

QUEST CAPITAL CORP.
Suite 300, 570 Granville St.
Vancouver, BC V6C 3P1

PPI ACQUISITION CORP.
199 Bay Street
Toronto, ON M5L 1B9

March 17, 2005

TSX: QC

NEWS RELEASE

EARLY WARNING REPORT

**PPI ACQUISITION CORP. TRANSFERS SHARES OF
PROPRIETARY INDUSTRIES INC.**

VANCOUVER, BRITISH COLUMBIA AND TORONTO, ONTARIO (March 17, 2005) - PPI Acquisition Corp. ("PAC") today announced that, in connection with the reorganization of PAC, PAC has transferred the 26,572,844 common shares in the capital of Proprietary Industries Inc. ("PPI") held by it to its shareholders in repayment of outstanding promissory notes of PAC in the aggregate amount of approximately \$17 million in favour of its shareholders. The PPI shares were acquired by PAC pursuant to its take-over bid for all of the issued and outstanding PPI shares, which was completed on December 6, 2004.

In connection with the foregoing, Quest Capital Corp. ("Quest") (TSX:QC) announced it has acquired ownership of 7,055,092 PPI shares from PAC (being approximately 11.79% of the issued and outstanding PPI shares) in repayment of an outstanding promissory note of PAC for an amount of \$4,515,257.65 in favor of Quest, in connection with the reorganization of PAC. Quest holds approximately 26.5% of the shares of PAC.

Quest may acquire or dispose of its beneficial ownership, control or direction over securities of PPI through market transactions, private placements, treasury issuances or otherwise as circumstances or market conditions warrant or arise. Quest has no intention at this time of increasing its beneficial ownership of any of the securities of PPI.

Quest Capital Corp. is a merchant banking organization that focuses on providing financial services, specifically loans, to small and mid-cap companies. Quest's primary expertise is providing asset backed commercial loans of between \$500,000 and \$20,000,000 to publicly listed companies, generally operating in industries such as mining, oil and gas, manufacturing, real estate, and technology.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Forward Looking Statements

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. The foregoing information may contain forward-looking statements related to the future performance of Quest Capital Corp. Forward-looking statements, specifically those concerning future performance are subject to certain risks and uncertainties, and actual results may differ materially. These risks and uncertainties are detailed from time to time in the Corporation's filing with the appropriate securities commissions.