



**MANAGEMENT DISCUSSION AND ANALYSIS**

Dated November 21, 2014

**For the three and nine month periods ended September 30, 2014**

(Form 51-102F1)

November 21, 2014

This Management's Discussion and Analysis (MD&A) reviews the activities of Conquest Resources Limited ("Conquest", or the "Company") and compares the financial results for the three and nine month periods ended September 30, 2014 with those of the corresponding periods of 2013.

For a more complete understanding of the Company's financial condition and results of operations, this MD&A should be read together with the condensed interim consolidated financial statements and the accompanying notes for the nine month periods ended September 30, 2014, 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 and development of mineral properties in Ontario. The Company also maintains claims on two mineral properties in Zimbabwe. The Company's principal exploration target is gold.

Conquest holds an undivided 100% interest in the **Alexander Property** located in the Red Lake mining camp. A 2% net smelter royalty was reserved at the time of acquisition during 2002 by the previous owner, a holding company, which is controlled by the Chairman of Conquest. Conquest is the operator of the Alexander Property.

Conquest holds a 50% interest in the **Sunday Lake Property** located approximately 7 kilometres due east of Detour Gold Corporation's ("Detour Gold") open pit gold mine situated 200 kilometres northeast of Timmins, Ontario. The Sunday Lake Property is a 13 square-kilometre sized block consisting of three (3) mining leases and is subject to a 50/50 joint venture with Detour Gold with Detour Gold as the Operator.

Conquest also holds a 100% interest in the **Smith Lake Property** which consists of six (6) patented mining claims and twenty-four (24) mining claims covering approximately 5,200 hectares of land located within the Missanabie-Goudreau Greenstone Belt in Leeson, Stover, and Rennie Townships in northern Ontario. The claim group is situated adjacent to the former Renabie gold mine.

Conquest has curtailed all Company financed exploration programs due to current financial and market conditions. During 2013, the Company completed an airborne survey on the Smith Lake Property and Detour Gold carried out an exploration program on the Company's Sunday Lake Property. The Company is reviewing its properties and may seek to dispose of assets should the opportunity arise or market conditions permit.

The Company continues to assess advanced-stage mining project opportunities arising from deflated market conditions across the industry with the objective of adding value to the Company and for which acceptable financing terms may be arranged.

## PRIMARY MINERALS PROPERTIES OF THE COMPANY

### ALEXANDER GOLD PROJECT

Conquest's Alexander Property lies immediately east of Goldcorp Inc.'s Red Lake and Campbell gold mines in the heart of the Red Lake gold camp and is almost completely surrounded by Goldcorp's land holdings. The Alexander Property is located within the important "Mine Trend" regional structure. Management believes that the Company holds one of the most prospective land positions in the Red Lake gold camp.

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 shaft headframe. The Balmer Assemblage is host to the high grade gold ores at the Red Lake gold mine. Balmer Assemblage rocks are present in most of the drill holes on Conquest's Alexander Property and the well-established mine trend at Red Lake that strikes southeast through the Alexander Property.

Located in one of the world's most prolific gold districts, Red Lake is Goldcorp's top producer and described by Goldcorp as "Our Canadian cornerstone, the world's richest mine". Goldcorp reported gold production at its Red Lake Mine of 493,000 ounces for 2013. Red Lake gold mines' proven and probable gold reserves totaled 2.55 million ounces at September 30, 2014.

During 2013, Goldcorp's drilling focused on resource expansion and in-fill drilling in the NXT zone from multiple horizons throughout the mine. Goldcorp reported that during the second quarter of 2014, early stage exploration drilling continued from surface on HG Young with high grade intersections identified. Goldcorp reported increased expenditures on exploration activity at HG Young during the third quarter of 2014, a new discovery 1.5 kilometers northwest of the Campbell Complex. Exploration continued at HG Young from surface with up to five diamond drills with Goldcorp reporting continued high grades from the new discovery. Goldcorp expects new access for more efficient underground exploration drilling at HG Young in 2015 from rehabilitation being carried out on the 14 level at the Campbell Complex.

Goldcorp's exploration also continued to focus on the NXT zone as well as the R zone and FW zone where numerous economic intersections have been encountered.

As of September 30, 2014, the Company had invested \$6,228,000 on exploration on the Alexander Gold Project including active drilling on the Alexander Property between August 2009 and October 2011. The twenty-seven (27) patented mining claims that comprise the Alexander Property do not require any annual minimum expenditure, other than nominal property taxes.

#### TECHNICAL

Conquest's exploration activities on the project to date are summarized in a Technical Report dated November 22, 2012 which is available under the Company's profile at [www.sedar.com](http://www.sedar.com). Recommendations for continued exploration are proposed in this Report, which are summarized in the "Future Plans" section of this MD&A.

The Technical Report filed on the Alexander Property in November 2012, recommends that additional work be conducted to: "(a) establish and drill test targets through a compilation of existing exploration drilling, geophysics, and geochemistry; (b) follow-up previous geophysical work conducted by Goldcorp on the Alexander Property and the adjacent mine properties; (c) conduct geochemical surveys on the ground and using existing drill core to establish new drill hole targets; and, (d) research and conduct a modern bore-hole EM and IP geophysical survey that utilizes the 2009, 2010, and 2011 drill holes which have been maintained for this purpose" (extract from the Technical Report– November 21, 2012).

During July and August of 2013, Conquest collaborated with Rupert Resources Limited ("Rupert") on a combined 2D magnetics and 3D resistivity and induced-polarization ("IP") geophysical survey over the southern claims boundary of Conquest's Alexander Property and Rupert's adjacent Gold Centre Project. The survey was commissioned and funded by Rupert under contract to Abitibi Geophysics Inc. on a ground surface grid that extends north from the Rupert Gold Centre property on to Conquest's property for a distance of approximately 400 metres. The 3D survey was conducted with Abitibi Geophysics' IPower3D system, which is a true 3D array resistivity/IP topographical imaging survey capable of modeling to depths in excess of 500 metres, which is well beyond the limits of conventional IP geophysics techniques. The results of this survey are encouraging and indicate that conductive horizons exist within the Huston Formation and Balmer Assemblage rock units on Conquest's property which warrant follow-up drilling at a later date.

The Company intends to undertake these recommendations when financing on terms acceptable to the Company is available or when equity markets allow for the issuance of shares without undue dilution or in such circumstances where a qualified joint-venture partner emerges.

#### **SUNDAY LAKE GOLD PROJECT**

Conquest's Sunday Lake Property consists of 13 square kilometres of prospective mineral leases located along the Sunday Lake Deformation Zone approximately seven (7) kilometres east of Detour Gold's 15.6 million ounce open pit gold mine in northern Ontario.

In September 2010, Conquest entered into a joint venture agreement with Detour Gold on the Sunday Lake Property pursuant to which Detour had the right to earn a 50% interest in the Property. Under the amended terms of this agreement, Detour could earn its 50% interest in the Property by expending a total of \$1,000,000 of exploration prior to September 30, 2014. Detour Gold undertook to complete the exploration in two phases.

During Phase-one, a total of seven (7) exploration drill holes were completed by Detour Gold during 2011 which totaled 1,647 metres of drilling at prioritized target sites that were defined by Detour Gold's compilation of historical work conducted on the property and by Detour Gold's induced polarization geophysical survey (2011) and MMI (Mobile Metal Ion) soil geochemical program over the claim group.

Phase-two was completed during the 2013 winter season and consisted of 19 kilometres of gradient and sectional IP geophysics and the drilling of six (6) exploration holes which totaled 1,695 metres of drilling on the Sunday Lake Property. Drilling by Detour Gold intersected encouraging geology; however assay results for these six holes did not return significant gold values.

Detour Gold, having made the required expenditures, has earned its 50% undivided interest in the Sunday lake property. The Company retains an undivided 50% interest in the Sunday Lake property. Pursuant to the terms of the September 21, 2010 Option and Joint Venture Agreement, Detour Gold Corporation and Conquest Resources Limited are now deemed to be in a joint operation with Detour Gold as the operator.

A report was prepared by Detour Gold that was submitted to Conquest in August, 2013, in which a further twenty-three (23) targets were identified for exploration diamond drilling from encouraging geology and geophysical data collected by Detour Gold during the earn-in period of the 50/50 joint operation.

A total of twenty-three (23) drill targets have been identified by Detour Gold in the report entitled "2013 Report of Drilling and Geophysical Activities on the Sunday Lake Property" dated August 19, 2013. These drill ready targets have been prioritized based on encouraging geology and geophysical data that was acquired during the 2011 and 2013 exploration programs. Additional drilling is recommended on the property. Detour Gold indicated that drilling will not be undertaken in 2014 and accordingly Conquest does not anticipate contributing financially to joint venture exploration during 2014.

Balmoral Resources Ltd. ("Balmoral") owns gold projects approximately 30km to the east of Conquest's Sunday Lake property along the same Sunday Lake Deformation Zone as Conquest's Sunday Lake property and Detour Gold's new open pit gold mine.

Detour Gold and Conquest are now 50/50 joint partners on the Sunday Lake property and pursuant to the terms of the Option and Joint Venture Agreement Detour Gold is now designated as the Operator at Sunday Lake. Accordingly, all future plans for exploration and development at Sunday Lake will be proposed by the Operator, Detour Gold.

### **SMITH LAKE GOLD PROJECT**

Conquest's Smith Lake Property consists of six (6) patented mining claims and twenty-four (24) mining claims covering approximately 5,200 hectares of land located within the Missanabie-Goudreau Greenstone Belt in Leeson, Stover, and Rennie Townships in northern Ontario. The property is 100% Conquest owned and is contiguous with the former International Corona Resources Renabie gold mine which produced more than 1,000,000 ounces of gold from 1941 through 1991 (at which time the mine was officially closed) from reported reserves of approximately 6 million tonnes at an average grade of 6.6 grams per tonne gold and 2 grams per tonne silver.

During August and September 2011, a total of 1,109 metres of exploration drilling in ten (10) holes was drilled on the Smith Lake patented claims. Of a total 318 samples collected from the core, 30 samples returned anomalous assays ranging from 0.25 gpt to 63.3 gpt gold over 0.22 to 1.50 metres in core length thickness.

A significant gold intersection grading 63.3 grams per tonne (gpt) of gold over 0.28 metres within a mineralized quartz vein was located in the first drill hole (CSL-11-001) of the program. While conducting its drilling program, Conquest uncovered and trenched a mineralized zone of significant width comprised of folded quartz veining over six metres in true thickness where gold mineralization appears consistently elevated.

During February through April 2012, Conquest completed a winter-spring drilling program at Smith Lake comprising a total of 2,652 metres of exploration drilling in twenty-three (23) holes designed to target east-west and north-south oriented structures near the northern extension of the north-south oriented Braminco Shear Zone at sites with coincident structural and Mobile Metal Ion ("MMI") surface geochemical anomalies on Conquest's patented claim group.

In June 2012, the OGS released a geophysical data set containing a compilation of local and regional airborne magnetic and electromagnetic geophysical data for the area covering 70% of Conquest's land package in the Renabie area.

In April 2013, Conquest completed an airborne electromagnetic (“EM”) survey, under contract to Fugro Airborne Surveys (a division of Fugro Canada Corporation, now CGG Canada Services Ltd.) over a twenty-four (24) square-kilometre sized portion of Conquest’s amalgamated claim block known as the Smith Lake Property that is located adjacent to the former Renabie gold mine in northern Ontario. This survey was designed to tie-on to the existing geophysical EM data that was acquired and released by the Ontario Geological Survey (“OGS”) in June 2012 in order to provide complete EM coverage over the entire land package with the goal of targeting volcanogenic-hosted massive sulphide (“VMS”) mineralization and structurally hosted gold deposits.

The Company has completed a property-scale geophysical interpretation of the 2012 and 2013 data collected by the OGS and by Fugro Geophysics, under contract to Conquest. The results of this compilation and interpretation study indicate that multiple target sites are present in the volcanic stratigraphy to the west and northwest of the former Renabie minesite. These targets have been prioritized for ground follow-up mapping based on structural complexity and the nature of the conductive horizons oriented sub-parallel to stratigraphy on Conquest’s property. Conquest is undertaking additional modelling of the geophysical data compiled by the OGS released in 2012, as a desktop study prior to the commencement of any ground work the Company may undertake at a later date.

### SCHEDULE OF DEFERRED EXPLORATION EXPENDITURES

#### Exploration Properties - Schedule of Deferred Exploration Expenditures For the nine month periods ended September 30, 2014 and 2013

	Alexander		Sunday Lake		Smith Lake		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Geology, geophysics and geochemistry	2	-	-	-	4	62	6	62
Drilling	-	-	-	-	-	-	-	-
Assays, laboratory	-	-	-	-	-	-	-	-
Travel and accommodation	-	-	-	-	-	1	-	1
Equipment, property lease and other	2	2	-	1	2	2	4	5
<b>Total additions</b>	<b>4</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>6</b>	<b>65</b>	<b>10</b>	<b>68</b>

### QUALIFIED PERSON AND TECHNICAL REPORT

Benjamin Batson, P. Geo., Vice President Exploration of Conquest Resources Limited, is the Company’s Qualified Person for the purposes of National Instrument 43-101 and has approved the technical disclosures within this MD&A.

A technical report entitled “Technical Report on Exploration at the Alexander Gold Project in Red Lake, Ontario” dated November 21, 2012 by Benjamin Batson, P. Geo of Conquest, was filed on SEDAR and may be viewed under the Company’s profile at [www.sedar.com](http://www.sedar.com).

**RESULTS OF OPERATIONS**

The Company recorded no revenue in the three and nine month periods ended September 30, 2014 or 2013.

For the nine month period ended September 30, 2014, the Company incurred a loss of \$35,000 (\$0.000 per share); compared to a loss of \$789,000 (\$0.008 per share) for the nine month period ended September 30, 2013. Administrative expenses for the nine month period ended September 30, 2014 amounted to \$136,000, compared to \$190,000 in 2013.

For the three month period ended September 30, 2014, the Company incurred a loss of \$66,000 (\$0.001 per share); compared to a loss of \$26,000 (\$0.000 per share) for the three month period ended September 30, 2013.

The loss in the nine month period ended September 30, 2014 included a gain of \$116,000 on the disposal of 15,400 Detour Gold shares, a gain to market value on the remaining marketable securities of \$19,000 and a stock based compensation expense of \$34,000. At September 30, 2013, the Company recorded a loss to market value of \$599,000.

The loss in the three month period ended September 30, 2014 included a loss of \$24,000 to market value on the remaining marketable securities compared to a gain of \$27,000 in the three month period ended September 30, 2013.

**Summary of Quarterly Results - IFRS**

	Q4 2012 (\$000's)	Q1 2013 (\$000's)	Q2 2013 (\$000's)	Q3 2013 (\$000's)	Q4 2013 (\$000's)	Q1 2014 (\$000's)	Q2 2014 (\$000's)	Q3 2014 (\$000's)
Net Income/(loss)	(212)	(286)	(477)	(26)	(101)	61	(29)	(66)
Net income/(loss) per share - Basic and diluted	(0.002)	(0.003)	(0.005)	(0.000)	(0.001)	0.001	(0.000)	(0.001)
Total assets	8,652	8,410	7,925	7,898	7,770	7,828	7,827	7,776
Working Capital	1,025	680	196	163	46	104	103	35

- The fourth quarter 2012 includes \$115,000 loss on the market value of marketable securities and a deferred income tax recovery of \$102,000
- The first quarter of 2013 includes \$220,000 loss on the market value of marketable securities
- The second quarter of 2013 includes \$407,000 loss on the market value of marketable securities
- The fourth quarter of 2013 includes \$107,000 loss on the market value of marketable securities and a reduction of \$22,000 in professional fees
- The first quarter of 2014 includes a gain of \$107,000 on the market value of marketable securities
- The second quarter of 2014 includes a share-based payment expense of \$34,000, a gain of \$31,000 on the disposal of marketable securities and a gain of \$21,000 on the market value of the remaining marketable securities
- The third quarter of 2014 includes a loss of \$24,000 on the market value of marketable securities

**LIQUIDITY AND CAPITAL RESOURCES**

At September 30, 2014, the Company had cash of \$49,000 and held \$35,000 in marketable securities. At September 30, 2014, the Company had a working capital surplus of \$36,000, compared to a surplus of \$46,000 at December 31, 2013.

During the nine month period ended September 30, 2014, the Company sold 15,400 Detour Gold Corporation shares for gross proceeds of \$179,000. At September 30, 2014, the Company held 4,040 Detour Gold shares. On November 20, 2014, the Company held 4,040 Detour Gold shares valued at \$39,000.

Total assets at September 30, 2014 were \$7,776,000 compared to \$7,770,000 at December 31, 2013. Accounts payable and accrued liabilities increased to \$61,000 at September 30, 2014 from \$54,000 at December 31, 2013.

At September 30, 2014, the Company had mineral properties with a total book value of \$7,680,000 of which \$6.2M relates to the Alexander Property and \$1.1M relates to the Smith Lake property. In considering the carrying value of the mineral properties presently held, the Company has considered near future follow-on prospecting and drilling programs, compilation data, existing proximate commercial mines, and has determined that primarily because of the strategic location of the Company's Alexander Property located immediately adjacent to Goldcorp's producing Red Lake mine, no impairment is appropriate at this time. The balance sheet values may not represent that which could be obtained if the properties were to be offered for sale at this time.

At September 30, 2014, the Company had limited working capital, 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 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 and exploration activities.

### **OFF-BALANCE SHEET ARRANGEMENTS**

There are no off-balance sheet arrangements.

### **TRANSACTIONS BETWEEN RELATED PARTIES**

Related party transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Amounts paid and accrued include the following expenditures which were incurred with directors and officers of the Company, corporations with directors and/or officers in common with the Company, and corporations controlled by directors and/or officers of the company.

	September 30, 2014 (\$000's)	September 30, 2013 (\$000's)
Professional fees	52	210
Equipment rental	-	15
Office and general	11	11
	63	236

No fees were paid by the Company to directors and officers for their services as directors and officers of the Company in the nine month periods ended September 30, 2014 or September 30, 2013. Professional fees are comprised of administration, investor relations and legal services provided by persons or corporations controlled by persons who are directors.

During the period ended September 30, 2014, the Company made payments or accrued a total of \$63,000 to related parties, including \$7,000 to Steenberglaw Professional Corporation, a company controlled by Neil J.F. Steenberg, Director and Secretary, for legal fees; \$45,000 to Robert Kinloch, Director, for management services; and \$11,000 to Labrador Iron Mines Holdings Limited, a company with common directors, for office rent.

Included in accounts payable at September 30, 2014 is \$37,000 payable to these related parties. Such amounts were 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.



The following is a discussion of the accounting estimates that are considered by management to be significant in determining the Company's financial results and position:

**MINERAL PROPERTY INTERESTS**

The Company reviews capitalized costs on its mineral properties on a periodic basis and will recognize impairment in value based upon current exploration or production results, if any, and upon management's assessment of the future probability of profitable revenues from the property or from the sale of the property. Management's assessment of the properties estimated current value may also be based upon a review of other property transactions that have occurred in the same geographic area as that of the property under review. These assessments are based on opinions, estimates and assumptions and are subject to risks and uncertainties, including geological and exploration risks.

**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 consider carefully 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 September 30, 2014, the Company had limited working capital, 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 and planned exploration activities.

**STAGE OF DEVELOPMENT**

All of the Company's properties are in the exploration stage. There can be no assurance that the Company will be able to develop and operate any of these projects profitably, or that its activities will generate positive cash flow.

Exploration and development of minerals is a speculative venture involving substantial risk. There is no certainty that the expenditures to be made by the Company will result in discoveries of commercial quantities of ore. Hazards such as unusual or unexpected formations and other conditions are involved.

The development of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of processing equipment, proximity of the necessary infrastructure, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting minerals and environmental protection. The exact effect of these factors cannot be accurately predicted.

**DEPENDENCE UPON KEY PERSONNEL**

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its management, including in particular its Chairman and its President. The loss of services of any of its management could have a material adverse effect on the Company. The Company does not maintain key man insurance on any of its management.



**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.

**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.

**ADEQUATE LABOUR**

The Company will depend upon recruiting and maintaining other qualified personnel to staff its operations. The Company believes that such personnel currently are available at reasonable salaries and wages in the geographic areas in which the Company intends to operate. There can be no assurance, however, that such personnel will always be available in the future. In addition, it cannot be predicted whether the labour staffing at any of the Company's projects will be unionized, resulting in potentially higher operating costs.

**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 some 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.

**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. The marketable securities are stated at the quoted market value.

**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.

**COMMODITY PRICE RISK**

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 minerals, particularly gold.

**LIQUIDITY RISK**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At September 30, 2014, the Company had cash of \$49,000 and marketable securities of \$35,000, to settle current liabilities of \$61,000. The Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms. Other financial liabilities arise from the issue of flow-through shares and are reversed once exercised.

**MARKET RISK**

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is exposed to these risks as the ability of the Company to develop or market its properties and the future profitability of the Company is related to the market price of certain minerals.

**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**

The Company has designated its marketable securities as fair value through profit or loss, which are measured at fair value. Cash and amounts receivable are classified as loans and receivables, which are measured at amortized costs. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

As at September 30, 2014, the carrying value of the Company's financial instruments approximate their fair value.

Based on management's knowledge and experience in the financial markets, sensitivity to a plus or minus 10% change in the share price of marketable securities, based on the quoted market price at September 30, 2014, would affect net income by plus or minus \$4,000.

As at September 30, 2014, the Company did not hold any material balances in foreign currencies that would give rise to exposure to foreign exchange risk.

**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.

**FAIR VALUE HIERARCHY AND LIQUIDITY RISK DISCLOSURE**

The fair value hierarchy have 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 September 30, 2014, the Company's financial instruments that are carried at fair value, consisting of marketable securities have been classified as Level 1 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 September 30, 2014 and November 21, 2014, 95,477,728 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 September 30, 2014 and November 21, 2014, there were 7,000,000 share options outstanding, issued pursuant to the Company's Stock Option Plan.

During the nine month period ended September 30, 2014, the Board of Directors approved the grant of 5,800,000 share purchase options to directors, officers and service providers at an exercise price of \$0.05 per share, all with an expiry date of September 30, 2019. The options will vest over a period of two years. During the nine month period ended September 30, 2014, 3,200,000 stock options expired unexercised.

## 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.net](http://www.conquestresources.net).

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.*

November 21, 2014