

**CONQUEST RESOURCES LIMITED**

**MANAGEMENT DISCUSSION AND ANALYSIS**

Dated April 24, 2020

**For the year ended December 31, 2019**

(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 year ended December 31, 2019 with those of the year ended December 31, 2018.

For a more complete understanding of the Company's financial condition and results of operations, this MD&A should be read together with the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2019, a copy of which is 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. Conquest is a reporting issuer in Ontario, British Columbia and Alberta and trades on the TSX Venture Exchange under the symbol CQR.

All monetary amounts are in Canadian dollars unless otherwise stated.

## COMPANY OVERVIEW

Conquest Resources Limited is a mineral exploration company engaged in the exploration of mineral properties in Ontario, where the Company holds three advanced exploration properties with the potential for the discovery of gold deposits.

Conquest holds a 100% interest in the **Golden Rose Property** located at Emerald Lake, sixty-five kilometres northeast of Sudbury, Ontario where four mining leases encompass include the former Golden Rose Gold Mine. This property is located deep within the regionally large, unexplained Emerald Lake (Temagami) Anomaly, which has a general magnetic signature closely resembling the magnetic signature of the adjacent Sudbury Basin.

Exploration work by Conquest has identified eight high priority geophysical targets associated with filtered magnetic and EM conductive anomalies, considered favourable for gold exploration. Six of these geophysical target areas have gold-in-soil anomalies that occur along the two prospective Banded Iron Formation ("BIF") horizons. Much of the eastern portion of the property remains largely unexplored. Geochemical soil anomalies also support the potential of previously unrecognized gold mineralization located north of the northernmost BIF. Based on initial geochemical anomalies, geophysical targets, and geological modelling, an initial drill campaign of 1,500 metres has been planned.

Conquest holds a 100% interest in the **Alexander Property** located in the heart of the Red Lake Gold Camp in Ontario, strategically located east of Newmont Goldcorp's Red Lake mine complex and is mostly surrounded by Goldcorp's land holdings. The Alexander Property is located within the important "Mine Trend" regional structure and Conquest believes that the Alexander Property is one of the most prospective land positions in the Red Lake gold camp.

On November 25, 2019, Newmont Goldcorp announced that it had agreed to sell the Red Lake complex to Evolution Mining Limited which has 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.

Conquest also holds a 100% interest in the **Smith Lake Property** which consists of six (6) patented mining leases and one hundred eighty-one (181) mining claims covering approximately 2,915 hectares of land located within the Missanabie-Goudreau Greenstone Belt in northern Ontario and includes claims lying to the north, west and south of the former Renabie gold mine. 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.

Conquest also holds the **King Bay Property** at Sturgeon Lake, Ontario, approximately 100 kilometers north of Ignace in the Thunder Bay Mining Division. The property lies over King Bay, an inlet on the western shore of Sturgeon Lake and consists of one mining lease and thirteen patented claims.

### EXPLORATION PLANS 2020

Conquest has planned exploration programs at its Golden Rose and Smith Lake properties, including a planned drilling campaign of 1,500 metres at Golden Rose to test six prioritized targets deemed most prospective for the discovery of gold mineralisation. The planned programs have an indicative exploration budget of circa \$350,000.

In December 2019 and January 2020 completed non-brokered, private placements for aggregate gross proceeds of \$400,000, of which \$350,000 is planned to be used for a planned drilling program at Golden Rose, and continued exploration at the Alexander Property at Red Lake Smith Lake Property, while the remaining proceeds will be used for the general expenses of the Company.

At December 31, 2019, Conquest had not achieved profitable operations 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 and will need to generate additional financial resources to fund future 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 is no assurance 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 curtail operations.

The Company's operations could be significantly adversely affected by the effects of the global spread of the contagious coronavirus, causing the outbreak of COVID-19 respiratory illness which was declared a pandemic by the World Health Organization on March 11, 2020. The Company cannot accurately predict the impact the COVID-19 pandemic will have on its operations, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, the impact on schedules and timelines for planned exploration programs and the length of travel and quarantine restrictions imposed by governmental authorities.

With the evolving COVID-19 pandemic the Company is following 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, and has instituted a number of preventative measures including implementing remote work for all personnel and eliminating all business travel and in-person meetings.

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 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,

## MINERAL PROPERTIES OF THE COMPANY

### GOLDEN ROSE PROJECT

Through its wholly owned subsidiary, Northern Nickel Mining Inc., the Company holds four (4) mining leases and twenty five (25) staked mining claims, together with 148 additional claims in adjacent claim blocks, 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 comprising certain of the 25 unpatented staked claims is subject to a 1.5% NSR in favour of Osisko Gold Royalties Ltd., and the patented claims and leases are subject to a 2% NSR in favour 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 metres.

The Golden Rose mine (currently flooded) consists of more than six kilometres of underground workings, as well as a three (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 at Emerald Lake which is located within the traditional lands and waterways occupied and used by the Temagami First Nation/Teme Augama Anishnabai.

### Exploration Programs at Golden Rose

Much of the eastern portion of the property remains largely unexplored. Exploration work by Conquest in 2018 and 2019 identified and confirmed eight high priority geophysical targets associated with filtered magnetic and EM conductive anomalies, considered favourable for gold exploration. Six of these geophysical target areas have gold-in-soil anomalies that occur along the two prospective Banded Iron Formation ("BIF") horizons. Geochemical soil anomalies also support the potential of previously unrecognized gold mineralization located north of the northernmost BIF.

These six targets have been prioritized for surface stripping and drilling programs at Golden Rose during 2020. Clear targets have been identified at the mine-site and elsewhere on the Property along the north and south banded iron formations which will be the subject of an initial drill campaign in the upcoming 2020 exploration season.

The proposed exploration plan is to first undertake surface trenching at each of the six target areas, from which the top three targets deemed most prospective for the discovery of gold mineralisation will be selected for systematic drilling, with one to three holes to be drilled on each of the three targets. A drill program consisting of between 1,350 and 1,500 metres is planned. The proposed budget for this drill program is \$350,000.

This drill program will in part follow-up on historical drill results by SNS Silver Corp., which reported gold grades of 171 g/t over 1.8 metres (6 feet) in drill hole GR09-29, and 55 g/t over 0.61 metres in hole GR09-23. Subsequent infill drill results recorded multiple gold zones in GR-10-37 indicating 0.34 metres at 48.7 g/t, 0.57 metres for 19.45 g/t, and 0.36 metres at 9.73 g/t. GR10-42 intersected two high grade zones of

5.10 metres at 15.62 g/t and 2.60 metres at 70.05 g/t, including 0.3 metres at 543 g/t, or 17 ounces gold over 0.3 metres (1 foot). This earlier drilling verifies that gold mineralization is open along strike to the east and continues below a depth of 1,020 metres with grades as high as 14 g/t over 25.6 metres.

The proposed exploration program has been reviewed by Ontario Government and First Nations parties and approvals have been granted to proceed with exploration. 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.

In May 2019, the Company entered into an option agreement with Vision Exploration to earn up to a 100% interest, subject to a 1.5% Net Smelter Royalty, in twenty-seven (27) mineral claims, the “MacBeth” claims, situated approximately nine (9) kilometres southwest of the Company’s Golden Rose property at Emerald Lake. Conquest carried out a geophysical and geochemical exploration program, including IP sampling, geochemistry and petrography on the MacBeth claims to follow up on previously reported high grade gold mineralization. Analyses returned gold in all samples assayed with the surrounding host rocks having gold grades up to 13.55 g/t Au. This expenditure and the issuance of 50,000 common shares of Conquest fulfilled the first-year obligations under the three-year option earn-in agreement on the MacBeth claims. In early 2020 Conquest decided to terminate the option agreement and surrender the MacBeth property.

## ALEXANDER GOLD PROJECT

Conquest’s Alexander Property is strategically located east of the Red Lake and Campbell mines owned and operated by Goldcorp Inc. in the heart of the Red Lake Gold Camp. The Alexander Property comprises of twenty-seven (27) patented claims covering 448 hectares (1,107 acres). Conquest’s 100% owned Alexander Property is mostly surrounded by Goldcorp’s land holdings. A 2% net smelter royalty was reserved at the time of acquisition from the previous owner, a holding company, which is controlled by the Chairman of Conquest.

The Alexander Property is located within the important “Mine Trend” regional structure. 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 Goldcorp Red Lake complex. The western boundary of Conquest’s Alexander Property is located adjacent to Goldcorp’s Red Lake gold mine and approximately 500 meters east of Goldcorp’s Balmer Complex headframe.

In April 2019, Goldcorp Inc was acquired by Newmont Mining Corporation. On November 25, 2019, Newmont announced that it had agreed to sell the Red Lake complex to Evolution Mining Limited, a leading, growth-focused Australian gold producer which operates five wholly owned mines in Australia. 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. Evolution will pay Newmont \$20 million for each one million ounces of new gold resources added to the existing Red Lake resource base over a fifteen-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.*”

Goldcorp’s Red Lake complex is situated in the eastern part of the Red Lake Greenstone Belt. 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.

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 concluded 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 metre.

The Alexander claim holdings are patented and do not require any annual minimum expenditures, other than nominal property taxes. 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.

## SMITH LAKE GOLD PROJECT

Conquest's Smith Lake Property consists of six (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 six (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.

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 metres. 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.

### Qualified Person And Technical Report

Paul K. Smith, 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 years ended December 31, 2019 or December 31, 2018. In accordance with the Company's accounting policies exploration and evaluation expenditures are expensed as incurred through profit and loss and included in the statement of operations.

For the year ended December 31, 2019, the Company recorded a loss of \$214,436 (\$0.002 per share). The loss included exploration expenditures of \$74,644. For the year ended December 31, 2018, the Company recorded a loss of \$440,080 (\$0.004 per share). The loss included exploration expenditures of \$276,394.

For the three-month period ended December 31, 2019, the Company recorded a loss of \$57,332 (\$0.000 per share). The loss included exploration expenditures of \$6,170.

For the three-month period ended December 31, 2018, the Company recorded a loss of \$74,471 (\$0.001 per share). The loss included exploration expenditures of \$34,843.

### SELECTED ANNUAL INFORMATION

The following selected annual information has been derived from the financial statements of the Company, which have been prepared in accordance with International Financial Reporting Standards.

	2019 \$	2018 \$	2017 \$
Loss before other items	(214,436)	(473,503)	(170,195)
Net loss	(214,436)	(440,080)	(170,195)
Net loss per common share - diluted	(0.002)	(0.004)	(0.002)
Net loss per common share - basic	(0.002)	(0.004)	(0.002)
Total assets	886,537	674,168	868,911
Cash and cash equivalents	252,034	11,292	215,635
Shareholders equity	556,603	600,449	638,529

### SUMMARY OF QUARTERLY RESULTS

	Q4 2019 (\$000's)	Q3 2019 (\$000's)	Q2 2019 (\$000's)	Q1 2019 (\$000's)	Q4 2018 (\$000's)	Q3 2018 (\$000's)	Q2 2018 (\$000's)	Q1 2018 (\$000's)
Net income/(loss)	(57)	(40)	(76)	(40)	(75)	(76)	(110)	(179)
Net income/(loss) per share - Basic and diluted	(0.001)	(0.000)	(0.001)	(0.000)	(0.001)	(0.001)	(0.001)	(0.002)
Total assets	887	631	646	645	674	740	798	922
Working Capital	(71)	(175)	(134)	(67)	(27)	29	105	215

- The first quarter of 2018 includes \$123,581 exploration expenditures, of which \$119,062 was spent on Golden Rose.
- The second quarter of 2018 includes \$79,242 exploration expenditures spent on Golden Rose.
- The third quarter of 2018 includes \$38,728 exploration expenditures spent on Golden Rose.
- The fourth quarter of 2018 includes \$34,843 exploration expenditures, of which \$29,352 was spent on Golden Rose.
- The first quarter of 2019 includes \$14,480 exploration expenditures.
- The second quarter of 2019 includes \$42,106 exploration expenditures.
- The third quarter of 2019 includes \$11,888 exploration expenditures
- The fourth quarter of 2019 includes \$6,170 exploration expenditures.

## LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2019, the Company had cash of \$252,034 compared to \$11,292 at December 31, 2018.

Current assets at December 31, 2019 were \$258,636 compared to \$46,267 at December 31, 2018. Accounts payable and accrued liabilities increased to \$251,804 at December 31, 2019 from \$73,719 at December 31, 2018.

On December 31, 2019, the Company completed the first tranche of a non-brokered, private placement through the issuance of 5,000,000 flow through units for gross proceeds of \$250,000. Each unit consists of one flow through share and one-half of a common share purchase warrant and was priced at \$0.05 per unit. One whole warrant is exercisable to purchase one common share at an exercise price of \$0.075 for a period of one year from date of issue. Proceeds totaling \$250,000 from the issuance of flow-through shares must be spent on Qualifying Canadian Exploration Expenditures by December 31, 2020.

On January 27, 2020, the Company completed the second tranche of its non-brokered, private placement through the issuance of 2,000,000 flow-through units and 1,000,000 units at a price of \$0.05 per unit, for gross proceeds of \$150,000. Each unit consists of one share and one-half of a share purchase warrant. One whole warrant is exercisable to purchase one common share at an exercise price of \$0.075 for a period of one year from issue. Proceeds totaling \$100,000 from the issuance of flow-through shares must be spent on qualifying Canadian Exploration Expenditures by December 31, 2021.

In March 2020, the Company agreed a 'shares for debt' settlement of an aggregate indebtedness of \$144,480 by the issue of a total of 2,889,619 shares at a deemed issue price of \$0.05 per share.

At December 31, 2019, Conquest had not achieved profitable operations, 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 continue as a going concern and to fund any exploration programs. 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 be able to obtain additional financial resources. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations.

## OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.



## TRANSACTIONS BETWEEN RELATED PARTIES

No fees were paid by the Company to directors and officers for their services as directors and officers of the Company in the years ended December 31, 2019 or December 31, 2018.

During the year ended December 31, 2019, the Company made payments or accrued \$46,236 (2018 - \$68,882) to related parties, including \$22,500 for management fees to Robert Kinloch, Director, \$10,536 for legal fees to Steenberglaw Professional Corporation, a company controlled by a director of the Company, and \$13,200 for rent to Buchans Resources Limited, a company with common directors.

During the year ended December 31, 2019, the Company received \$70,314 advances from Energold Minerals Inc, a company with a common director.

Included in accounts payable and accrued liabilities at December 31, 2019 is \$121,400 (2018 - \$16,764) due to related parties. Such amounts were due on demand, unsecured and non-interest bearing

In March 2020, the Company settled debt to related parties in the amount of \$92,814 through the issue of 1,856,286 shares valued at \$0.05 per share; 450,000 shares to Robert Kinloch, Director, and 1,406,286 shares to Energold Minerals Inc., a company controlled by the Chairman of the Company.

### 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.

### 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 December 31, 2019 audited consolidated financial statements.

## 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/Going Concern

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 December 31, 2019, 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 TSX Venture Exchange ("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 favourable 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 Golden Rose Property 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 December 31, 2019, the Company had cash of \$252,034 to settle current liabilities of \$251,804, including \$121,400 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. In March 2020, the Company agreed a 'shares for debt' settlement of an aggregate indebtedness of \$144,480 by the issue of a total of 2,889,619 shares at a deemed issue price of \$0.05 per share.

### 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 not exposed to market risk with respect to its marketable securities as no marketable securities were held at December 31, 2019.

### 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 December 31, 2019, would affect the net loss by plus or minus \$Nil during a one-year period.

As at December 31, 2019, 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 December 31, 2019, the Company had no financial instruments to classify within the fair value hierarchy.

### **OUTSTANDING SHARE CAPITAL**

The Company has unlimited authorized share capital of a single class of common shares of which, at December 31, 2019, 123,973,348 common shares were issued.

At April 24, 2020, the Company has 126,973,348 common shares issued and 1,406,286 shares issuable for debt to Energold Minerals Inc. subject to TSXV approval.

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 December 31, 2019 and April 24, 2020, there were 2,500,000 and 4,000,000, respectively, share purchase warrants outstanding. Each warrant entitles the holder to purchase one share of the Company at \$0.075 per share.

### **ADDITIONAL INFORMATION**

Additional information about the Company is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.conquestresources.com](http://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: April 24, 2020