

PRESS RELEASE

QUEST CAPITAL ANNOUNCES FILING OF PRELIMINARY PROSPECTUS

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Vancouver, British Columbia, August 3, 2005 – Quest Capital Corp. (TSX: QC) is pleased to announce that it has filed a short form preliminary prospectus in respect of an offering of common shares with Canadian securities regulatory authorities.

The offering price will be determined between representatives of Quest and a syndicate of underwriters. The final terms of the offering will be determined at the time of pricing.

Net proceeds from the offering will be used to fund Quest's merchant banking business.

About Quest

Quest Capital Corp. is a merchant banking organization that focuses on providing bridge and mortgage financing, and corporate finance services. Quest's primary expertise is providing asset-backed commercial loans to companies operating in industries such as mining, oil and gas, manufacturing and real estate.

For more information about Quest, please visit our website (www.questcapcorp.com) or contact:

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This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States (or any other jurisdiction where it would not be allowed). The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or unless an exemption from such registration is available. Any public offering of securities to be made in the United States would, if made, be made by means of a prospectus that could be obtained from Quest Capital Corp. that would contain detailed information about Quest Capital Corp. and management and financial statements.

Forward-Looking Statements

Statements contained in this news release that are not historical facts are forward-looking statements that involve various risks and uncertainty affecting the business of Quest. Actual results realized may vary materially from the information provided in this news release. As a result, there is no representation by Quest that actual results realized in the future will be the same in whole or in part as those presented herein.