



CONQUEST RESOURCES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

Dated May 26, 2021

For three months ended March 31, 2021

(Form 51-102F1)

This Management's Discussion and Analysis (MD&A) reviews the activities of Conquest Resources Limited ("Conquest" or the "Company") and compares the financial results for the three-month period ended March 31, 2021.

For a more complete understanding of the Company's financial condition and results of operations, this MD&A should be read together with the condensed interim consolidated financial statements and accompanying notes for the three-month period ended March 31, 2021 and the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2020, copies of which are filed on the SEDAR website.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"), and these statements are filed with the relevant regulatory authorities in Canada.

All monetary amounts are in Canadian dollars unless otherwise stated.

COMPANY OVERVIEW

Conquest Resources Limited is a mineral exploration company that is exploring for base metals and gold on mineral properties in Ontario.

The Company's registered office is located at 55 University Ave, Suite 1805, Toronto, Ontario, M5J 2H7. Conquest is a reporting issuer in Ontario, British Columbia and Alberta. Its common shares trade on the TSX Venture Exchange ("TSX-V") under the symbol CQR.

Conquest holds a 100% interest in the Belfast-TeckMag Project, located in the Temagami Mining Camp at Emerald Lake, Ontario, which is believed to have exceptional exploration upside for several deposit types including magmatic Copper-Nickel-Platinum Group Elements (Cu-Ni-PGE), Volcanogenic Massive Sulphides (VMS), Iron Oxide Copper Gold (IOCG), Iron hosted Gold, and Paleo-placer Gold. The Belfast-TeckMag Project is the Company's flagship property, evolved from the Golden Rose Property, which was initially acquired in December 2017, and significantly augmented through the acquisition in 2020 of Canadian Continental Exploration Corp. ("CCEC"), and subsequent additional claim staking and purchases in its adjacent Belfast Copper and TeckMag properties. Conquest now controls approx. 350 square kilometers of underexplored territory in the Temagami Mining Camp.

Conquest also holds a 100% interest in the Alexander Gold Property located immediately east of the Red Lake and Campbell mines in the heart of the Red Lake Gold Camp on the important "Mine Trend" regional structure. Conquest's property is almost entirely surrounded by the land holdings of Evolution Mining, the operator of the Red Lake mines.

In addition, Conquest owns a 100% interest in the Smith Lake Gold Property of 6 patented claims and 181 staked mining claims covering approximately 29 square kilometers of land to the north, west and south of the former Renabie Gold Mine in Rennie Township located in northern Ontario. The Renabie Gold Mine was operated by Corona and Barrick and had produced over 1,000,000 ounces of gold between 1947 and 1991 (Northern Miner March 4, 1991).

Q1 & RECENT HIGHLIGHTS

- In February 2021, the Company completed a VTEMmax survey consisting of 2,319 line kilometers covering the Belfast Copper Property, as well as portions of the Golden Rose Property which had not been previously flown. The survey identified numerous conductive zones, some along the projected strike of Teck's past producing Copperfields Mine.
- Ground gravity surveys on the Belfast Copper and TeckMag properties, to follow up on selected EM anomalies encountered by the VTEM survey, commenced in January and were completed in March 2021. Additional infill survey was completed in May 2021 over high priority areas.

- Pursuant to a purchase and sale agreement dated March 12, 2021 with Teck Resources Limited (“Teck”), Conquest acquired a 100% interest in the DGC Ni-Cu-PGE property located in Afton Township, Ontario by issuing 1,800,000 common shares to Teck.
- Pursuant to a purchase agreement dated March 8, 2021, Conquest acquired the JPC Property in Clement Township, Ontario with a 100% interest in the 1,620-hectare JPC Property, which is located to the south east of Conquest’s Golden Rose Property.
- Effective January 31, 2021, the Company’s two wholly owned subsidiaries Northern Nickel Mining Inc. and Eaglerock Minerals Limited were amalgamated into Conquest.

COVID-19

The Company’s operations have not been materially affected by the COVID 19 pandemic. The Company has followed the instructions and advice of Provincial and Federal health professionals and government officials, as well as industry-wide best practice guidelines to help limit the spread of COVID-19. The Company’s operations could be adversely affected by the effects of the global spread of the COVID-19 respiratory illness which was declared a pandemic by the World Health Organization on March 11, 2020. The Company cannot predict the impact the COVID-19 pandemic will have on its operations, including the impact on schedules and timelines for planned exploration programs and the length of travel and quarantine restrictions imposed by governmental authorities and uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease or the duration of the outbreak.

Many indigenous communities have declared a state of emergency or taken other measure to protect community health and safety that may disrupt normal field exploration and /or aboriginal consultation or engagement activities. The Ontario Ministry of Northern Development and Mines (ENDM) has adopted an Extension of Time Policy and an Exclusion of Time Policy for meeting assessment work obligations on mineral claims during the COVID-19 crisis.

BELFAST-TECKMAG PROJECT

The Belfast-TeckMag Project is a hybrid of the Company’s five properties in the Temagami Mining Camp, located northeast of Sudbury in Northern Ontario, namely the Belfast Copper Property, the TeckMag Property, Golden Rose Property, and the recently acquired DGC and JPC Properties.

Golden Rose Property

The Company holds 4 mining leases and 772 mining claim cells, collectively known as the Golden Rose Property situated in Afton and Scholes Townships at Emerald Lake approximately 65 km northeast of Sudbury, Ontario. A portion of the Golden Rose property is subject to a 1.5% Net Smelter Return (“NSR”) in favor of Osisko Gold Royalties Ltd., and the leased mining claims are subject to a 2% NSR in favor of EnerMark Inc.

Between 1915 and 1988, mining operations at the Golden Rose Gold Mine produced approximately 52,000 oz of gold from structurally controlled, high-grade quartz-pyrite veins, hosted almost exclusively within the banded iron formations. Surface drilling between 1984-2011 identified rich mineralization lying adjacent to known underground development. It was reported by previous operators that diamond drilling between 2009-2011 intersected gold grades as high as 155.7 grams of gold per tonne over 1.82 meters.

The Golden Rose mine (currently flooded) consists of more than six kilometers of underground workings, as well as a 3 compartment, 228-metre-deep shaft, and a modern decline ramp from surface to the 6th level of the mine.

Conquest has entered into a Memorandum of Understanding with the Temagami First Nation and Teme Augama Anishnabai regarding the Company’s exploration activities on the Belfast-TeckMag Property which is situated within the traditional lands and waterways occupied and used by the Temagami First Nation/Teme Augama Anishnabai.

TeckMag Property

Through the acquisition of CCEC in October 2020, the Company acquired the TeckMag Property comprised of an extensive package of mining claims which surrounds the Golden Rose Property. The property is underexplored and considered to be highly prospective for precious and base metals. Following the acquisition, Conquest controlled over 130 square kilometers making it one of the largest land holders in the Temagami Mining Camp. The Company's land holding in the area was further expanded to over 300 square kilometers. See Belfast Copper, DGC, and JPC properties sections below for details.

Belfast Copper Property

During the last quarter of 2020, Conquest doubled its land holdings in the Temagami Mining Camp through the staking and acquisition of 591 mining claim cells, encompassing approximately 136 square kilometers, centered on Belfast Township, adjacent to the Company's recently consolidated land packages following the completion of the acquisition of CCEC.

In addition to the 591 mining claim cells, 4 mining claim cells were purchased from a third party for \$10,000 and 100,000 shares of Conquest, subject to the approval of the TSX-V.

Belfast Township is located on the edge of the Temagami Magnetic Anomaly which is thought to be responsible for a massive hydrothermal alteration event and crustal disruption in the region. Regional geophysical surveys show large areas of magnetic and gravity signatures consistent with a large NW-SE trending structural corridor.

On November 2, 2020, the Board of Directors awarded an incentive bonus to the initiators of the Belfast Project in the form of the grant of a total NSR of 1.5 % on the Belfast Project to certain management of the Company.

The new project, combined with the TeckMag and Golden Rose properties, currently referred to as the Belfast-TeckMag Project, is a culmination of many years of data gathering, geological interpretation, and field work performed by the exploration team, who have identified several potential target areas for various styles of potentially economic mineralization, including magmatic Ni-Cu-PGE, IOCG, VMS, Iron hosted Au, and Paleo-placer Au.

DGC Property

In March 2021, the Company entered into a Purchase and Sale Agreement with Teck Resources Limited ("Teck") whereby Conquest acquired a 100% interest in the DGC Ni-Cu-PGE property located in Afton Township, Ontario. Conquest issued 1,800,000 shares to Teck in consideration for the acquisition, subject to a 2% NSR retained by Teck. At the closing of the transaction, Teck has surrendered to Conquest for cancellation 1,100,000 warrants of CCEC issued to Teck pursuant to the DGC Option/JV Agreement dated October 7, 2013 between Teck and CCEC.

The DGC property is located in the central portion of Conquest's TeckMag Property and covers the central portion of the Temagami Magnetic Anomaly. The Temagami Magnetic Anomaly is adjacent to the Sudbury Impact Crater and is one of the largest positive magnetic anomalies in North America. Canadian Continental drill-tested the DGC claims with a 2,200m hole in 2014. Hole AT14-01 intersected a quartz diorite dike at a depth of 1,989m, similar to the mineralized dikes associated with the Sudbury Impact Complex.

JPC Property

In another separate transaction in March 2021, Conquest signed a purchase agreement to acquire the JPC Property in Clement Township, Ontario from a private individual. The Company has paid \$13,000 cash and issued 250,000 shares of the Company for a 100% interest in the 1,620 ha JPC property, which is located to the south east of Conquest's Golden Rose Property, subject to a 1% NSR. Conquest may purchase half of the NSR royalty for \$500,000 at any time and retains a Right of First Refusal on the balance of the royalty.

Drilling at Belfast-TeckMag

Conquest completed 10 diamond drill holes in BIF hosted Au targets.

Drill hole GRW20-01 successfully intersected the projected down-faulted extension of the host iron formation for the Golden Rose gold mineralization approximately 400-meter west of the previous limit of the historic mineralization at the Golden Rose Mine. Anomalous gold mineralization was encountered in the drill hole.

After the completion of drill hole GRW20-01, 4 drill holes (GR20-01 through to GR20-04) were completed over the historical mine workings that tested potential down-dip and down plunge extensions of historical mineralization. The drill holes intersected narrow high-grade gold mineralization. 9 additional drill holes (GR20-05 through to GR20-06, and GR21-07 through to GR21-09) tested the iron formation for its gold potential east of the mine workings over a strike length of approximately 7 kilometers.

A 10,000-meter drill program is scheduled to commence by the beginning of June 2021. The drill program will test the first 15 high priority geophysical targets that have been identified from the recently completed VTEM-Max and follow-up gravity geophysical surveys. Prospecting and ground-truthing of the targets is on-going. Data compilation and follow-up prospecting completed in April 2021 on some of the IOCG targets identified numerous large quartz veins proximal to the gravity anomalies. Some of these structures have been prospected back in the 1950's and 1960's, where anomalous copper and gold values were reported, however, the operators may have not recognized the significance of these structures as related to IOCG mineralization.

A 10-person camp is being prepared in advance of the drill program for contractors and field personnel. Camp construction will be completed by the end of May 2021 in advance of the commencement of the upcoming drill program.

Airborne Geophysical Program

In February 2021, the Company completed its V-TEMmax electromagnetic and high-resolution magnetic survey, conducted by Geotech Airborne Surveys, consisting of over 2,319 line-kilometers to cover the area of the Belfast Copper and Golden Rose Properties. The survey will assist in targeting potential covered VMS, high-grade Cu-Ni-PGE, and IOCG mineralization on the Property. The survey identified numerous conductive zones, some along the projected strike of Teck's past producing Copperfields Mine.

Ground Geophysical Program

Ground gravity surveys on the Belfast-TeckMag Project commenced in January and was completed in March, 2021 to follow up on selected EM anomalies encountered by the V-TEM survey. Additional infill surveying was completed in May 2021 over high priority areas.

OTHER PROJECTS

Alexander Gold Project

Conquest's Alexander Property is strategically located east of the Red Lake and Campbell mines in the heart of the Red Lake Gold Camp.

The Alexander Property is located within the important "Mine Trend" regional structure. The western boundary of Conquest's Alexander Property is located adjacent to the Red Lake gold mine and approximately 500 meters east of the Balmer headframe and its Aviation zone exploration target area. Conquest continues to be encouraged in the belief that the Company holds one of the most prospective land positions in the Red Lake gold camp, outside the Evolution Red Lake complex.

On November 25, 2019, Newmont/Goldcorp announced that it had agreed to sell the Red Lake complex to Evolution Mining Limited. Upon closing of the transaction in April 2020 Evolution committed to invest US\$100 million on existing operations and an additional US\$50 million in exploration at Red Lake over the first three-year period. Upon closing of the acquisition, Evolution reported that "*The driver for our interest was both the outstanding potential for the discovery of new, high grade mineralisation and clear turnaround opportunity to restore it to being a safe, efficient, long life, low cost operation.*"

In 2018, Goldcorp reported that its exploration activity at Red Lake had been extended to encompass generative exploration programs over its highly prospective Red Lake land package. Drilling focus continues to shift eastwards towards portions of the mine containing favorable geology and structure, but which remain underexplored. The Aviation zone, which comprises folded Balmer Assemblage basalt, was identified during this generative phase.

In 2019, in a Goldcorp technical report describing the exploration potential at Red Lake, it was stated that "*there is considerable remaining exploration potential in the vicinity of the current mining operations.... (The) Aviation Complex encompasses several exploration targets in the under-explored eastern portion of the Red Lake Complex. Targets include Twin Otter Zone, Snowbird Zone and Norseman Zone with other exploration targets hosted within the regional fold nose yet to be tested. The Swamp target is in the low-lying area between the Red Lake and Balmer Complexes This target occurs in the footwall of the rhyolite basalt contact in the upper eastern part of the Red Lake mine.*"

The Balmer Assemblage is host to the high-grade gold ores at the Red Lake mine and the Balmer Assemblage stratigraphy that characterizes the well-established Mine Trend at Red Lake is present in drill holes on Conquest's Alexander Property. The Mine Trend stratigraphy strikes northwest to southeast through Conquest's patented claim group. Conquest's previous 2009, 2010 and 2011 drilling on the Alexander Property reported gold grades of up to 12.67 g/t over 1 meter.

Conquest intends to continue monitoring activities by Evolution on its adjacent property and to carry out its own desktop examination of historical data for the Alexander Property with the intent to remap the Balmer Assemblage within the Alexander Property.

In August 2020, Evolution reported a new Mineral Resource estimate for its Red Lake mines of 48 million tonnes grading 7.10 grams per tonne, for 11.0 million ounces gold, stating that this is materially higher than what was estimated during the due diligence which provided justification to proceed with the acquisition of the operation. This new estimate incorporates Evolution's estimation methodology and is reported in accordance with the JORC Code 2012.

Evolution stated it will spend US\$50 million on exploration in the first three years with a planned drill program of over 100,000 metres per annum. "*The small footprint of Red Lake's historic high-grade ore bodies enhances the potential for further discoveries across the operation.*"

Evolution also reported resource definition and discovery drilling is ongoing with six underground drill rigs, four rigs focused on infill and resource extension drilling and two rigs were deployed on discovery drilling. Evolution reported the best resource definition infill hole intersected 1.11 meters (0.88 estimated true width) grading 106.30 g/t gold from 204m in the Twin Otter zone, (which lies at the eastern end of the Red Lake mine property).

Evolution continued to ramp-up production at Red Lake during Q1 of 2021 and reported that production increased to a record of 35,810 ounces under Evolution ownership.

Subsequent to the end of Q1 on May 19, 2021, Evolution completed the acquisition of Battle North Gold Corporation (TSX: BNAU) for approximately \$343 million. This expands Evolution's footprint in the Red Lake region and will accelerate its ability to achieve its long-term objective of producing in excess of 300,000 ounces of gold per year from the Red Lake. Bateman Gold Project Mineral Resources (excluding Mineral Reserves) are 733,000 ounces and Mineral Reserves are 635,000 ounces estimated in accordance with the NI43-101 Standards. (Source: <https://evolutionmining.com.au/red-lake/>).

Smith Lake Gold Project

Conquest's Smith Lake Property consists of 6 patented mining claims and 181 mining claims covering approximately 2,915 hectares of land located within the Missanabie-Goudreau Greenstone Belt in Leeson, Stover, and Rennie Townships in northern Ontario.

The Smith Lake Property, located between the former Renabie Mine to the east and the Manitou Gold / Alamos land package to the west, is 100% Conquest owned and is contiguous with the former International Corona Resources (now Barrick Gold Corporation) Renabie Mine which produced more than 1,000,000 ounces of gold from 1941 through 1991. Reported reserves from the mine were approximately 6 million tonnes at an average grade of 6.6 grams per tonne gold and 2 grams per tonne silver. The Renabie Mine closed in 1991, reportedly due to a slumping gold price, high cost of production and a decrease in the recalculation of ore resource by 961,050 tons in the proven and probable categories.

Conquest has focused its exploration in three areas adjacent to the old mine workings where clusters of structural lineaments display similar characteristics to those hosting the Renabie mine. Previous drilling on the property by the Company reported drill results ranging from 0.25 g/t to 63.3 g/t over drill intercepts of 0.22 to 1.5 meters. The Company continues to work on developing a revised geological model for the property. Conquest plans to explore several areas of lineament clusters with the focus on finding new, structurally controlled gold mineralization like the Renabie Mine. Prospecting, shallow geophysics, soil geochemistry and potential follow-up trenching planned at the Z-22 Vein area.

Consultation with both the Missanabie Cree and the Michipicoten First Nation has been undertaken and an associated MOU with the Michipicoten First Nation is under consideration. An associated Exploration Permit is currently under review and the Company is awaiting final approvals before commencing its planned exploration program. Given growing concerns with respect to containing the spread of COVID-19, many indigenous communities have declared a state of emergency or taken other measure to protect community health and safety that may disrupt normal field exploration and /or aboriginal consultation and engagement activities.

OUTLOOK

The Company is currently ground proofing a number of the drill targets established by this past winter's geophysical programs. An aggressive Phase 2 diamond drilling program is scheduled to begin in mid Q2. It is the Company's intention to budget approximately 10,000 meters of diamond drilling with the goal of testing approximately 30 geophysical anomalies located on the Belfast-TeckMag Project. Positive results will result in the expansion of the program to include delineation drilling if potential economic mineralization is encountered. The Phase 2 program is expected to be completed by early Q4 2021, which would include the interpretation of drill data.

Desktop studies of historical data of the Company's Alexander Project in Red Lake and Smith Lake Property in Missinaibie will be conducted concurrent with the Belfast-TeckMag program.

Qualified Person and Technical Report

Joerg Kleinboeck, P. Geo., is the Company's Qualified Person for the purposes of National Instrument 43-101 and has approved the technical disclosures within this MD&A.

RESULTS OF OPERATIONS

Conquest recorded no revenue for the three-month period ended March 31, 2021 and 2020.

In 2020, the Company voluntarily changed its accounting policy on the recognition of the acquisition cost of mineral properties. Acquisition costs were previously capitalized and exploration and evaluation expenditures charged to the statement of operations. Following the change of accounting policy, acquisition costs, together with exploration and evaluation expenditures are charged to the statement of operations as incurred. See Change of Accounting Policy under the Accounting Policies and Estimates section.

For the three-month period ended March 31, 2021, the Company recorded a net loss of \$766,751 (2020 - \$55,917) or \$0.006 (2020 - \$0.001) per share. The operating expenses included a net acquisition cost of \$107,000 (2020 - \$nil), exploration expenditures of \$364,175 (2020 - \$4,530) and stock-based compensation expense of \$155,468 (2020 - \$25,905).

The increase in the operating loss in Q1 of 2021, in comparison with that of 2020, is mainly resulted from the increased exploration activities and expenditures on the Belfast-TeckMag Project and the acquisition of mineral rights associated with the DGC and JPC properties during the quarter.

SUMMARY OF QUARTERLY RESULTS

	Q1 2021 (\$000's)	Q4 2020 (\$000's)	Q3 2020 (\$000's)	Q2 2020 (\$000's)	Q1 2020 (\$000's)	Q4 2019 (\$000's)	Q3 2019 (\$000's)	Q2 2019 (\$000's)
Net income/(loss)	(767)	(4,433)	(131)	(76)	(56)	(57)	(40)	(76)
Net income/(loss) per share - Basic and diluted	(0.006)	(0.033)	(0.003)	(0.002)	(0.001)	(0.001)	(0.001)	(0.001)
Total assets	4,736	5,364	5,462	996	1,005	887	631	646
Working Capital	4,559	4,846	219	102	82	(71)	(175)	(134)

- Loss per share amounts reflect loss per post-consolidation share.
- Q2 of 2019 includes \$41,614 exploration expenditures.
- Q1 of 2020 includes stock-based compensation expense of \$25,905.
- Q2 of 2020 includes stock-based compensation expense of \$25,905.
- Q3 of 2020 includes stock-based compensation expense of \$25,905 and \$65,161 exploration expenditures.
- Q4 of 2020 includes acquisition, exploration and evaluation expenditures in the amount of \$4,432,620 and stock-based compensation expense of \$90,437.
- Q1 of 2021 includes acquisition, exploration and evaluation expenditures in the amount of \$471,175 and stock-based compensation expense of \$155,468.

EXPLORATION AND EVALUATION EXPENDITURES

The following table outlines the Company's cumulative exploration and evaluation expenditures which have been expensed according to the Company's accounting policy:

	March 31, 2021 \$	Additions 2021 \$	December 31, 2020 \$	Additions 2020 \$	December 31, 2019 \$
Alexander	6,250,352	1,792	6,248,560	1,792	6,246,768
Belfast-TeckMag	5,952,048	469,110	5,482,938	4,503,863	979,074
Smith Lake	1,269,822	273	1,269,549	851	1,268,698
King Bay	1,003,189	-	1,003,189	-	1,003,189
Total	14,475,411	471,175	14,004,236	4,506,506	9,497,729

LIQUIDITY AND CAPITAL RESOURCES

The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition, evaluation and exploration of mineral properties and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. All equity financings require the approval of the Board of Directors.

At March 31, 2021, the Company had total current assets of \$4,735,653 (December 31, 2020 - \$5,364,244), including cash and cash equivalents of \$4,307,426 (December 31, 2020 - \$5,042,673) and marketable securities of \$153,080 (December 31, 2020 - \$156,640) to settle accounts payable and accrued liabilities of \$176,285 (2020 - \$518,140).

During the three-month period ended March 31, 2021, the Company had no proceeds or expenditures from financing or investing activities. For the same period in 2020, the Company generated \$214,801 from its financing activities through the issuance of common shares and flow-through common shares in private placement financing. The proceeds from its previous flow-through share financing must be spent on qualifying Canadian Exploration Expenditures by December 31, 2021. In July 2020, the Government of Canada proposed to extend the timelines for spending the capital raised by junior mining companies via flow-through shares by 12 months, which would extend the spending to December 31, 2022. At March 31, 2021, there are \$511,000 (December 31, 2020 - \$865,000) remaining from the flow-through shares proceeds to be spent on qualifying Canadian Exploration Expenditures.

Cash used in operating activities amounted to \$735,247 (2020 - \$101,579) for the three months ended March 31, 2021.

At March 31, 2021, Conquest had not achieved profitable operations, and expects to incur further losses in the development of its business. The Company has continued to rely on equity financing to fund its working capital requirements.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

Other than the grant of stock options, no fees were paid by the Company to directors for their services as directors of the Company in the three-month period ended March 31, 2021 and 2020.

During the three-month period ended March 31, 2021, the Company made payments or accrued \$83,850 (2020 - \$18,366) to related parties, including \$45,000 (2020 - \$nil) to Tom J. Obradovich, Director, President and Chief Executive Officer of the Company for management fees; \$6,000 (2020 - \$nil) to Energold Minerals Inc., an affiliate of John Kearney, the Chairman of the Company, for executive consulting services; \$22,170 (2020 - \$nil) to Intega Advisors, a company controlled by Tong Yin, Chief Financial Officer of the Company for professional services; \$10,680 (2020 - \$nil) to Janice Malmholt, Secretary of the Company, for corporate secretary services; \$924 (2020 - \$9,366) for legal fees to Steenberg Law Professional Corporation, a company controlled by a director of the Company; \$nil (2020 - \$7,500) for management fees to Robert Kinloch, Director; and \$3,000 (2020 - \$1,500) for rent to Buchans Resources Limited, a company with common directors.

In March 2020, the Company issued 562,514 shares to settle debt of \$70,314 to Energold Minerals Inc., an affiliate of John Kearney, the Chairman and a director and of the Company, in settlement of advances previously provided for working capital. In addition, \$22,500 in liabilities due to related parties were settled through the issuance of 180,000 common shares valued at \$0.125 per share to Robert Kinloch, Director in March 2020.

On March 24, 2020, John Kearney, the Chairman and a director of the Company, subscribed for 400,000 subscription units at \$0.125 per unit for a total cost of \$50,000 in the private placement financing.

Included in accounts payable and accrued liabilities at March 31, 2021 is \$30,900 (December 31, 2020 - \$66,350) due to related parties. The amounts are due on demand, unsecured and non-interest bearing.

ACCOUNTING POLICIES AND ESTIMATES

Critical accounting estimates

The Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities, if any. The Company's management makes assumptions that are believed to be reasonable under the circumstances and that are based upon historical experience, current conditions and expert advice. These estimates are reviewed on an ongoing basis for updated information and facts. The use of different assumptions would result in different estimates, and actual results may differ from results based on these estimates.

Change of accounting policy

During Q4 of 2020, the Company voluntarily changed its accounting policy on the recognition of the acquisition cost of mineral properties. Acquisition costs were previously capitalized as mineral properties. After the change of accounting policy, acquisition costs, together with exploration and evaluation expenditures incurred prior to the establishment of technical feasibility and commercial viability of extracting mineral resources are charged to the statement of operations and comprehensive loss as incurred.

According to *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors*, the change of accounting policy has been applied retrospectively to all comparable years presented, including the opening and ending balances for the year ended December 31, 2019.

As a result of the change of accounting policy, the Company has charged to deficit in the amount of \$627,901 that were previously capitalized as mineral property assets at December 31, 2019. For further details on the change of accounting policy, please refer to notes 3(b) and 3(m) of the December 31, 2020 audited consolidated financial statements, and note 3(b) to the condensed interim consolidated financial statements at March 31, 2021.

Adoption of New Accounting Standards

The standards and interpretations within IFRS are subject to change. For further details, please refer to note 3 of the audited consolidated financial statements at December 31, 2020 and note 3(c) to the condensed interim consolidated financial statements at March 31, 2021.

RISK FACTORS

In conducting its business, Conquest faces a number of risks common to the mining and exploration industry. These are summarized below. There are also certain specific risks (including those listed below), associated with an investment in the Company and prospective investors should carefully consider these specific risk factors associated with an investment in the Company.

Additional Financing

The Company's ability to continue exploration and development of its properties will be dependent upon its ability to raise additional financing. No assurances can be made that the Company will be able to raise such additional capital.

At March 31, 2021, the Company had not achieved profitable operations, had an accumulated deficit since inception and expects to incur further losses in the development of its business. The Company has relied on equity financing to fund its working capital requirements. The Company will need to generate additional financial resources in order to fund its planned exploration programs and continue as a going concern. There is a risk that additional financing will not be available to the Company on a timely basis or on acceptable terms. There are no assurances that the Company will continue to obtain additional financial resources and/or achieve positive cash flows or profitability. If the Company is unable to obtain adequate additional financing, the Company will be required to further curtail operations.

While Conquest has sufficient financial resources necessary to undertake its currently planned activities, there can be no assurance that Conquest will be successful in obtaining any additional required funding necessary to conduct additional exploration or evaluation, if warranted, on Conquest's current exploration properties or any properties that may be acquired or to develop mineral resources on such properties, if commercially mineable quantities of such resources are located thereon. Failure to obtain additional financing on a timely basis could cause Conquest to forfeit its interest in such properties. If additional financing is raised through the issuance of equity or convertible debt securities of Conquest, the interests of shareholders in the net assets of Conquest may be diluted.

The COVID-19 pandemic is presenting unprecedented challenges to individual health, communities, jobs, businesses and economies, and specifically to public companies, shareholders and investors. The economic fallout from the COVID-19 pandemic will lead to the need for additional sources of financing through the crisis while the pandemic-related market downturn and the need to manage cash in an uncertain economic environment brings into question the appropriateness and prudence of continuing with planned programs at previously anticipated levels.

The Company relies on equity financing to generate additional financial resources to fund its planned exploration programs. The COVID-19 pandemic has adversely affected financial markets and investor interest in public companies that could affect the Company's ability to finance its operations.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) CDN\$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

Exploration, Development and Operating Risk

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by Conquest may be affected by numerous factors that are beyond the control of Conquest and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection, the combination of which factors may result in Conquest not receiving an adequate return of investment capital. Many of the properties in which Conquest holds an interest are in the exploration stage only and are without a known body of commercial ore. Development of the subject mineral properties would follow only if favorable exploration results are obtained and a positive feasibility study is completed.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that Conquest's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of Conquest's operations will in part be directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis and at an acceptable cost.

In addition to the above, there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of interests in mineral properties and Conquest's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of Conquest to raise additional financing, if necessary, or alternatively upon Conquest's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

No Assurance of Production

Conquest has limited experience in placing resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that Conquest will have available to it the necessary expertise when and if Conquest places its resource properties into production and whether it will produce revenue, operate profitably or provide a return on investment in the future.

Factors beyond Conquest's Control

The exploration and development of mineral properties and the marketability of any minerals contained in such properties will be affected by numerous factors beyond the control of Conquest. These factors include government regulation, high levels of volatility in market prices, availability of markets, availability of adequate transportation and refining facilities and the imposition of new or amendments to existing taxes and royalties. The effect of these factors cannot be accurately predicted.

Environmental Risks and Hazards

Conquest's operations may be subject to environmental regulations in the various jurisdictions in which it operates. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. Conquest intends to comply fully with all applicable environmental regulations.

Competition

The mining industry is intensely competitive in all its phases, and Conquest competes with other mining companies in connection with the acquisition of properties producing or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical facilities than Conquest. Competition could adversely affect Conquest's ability to acquire suitable properties or prospects in the future. Consequently, Conquest's operations and financial condition could be materially adversely affected.

Management

The success of Conquest is currently largely dependent on the performance of its directors and officers. There is no assurance Conquest can maintain the services of its directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on Conquest and its prospects. Some of the directors and officers also serve as directors and/or officers of other companies which are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other companies, and situations may arise where these directors and officers will be in direct competition with Conquest. Conflicts, if any, will be dealt with in accordance with the relevant provisions of applicable corporate and securities laws.

Recruiting and retaining qualified personnel is critical to Conquest's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As business activity grows, additional key financial, administrative and mining personnel as well as additional operations staff will be required. Although Conquest believes it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such success. If Conquest is not successful in attracting, training and retaining qualified personnel, the efficiency of operations could be affected.

Laws and Regulations

The Company's mining and exploration activities may be affected by the extent of the country's political and economic stability and the nature of government regulation relating to the mining industry and foreign investors therein. Changes in regulation or shifts in political conditions are beyond the control of the Company and may adversely affect its business and its holdings. In addition, mining operations may be affected by government regulations with respect to production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Aboriginal Land Claims and Treaty Rights

The Company conducts its operations in Northern Ontario, in areas which are subject to Aboriginal land claims.

The Belfast-TeckMag Project is located within the traditional lands and waterways occupied and used by the Temagami First Nation/Teme Augama Anishnabai, an Aboriginal people within the meaning of Section 35 of the Constitution Act, 1982.

The Smith Lake Property is located within the claimed traditional lands of both the Missanabie Cree and the Michipicoten First Nation, who have overlapping rights.

The Canadian courts have confirmed that the Crown has a duty to consult with Aboriginal people, and to accommodate if necessary, when its decisions or actions may adversely affect Aboriginal rights and interests or treaty rights. Crown consultation has the potential to delay regulatory approval processes. In certain cases, respecting Aboriginal rights may mean regulatory approval may be denied or the conditions in the approval make the project economically challenging or not feasible. In addition to the potential impacts of such claims, development and construction may be inhibited, delayed or stopped which could result in, among other things, a significant increase in costs and/or cost overruns, delays, reduced support of the federal or provincial governments or challenges to, or the revocation of, regulatory approvals or permits and/or the need for additional regulatory processes, any of which could materially impact the overall feasibility or economic benefits of a mineral development project which, in turn, could have a material adverse effect on the Company and its business.

With growing concerns with respect to containing the spread of COVID-19, many indigenous communities have declared a state of emergency or taken other measure to protect community health and safety that may disrupt normal field exploration and /or aboriginal consultation or engagement activities.

Insurance

The Company may become subject to liability for cave-ins, environmental impacts or other hazards of mineral exploration and production against which it cannot insure, or against which it may elect not to insure because of high premium costs or other reasons. Payment of such liabilities would reduce funds available for acquisition of mineral prospects or exploration and development and would have a material adverse effect on the Company's financial position. The directors of the Company know of no such liability pending or otherwise at this time.

Gold or Other Metal Prices

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain commodities and specifically gold, as well as the capitalization of the Company and the general receptiveness of the markets to junior equities.

The price of gold, as well as other precious and base metals, has experienced volatility over short periods of time and is affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations (including the U.S. dollar relative to the Canadian dollar and other currencies), interest rates, global or regional consumption patterns, speculative activities and increases in production due to improved mining and production methods. The supply of and demand for gold and other precious and base metals are affected by various factors including political events, economic conditions and production costs in major mineral producing regions.

Price Volatility of Publicly Traded Securities

Securities of exploration companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the relative attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short-term changes in metal prices or in the Company's financial condition or results of operations as reflected in quarterly earnings reports. The COVID-19 pandemic has adversely affected financial markets and investor interest in public companies that could affect the Company's ability to finance its operations.

FINANCIAL INSTRUMENTS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous period.

Fair value

The carrying amounts for cash, marketable securities, amounts receivable and accounts payable and accrued liabilities on the consolidated statements of financial position approximate fair value because of the limited term of these instruments.

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by major Canadian banks. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Credit risk

Credit risk is the risk that a client or vendor will be unable to pay or receive any amounts owed or owing by the Company. Management's assessment of the Company's risk is low as it is primarily attributable to funds held in Canadian banks.

Liquidity Risk

Liquidity risk encompasses the risk that the Company cannot meet its financial obligations as they come due. At March 31, 2021, the Company had cash and cash equivalents of \$4,307,426 (December 31, 2020 - \$5,042,673) and marketable securities of \$153,080 (December 31, 2020 - \$156,640) to settle current liabilities of \$176,285 (December 31, 2020 - \$518,140), including \$30,900 (December 31, 2020 - \$66,350) liabilities due to related parties. The Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

Market risk is the risk that the fair value or future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk with respect to marketable securities held at March 31, 2021.

Capital Risk

The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain and explore its mineral properties. The capital structure of the Company consists of shareholders' equity.

Sensitivity Analysis

Cash is invested in investment-grade short-term deposit certificates. Given management's knowledge and experience in the financial markets, sensitivity to a plus or minus 1% change in rates, based on the current balance of cash at March 31, 2021, would affect the net loss by plus or minus \$30,000 during a one-year period.

The Company is exposed to fluctuations in market prices of its marketable securities. If the quoted price of these instruments had changed by 10% as at March 31, 2021, comprehensive loss would have changed by approximately \$16,000.

As at March 31, 2021, the Company did not hold any material balances in foreign currencies that would give rise to exposure to foreign exchange risk.

Fair Value Hierarchy and Liquidity Risk Disclosure

The fair value hierarchy has the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) 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) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). At March 31, 2021, the Company held marketable securities of \$153,080 (December 31, 2020 - \$156,640) classified within Level 1 of the fair value hierarchy.

OUTSTANDING SHARE CAPITAL

The Company has unlimited authorized share capital of a single class of common shares of which, at March 31, 2021 and May 26, 2021, the Company has 134,637,106 common shares issued and outstanding.

Each common share entitles the holder to one vote. The common shares rank equally for dividends and for all distributions upon dissolution or wind up.

At March 31, 2021 and May 26, 2021, there are 13,052,632 share purchase warrants outstanding. Each warrant entitles the holder to purchase one share of the Company at a price of \$0.18 per share.

ADDITIONAL INFORMATION

Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.conquestresources.com.

The Company reports its financial information in Canadian dollars.

FORWARD-LOOKING STATEMENTS

This management's discussion and analysis contains certain forward-looking statements relating to, but not limited to, the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, delays in the development of projects changes in exchange rates, fluctuations in commodity prices, inflation and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Shareholders and prospective investors should be aware that these statements are subject to known and unknown risks uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

Date: May 26, 2021