



## **MANAGEMENT DISCUSSION AND ANALYSIS**

Dated May 29, 2019

For the three-month period ended March 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 condensed interim financial results for the three-month period ended March 31, 2019 with those of the three-month period ended March 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, 2018, 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 (65) kilometres northeast of Sudbury, Ontario. The forty-seven (47) easily accessible map-staked claims and four (4) patent lease claims encompass 770 hectares and 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 in 2018 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 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 Banded Iron Formation. 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 Goldcorp's Red Lake mine 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.

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 characteristic 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.

At March 31, 2019, Conquest had invested a cumulative total on exploration activities of \$313,474 on the Golden Rose Property, \$6,246,768 on the Alexander Property, \$1,250,227 on Smith Lake and \$999,196 on King Bay. These values may not reflect the realizable value of the properties if they were offered for sale at this time.

At March 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.

Conquest has planned Summer 2019 exploration programs at its Golden Rose and Smith Lake properties, including a planned drilling campaign of 1,500 metres at Golden Rose to test prioritized targets identified in 2018 deemed most prospective for the discovery of gold mineralisation. The planned programs have an indicative exploration budget of circa \$500,000 and are subject to the successful completion of additional financing.

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.

## **MINERAL PROPERTIES OF THE COMPANY**

### **GOLDEN ROSE PROJECT**

Conquest holds a 100% interest in the Golden Rose Property, located at Emerald Lake 65 kilometres northeast of Sudbury, Ontario.

A portion of the Golden Rose staked claims is subject to a 1.5% NSR held by Osisko Gold Royalties Ltd., and the remaining patented claims are subject to a 2% NSR held by EnerMark Inc.

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 Strategy**

Following acquisition of the Golden Rose property in late 2017, Conquest's exploration strategy was to target extensions of known underground mineralization at the mine site and to prospect for additional structurally controlled gold mineralization lying along the two prospective horizons of Algoman-type Banded Iron Formation, which trend northeastward across the entire strike length of the property. At the Golden Rose mine itself, numerous high-grade gold intersections in drill core through the mine sequence

support Conquest's geological interpretation of the potential for additional stacked and parallel ore shoots, with ore-grade mining widths along both strike and depth continuity. These high-grade intersections suggest these ore shoots are located above, below and along strike of the existing Golden Rose mine workings.

### **Completed Airborne Geophysical Survey**

Conquest completed a helicopter-borne Versatile Time Domain Electromagnetic (VTEM™ Plus) and Aeromagnetic Geophysical Survey carried out by Geotech Ltd., over the Golden Rose Mine project area in 2018. A total of 179-line kilometers of VTEM data and horizontal magnetic gradiometer geophysical measurements were collected across the Golden Rose property, along approximately north-south oriented flight transverse lines spaced at 100 m apart and with approximately east-west oriented tie lines spaced at 1000 m apart, using an Aerospatiale A-Star 350 B3 helicopter, owned and operated by Geotech Aviation Ltd.

The primary objectives of the helicopter-borne geophysical survey and the following interpretation of acquired data were to derive detailed lithological and structural maps of the Golden Rose property area and to delineate favourable new target areas for detailed exploration of gold and/or other mineralization and related alteration zones.

Initial prioritization of eight geophysical anomalous areas was completed in consultation with Geotech. These targets all occur within favourable structural settings associated both within the Banded Iron Formation and its adjacent stratigraphy (i.e., mafic volcanics, and quartz-feldspar porphyry intrusions).

Geophysical modelling results of the selected target areas have provided parameters including thickness, which ranges between 10-20 meters, strike length, and depth to target, with seven of eight targets lying within fifty meters of the surface.

### **2018 Summer Field Program**

Exploration of priority targets at Golden Rose during the 2018 summer field season included data integration, soil geochemistry, MMI, prospecting, and preliminary geological mapping. Anomalous gold-in-soil results were received from the recce soil and MMI geochemical surveys taken across eight of the identified geophysical/geological targets at Golden Rose.

The soil and MMI surveys verify that six of the priority target areas have anomalous gold-in-soil geochemistry. These geochemical data support the potential for the discovery of gold mineralization in these areas that include, the eastern end of the Mine Area, the North BIF Zone and the South BIF Zone, as well as one previously unrecognized area located approximately 200 metres north of the North BIF in the central part of the property.

### **Planned Summer 2019 Drilling Program**

Conquest plans to carry out approximately 1,200 meters of drilling at six (6) favorable targets on the Golden Rose property. The Company has applied for the necessary exploration permits for the summer drilling program and expects to commence its summer program as early as mid-July 2019.

The six (6) selected drill sites were chosen based on geological investigation and the interpretation of a high-resolution, property-scale, airborne geophysical survey and follow up soil and MMI surveys completed in 2018 that verified each target to have anomalous gold geochemistry and confirmed potential for the discovery of gold mineralization in these areas. Execution of the planned drilling program is predicated on financing of a minimum of \$250,000, on terms acceptable to the Company.

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.

### **MACBETH CLAIMS OPTION AGREEMENT**

Conquest has 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 Conquest’s Golden Rose property at Emerald Lake.

The MacBeth claims are located in the east-central portion of Macbeth and western portion of Clement Townships, Sudbury Mining Division, Districts of Sudbury and Nipissing, Ontario. In 1959 W.H. Nichol carried out trenching and diamond drilling on a mineralized quartz vein on the MacBeth claims and reported high-grade gold mineralization from grab samples in the trench.

Conquest has commenced a \$10,000 work commitment on the MacBeth claims of Induced Polarization (IP), channel sampling, geochemistry and petrography to confirm the previously reported (1957) high-grade gold mineralization. This work is scheduled to be completed by June 30, 2019. This expenditure and the issuance of 50,000 common shares of Conquest will meet the first-year obligations under the three-year option earn-in agreement. Years 2 and 3 of the option agreement each require minimum expenditures on the MacBeth property of \$10,000 and the issuance of 75,000 and 100,000 shares, respectively, should Conquest choose to maintain the option.

### **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 Goldcorp. Goldcorp’s Red Lake operations are situated in the eastern part of the Red Lake Greenstone Belt. 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.

Conquest believes that Goldcorp’s exploration undertaking to fully understand the more than sixty years of historical data in the Red Lake area and its goal for near-mine reserve replacement is also important to a broader understanding of the highly prospective target area that lies adjacent to Conquest’s Alexander property boundary and extends into the Alexander property. Conquest believes that any revisioning of this Red Lake Belt would, by inference, include Conquest’s Alexander Property.

On July 25, 2018, Goldcorp released an update on its 2018 exploration program in which it reported that exploration activity continued at the Red Lake camp and had recently been extended to encompass generative exploration programs over the highly prospective 385 km<sup>2</sup> Red Lake land package. In part the update stated, “Step-out exploration commenced during the second quarter of 2018 on several new targets. Drilling focus continues to shift eastwards towards portions of the mine containing favorable geology and structure, but which remain underexplored. The Aviation Complex was identified during this generative phase and drilling had recently commenced. The Aviation zone comprises folded Balmer Assemblage basalt, a significant host to gold mineralization throughout 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 characterize 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.

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 Goldcorp 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 property.

**SMITH LAKE (RENABIE) GOLD PROJECT**

Conquest's Smith Lake (Renabie) property is located in the Missanabie area of north-central Ontario.

The Smith Lake (Renabie) property consists of six (6) patented mining claims and 181 mining claims, covering approximately 2,915 hectares, located immediately adjacent to the north, west and south of the former Renabie Gold Mine, within the Missanabie-Goudreau Greenstone Belt and is underlain mainly by mafic volcanics-basalt, granitic intrusives and northward trending diabase dykes.

Three gold mines operated in the immediate area in the 1970's and 80's, including the Renabie Gold Mine (International Corona Resources & American Barrick Corporation), the Canreos Mines immediately south of the Renabie Mine and the Nudulama Mine located immediately to the east of Renabie. The Kremzar and Magino mines, located further to the northwest, operated for short periods of time in the late 1980's and had reportedly 2.4 million tonnes at 0.23 ounces/gold/ton and 1.9 million tons of 0.25 ounces/gold/ton, respectively.

Conquest's Smith Lake property is contiguous with the former Renabie Gold Mine from which reported production amounted to approximately 4.5 million tonnes at an average grade of 0.2 ounces g/t (6.25 g/t gold), producing approximately 1,000,000 ounces of gold, from 1941 through 1991. Reported reserves from the Renabie mine were approximately six 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 as a result of slumping gold price and high cost of production, which also resulted in a decrease of resources by 961,050 tons in the recalculation of proven and probable categories.

Mineralization at Renabie consists of a steeply plunging ore zone structure with dimensions of 400 x 100 feet, extending from surface to a depth of more than 4,000 feet. The mineralization consists of quartz veins carrying pyrite - galena - chalcopyrite - sphalerite - at the granite contact that has undergone pervasive shearing and hematite alterations. Zones of enriched gold mineralization occur at the intersections of Renabie shear zone quartz veins and northwest trending discordant and en echelon veins.

Previous exploration work by Conquest in the 1980s led to the discovery of encouraging gold values in limited drilling of a north-trending shear zone along the west side of Smith Lake. Visible gold was noted in 4 holes and an assay value of 2.25 ounces gold per tonne was obtained over an interval of 6.0 feet (70.3 g/t gold over 1.8 metres). Lower values in the 0.10 ounces per ton gold range were obtained over widths up to 18.6 feet (3.1 g/t gold over 5.7 metres).

More recently, Conquest completed a structural lineament study from aerial and satellite imagery of the area and identified en echelon lineaments extending onto Conquest claims north and west of the Renabie Mine having similar characteristics to those identified at the Mine and along the same mineralized east-west trending Renabie shear.

A series of massive, 1.5-metre-wide, quartz boulders (Z-22 Vein) was discovered north of the Renabie mine in an area lacking historical exploration and adjacent to defined lineaments. The angular nature of these boulders indicates a nearby bedrock source.

Immediately to the south of the Renabie Mine, Conquest holds eleven claims where high-grade gold mineralization of 20 g/t Au was assayed from trench grab samples from the eleven metre-wide Campbell Vein. This en echelon stacked array of laminated to massive quartz veins on the Conquest claims is approximately 150 metres long and trends northwestward toward the Renabie mine trend.

The Smith Lake (Renabie) property is being explored for vein gold or shear hosted gold deposits, similar to the Renabie Gold Mine. Conquest plans to explore three areas of lineament clusters with the focus on finding new, structurally controlled gold mineralization similar to the Renabie Mine. Prospecting, geophysics, geochemistry and follow-up trenching is planned at the Z-22 Vein area.

**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 three-month periods ended March 31, 2019 or March 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 three-month period ended March 31, 2019, the Company recorded a loss of \$39,677 (\$0.000 per share). The loss included exploration expenditures of \$14,480.

For the three-month period ended March 31, 2018, the Company recorded a loss of \$179,196 (\$0.002 per share). The loss included exploration expenditures of \$123,581.

**SUMMARY OF QUARTERLY RESULTS**

	Q1 2019 (\$000's)	Q4 2018 (\$000's)	Q3 2018 (\$000's)	Q2 2018 (\$000's)	Q1 2018 (\$000's)	Q4 2017 (\$000's)	Q3 2017 (\$000's)	Q2 2017 (\$000's)
Net income/(loss)	(40)	(75)	(76)	(110)	(179)	(109)	(18)	(19)
Net income/(loss) per share - Basic and diluted	(0.000)	(0.001)	(0.001)	(0.001)	(0.002)	(0.000)	(0.000)	(0.000)
Total assets	645	674	740	798	922	869	16	23
Working Capital	(67)	(27)	29	105	215	11	(47)	(28)

- The fourth quarter of 2017 includes \$45,092 exploration expenditures, of which \$34,676 related to the Golden Rose property.
- 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.

**LIQUIDITY AND CAPITAL RESOURCES**

At March 31, 2019, the Company had cash of \$2,133 compared to \$11,292 at December 31, 2018.

Current assets at March 31, 2019 were \$17,087 compared to \$46,267 at December 31, 2018. Accounts payable and accrued liabilities increased to \$84,216 at March 31, 2019 from \$73,719 at December 31, 2018.

At March 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 three-month periods ended March 31, 2019 or March 31, 2018.

During the three-month period ended March 31, 2019, the Company made payments or accrued \$10,608 (2018 - \$1,302) to related parties, including \$7,500 for management fees to Robert Kinloch, Director, and \$3,108 for legal fees to Steenberglaw Professional Corporation, a company controlled by a director of the Company.

Included in accounts payable and accrued liabilities at March 31, 2019 is \$19,262 (2018 - \$4,872) due to related parties. Such amounts are due on demand, unsecured and non-interest bearing.

## 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, 2018 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 March 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.

The Company's capital management objectives, policies and processes remained unchanged for the three-month period ended March 31, 2019. 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.

### *FAILURE TO OBTAIN ADDITIONAL FINANCING*

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.

### *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 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.

### *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.

## **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*

At March 31, 2019, the Company had cash of \$2,133 to settle current liabilities of \$84,216. 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 not exposed to market risk with respect to its marketable securities as no marketable securities were held at March 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 March 31, 2019, would affect the net loss by plus or minus \$Nil during a one-year period. As at March 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 March 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 March 31, 2019 and May 29, 2019, 118,923,348 common shares were issued. 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, 2019 and May 29, 2019, there were 5,600,000 share options outstanding, issued pursuant to the Company's Stock Option Plan.

## 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: May 29, 2019