was primarily due to evaluation and exploration costs and share-based payments, partially offset by a foreign exchange loss.

- Evaluation and exploration costs decreased in the current quarter compared to the prior-year quarter, mainly due to less drilling and sample analysis costs. There were 1,631 meters drilled in the second quarter of 2014 compared to 4,368 meters drilled in 2013 at the Tireo property in the Dominican Republic.

- Share-based payments decreased in the current quarter compared to the prior-year quarter, mainly due to fewer options vesting in the current quarter as well as fewer options granted with a lower exercise price at the grant date.

- Foreign exchange loss in the second quarter of 2014 was mainly due to the revaluation of the monetary items denominated in US dollars. During the second quarter of 2014, the US dollar depreciated against the Canadian dollar. The gain in the second quarter of 2013 was mainly related to the revaluation of the cash and cash equivalents held in US dollars to Canadian dollars. The US dollar appreciated over the Canadian dollar in the second quarter of 2013. The Company is required to re-measure monetary items denominated in foreign currencies at each reporting date using the spot rate.

Year to Date

	For the six months ended		Change in	
	June 30, 2014	June 30, 2013	$	%
EXPENSES				
Depreciation	$ 62,489	$ 32,917	$ 29,572	90%
Directors' fees and management remuneration	303,375	277,138	26,237	9%
Evaluation and exploration costs	2,239,173	3,411,842	(1,172,669)	(34%)
Foreign exchange (gain) loss	130,985	(409,489)	540,474	(132%)
General and administrative	176,704	149,297	27,407	18%
Investor relations and promotion	146,902	231,497	(84,595)	(37%)
Professional fees	78,595	130,458	(51,863)	(40%)
Regulatory and transfer agents	47,368	31,291	16,077	51%
Rent	22,080	19,324	2,756	14%
Salaries and wages	146,137	102,270	43,867	43%
Share-based payments	495,305	773,412	(278,107)	(36%)
Travel	39,749	13,247	26,502	200%
	3,888,862	4,763,204	(874,342)	(18%)
OTHER (INCOME) LOSS				
Interest income	(34,453)	(47,717)	13,264	(28%)
Loss on disposal of equipment	-	600	(600)	(100%)
NET LOSS FOR THE PERIOD	3,854,409	4,716,087	(861,678)	(18%)
OTHER COMPREHENSIVE LOSS				
Unrealized loss (gain) on available-for-sale assets	833,320	378,781	454,539	120%
TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$ 4,687,729	$ 5,094,868	$ (407,139)	(8%)

The Company incurred a net loss of $3,854,409 for the six months ended June 30, 2014, representing a decrease of $861,678 when compared with $4,716,087 for the prior-year period. The decrease in net loss was primarily due to evaluation and exploration costs and share-based payments, partially offset by a foreign exchange loss.

- Evaluation and exploration costs decreased during the six months ended June 30, 2014 mainly due to the following:
  - There were less meters drilled related to the Tireo property, during the six months ended June 30, 2014, 1631 meters were drilled compared to 12,195 meters drilled during the prior-year period;
  - The costs of sample analysis decreased as a result of the decreased spending on sample testing due to the lower drilling activities;
  - Geological costs increased due to a comprehensive ground geophysics program over the Romero project and other technical studies such as environmental baseline work and mineral resource scoping work.
- Share-based payments decreased during the six months ended June 30, 2014, mainly due to fewer options vesting in the period as well as fewer options granted with a lower exercise price at the grant date.
- Foreign exchange loss in the second quarter of 2014 was due primarily to the revaluation of the monetary items denominated in US dollars. During the second quarter of 2014, the US dollar depreciated against the Canadian dollar. During the six months ended June 30, 2013 the foreign exchange gain was mainly related to

the revaluation of the cash and cash equivalents held in US dollars to Canadian dollars. The US dollar appreciated against the Canadian dollar in the second quarter of 2013. The Company is required to re-measure monetary items denominated in foreign currencies at each reporting date using the spot rate.

7. Summary of Quarterly Results

	Three months ended			
	June 30, 2014	March 31, 2014	December 31, 2013	September 30, 2013
Interest income	$ 15,861	$ 18,592	$ 21,324	$ 22,065
Net loss	(2,047,037)	(1,807,372)	(1,241,834)	(2,048,979)
Comprehensive loss	(2,577,332)	(2,110,397)	(787,296)	(1,973,223)
Basic and diluted loss for the period attributable to common shareholders per share	(0.02)	(0.01)	(0.01)	(0.01)

	Three months ended			
	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012
Interest income	$ 23,904	$ 23,813	$ 19,075	$ 13,686
Net loss	(2,212,191)	(2,503,896)	(2,326,459)	(2,286,611)
Comprehensive loss	(2,287,947)	(2,806,921)	(2,629,484)	(1,983,586)
Basic and diluted loss for the period attributable to common shareholders per share	(0.02)	(0.02)	(0.02)	(0.01)

The Company's net 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. Net losses from the third quarter of 2012 remained at relatively constant levels due to a comprehensive exploration and drilling program at the Romero project.

Through the third quarter of 2012, comprehensive loss includes a quarterly fluctuation in available-for-sale assets due to changes in the fair market value of the Company's long-term investments.

8. Liquidity and Capital Resources

As at June 30, 2014, the Company had a working capital of $7,731,887 (December 31, 2013 – $10,760,609) including cash and cash equivalents of $8,155,188 (December 31, 2013 – $10,901,946).

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 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.

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.

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.

Commitments

The Company is a party to certain management contracts. These contracts contain clauses requiring that approximately $1,434,000 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 interim condensed consolidated financial statements (unaudited).

Uncertainties

The Company is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which it may be required to pay damages in any form by reason thereof, will have a material effect on the financial condition or future results of operations of the Company.

Outstanding Share Data

The following are outstanding as at the day of this MD&A:

Common shares	145,755,044
Shares issuable on the exercise of outstanding stock options	12,856,163

9. Financial Instruments

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and Company's exposure to these risks are provided in various tables in note 16 of our annual audited consolidated financial statements for the year ended December 31, 2013.

10. Related Parties

Total compensation of key personnel of the Company for the three and six months ended June 30, 2014 and 2013 is as follows:

		For the three months ended		For the six months ended	
		June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Directors' fees		$ 21,000	$ 16,247	$ 42,000	$ 29,747
Management fees	(1)	196,084	182,876	392,384	365,752
Professional fees	(2)	15,286	29,013	29,506	46,976
Share-based compensation		194,558	407,943	449,034	688,305
		$ 426,928	$ 636,079	$ 912,924	$ 1,130,780

1) During the three and six months ended June 30, 2014, the Company paid $24,000 (2013 - $21,000) and $48,000 (2013 - $42,000) respectively to Quantum Advisory Partners LLP, a partnership in which the CFO is an incorporated partner. These related party transaction amounts are included in management remuneration.

2) Professional fees relate to amounts paid to Quantum and include corporate secretarial, transaction support and tax compliance services.

The balances due to the Company's directors and officers included in accounts payables and accrued liabilities were $18,749 as at June 30, 2014. 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.

11. 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.

12. Critical Accounting Estimates

The preparation of our consolidated financial statements requires management to use judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could materially differ from these estimates. Refer to note 2(d) of our annual audited consolidated financial statements for the year ended December 31, 2013 for a more detailed discussion of the critical accounting estimates and judgments.

13. Adoption of New and Amended IFRS Pronouncements

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning on or after January 1, 2014.

The adoption of the following new IFRS pronouncement will result in enhanced financial statement disclosures in the Company's annual consolidated financial statements. This pronouncement does not affect the Company's financial results nor does it result in adjustments to previously-reported figures.

- Offsetting Financial Assets and Liabilities (Amendments to IAS 32)
  The standard amends the presentation to provide clarifications on the application of the offsetting rules which focused on four main areas: 1) the meaning of "currently has a legally enforceable right of set-off", 2) the application of simultaneous realisation and settlement, 3) the offsetting of collateral amounts, and 4) the unit of account for applying the offsetting requirements.

14. Risks and Uncertainties

The business of the Company is subject to a variety of risks and uncertainties. For a discussion of the risks faced by the Company, please refer to the annual MD&A as at December 31, 2013. These risks could materially adversely affect the Company's future business, operations and financial condition and could cause such future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A and as described in under "Forward-Looking statements" found herein.

There has been no material change in the risks faced by the Company during the six months ended June 30, 2014.

15. Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning GoldQuest's exploration and evaluation costs is provided in the Company's condensed consolidated interim financial statements (unaudited) for the six months ended June 30, 2014 (note 7) and 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.

16. Forward- Looking Information

Statements contained in this MD&A that are not historical facts are forward-looking information that involves known and unknown risks and uncertainties. Forward-looking statements in this news release include, but are not limited to, statements with respect to the PEA results, the proposed underground mine, the discovery of new mineral resources, mineral resource estimates, the merits of the Company's mineral properties, future studies, and the Company's plans and exploration programs for its mineral properties, including the timing of such plans and programs. 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", "potential", "goal", "proposed", "appears", "budget", "scheduled", "estimates", "forecasts", "at least", "intends", "hope", "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 uncertainties inherent in the preparation of the PEA and in the estimation of mineral resources; 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; 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. 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, do not place undue reliance on forward-looking statements. All statements are made as of the date of this news release 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 are based on assumptions that the Company believes to be reasonable, including expectations regarding the PEA parameters and inputs, 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.