



**MANAGEMENT DISCUSSION AND ANALYSIS**

Dated November 28, 2016

**For the nine month period ended September 30, 2016**

(Form 51-102F1)

November 28, 2016

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 nine month period ended September 30, 2016 with those of the nine month period ended September 30, 2015.

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 period ended September 30, 2016, 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. 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 in Ontario. A 2% net smelter royalty was reserved at the time of acquisition 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 100% interest in the **Smith Lake Property** which consists of six (6) patented mining claims and twenty (20) staked mining claims covering approximately 3,995 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 patented mining claims and include lands lying to the north, west and south of the Renabie gold 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.

At September 30, 2016, Conquest had invested a cumulative total of \$6,241,392 on the Alexander Property, \$1,219,946 on Smith Lake and \$992,272 on King Bay. These values may not reflect the realizable value of the properties if they were offered for sale at this time.

Due to current financial and market conditions Conquest has curtailed all Company-financed exploration but has continued property maintenance programs, including prospecting, petrographic studies and structural evaluation programs at its Smith Lake property where Conquest's exploration activities during the third quarter of 2016 identified a cluster of veins along a strike length of approximately seventy (70) metres, with nine (9) bedrock samples returning elevated gold values, including four (4) grab samples reporting over 10 grams of gold per tonne.

The Company continues to assess mining project opportunities arising from deflated market conditions across the industry and for which acceptable financing terms may be arranged.

## MINERALS PROPERTIES OF THE COMPANY

### ALEXANDER GOLD PROJECT

Conquest's Alexander Property is strategically located east of Goldcorp Inc.'s Red Lake and Campbell 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 headframe.

Reported proven and probable reserves of Goldcorp's Red Lake property as of December 31, 2015, and reported at March 31, 2016, were 7.10 million tonnes at 9.10 grams per tonne for a total of 2,080,000 ounces of gold. Measured and indicated resources were also reported at 3.71 million tonnes at 19.02 grams per tonne for 2.27 million ounces of gold. Inferred gold resources are reported to be 3.45 million tonnes at 19.86 grams per tonne for 2.20 million ounces.

The Balmer Assemblage is host to the high grade gold ores at the Red Lake mine. Balmer Assemblage stratigraphy that characterize the well-established Mine Trend at Red Lake is present in drill holes on Conquest's property and strikes northwest to southeast through the Alexander Property.

Goldcorp has reported third quarter production, ending September 30, 2016, at Red Lake totaled 84,000 ounces of gold from 172,000 tonnes of ore at a milled grade of 17.12 grams per tonne and at an all-in sustaining cost of \$775 per ounce. Production from Red Lake continues to increase following completion of a more efficient material handling system and improved bulk mining efficiencies. Goldcorp anticipates completing 81,000 metres of exploration diamond drilling on its Red Lake property in 2016.

Ongoing exploration and production success by Goldcorp at Red Lake continues to demonstrate the prospectively of the Red Lake camp and enhances potential at the Alexander Property.

Goldcorp's continuing exploration and evaluation of its 100% owned, high-grade, HG Young deposit at Red Lake. A positive outcome of this work could lead to a 2017 prefeasibility study and commencement of a decline from surface that would provide access for further exploration and bulk sampling. Goldcorp's Cochenour project is also undergoing a concept study which is expected to be completed in the fourth quarter of 2016 with the intent of having the down-dip, Cochenour/Bruce Channel deposit provide additional ore feed to the Red Lake Mine.

Goldcorp has announced plans to undertake a district scale generative study over the entire Red Lake greenstone belt by integrating all of the known datasets to provide a pipeline of targets for subsequent testing. Management of Conquest believes that any such initiative would, by inference, include the Alexander property.

Conquest's twenty-seven (27) patented mining claims comprising the Alexander Property do not require any annual minimum expenditure, other than nominal property taxes.

The Company's successful exploration highlights on the Alexander project were summarized in a Technical Report dated November 21, 2012, and is available [www.sedar.com](http://www.sedar.com). Exploration recommended in that Technical Report include:

- (a) establish and drill-test targets based on a compilation of existing exploration drilling, geophysics, and geochemistry;
- (b) follow-up exploration on previous geophysical work conducted by Goldcorp on the Alexander Property and the adjacent mine properties;
- (c) conduct geochemical surveys on the ground and use existing drill core to establish new drill hole targets; and,
- (d) 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.

Conquest 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.

The Company's most recent exploration work on its Alexander property have included examination of micro- and macro- structures and stratigraphy of on-site drill core to provide insight on structural orientation of buried mineralization.

### **SMITH LAKE GOLD PROJECT**

Conquest's Smith Lake Property consists of six (6) patented mining claims and twenty (20) staked mining claims covering approximately 3,995 hectares of land located within the Missanabie-Goudreau Greenstone Belt in Leeson, Stover, and Rennie Townships in northern Ontario.

The Smith Lake property is 100% Conquest owned and is contiguous with the former International Corona Resources (now Barrick Gold Corporation) Renabie Gold 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 of gold per tonne and 2 grams of silver per tonne.

During the third quarter of 2015, Conquest carried out a prospecting program focused on vein morphology near the former Renabie Mine. From a compilation of historical data, an area located southwest of the former mine site was targeted for further prospecting of auriferous quartz veins. Like auriferous veins at the Renabie mine site, veins on the Conquest claims are hosted in both intrusive and volcanic rocks having favorable structural controls for gold mineralization.

During reconnaissance prospecting a large quartz vein-array was located south of the Renabie mine area on a Conquest mining claim. This vein had been locally uncovered earlier in several small trenches during exploration activities by others in the 1960's. Records show this northwest-trending, and southward-dipping vein to be the Campbell Vein. Previous reports of elevated gold content in this vein were confirmed by Conquest's prospecting activities in 2015. This vein projects along its strike towards the former Renabie Mine workings. A further continuation of this vein system would predict it to extend onto other Conquest mining claims.

During the third quarter of 2016, Conquest carried out exploration activities to further expose this vein between the historical trenches that define its apparent southwestern limit up to Conquest's claim boundary and trending away from the Renabie mine itself. This work revealed a cluster of veins along a strike length of approximately seventy (70) metres. The Campbell Vein is characterized at this location by massive, laminated and en-echelon morphology sulphide bearing quartz veins having a maximum width of eleven (11) meters in true thickness. To date, a total of nine (9) bedrock samples have been assayed. All nine (9) of these samples returned elevated gold values, including four (4) grab samples having over 10 grams of gold per tonne (specifically 20.01, 19.89, 17.17 and 10.15 g/t Au respectively). Further channel sampling and detailed geological mapping of the veins is planned.

#### **KING BAY PROJECT**

Conquest's King Bay Property is located at Sturgeon Lake, Ontario and comprises a combination of Mining Leases and Mineral Claims. Conquest's drilling programs during 2007 and 2008 investigated geophysical targets under the waters of King Bay that were believed to be potential sources for high grade gold mineralization previously found in distinct glacially derived boulder trains along the south shore of King Bay. Historic high-grade gold values reported by previous owners of the property from three separate boulder trains include a highest value of 521.1 grams of gold per tonne (15.2 ounces per ton) while the average grade of boulders sampled from the central boulder train is 18.2 grams of gold per tonne (0.53 ounce per ton), from the eastern boulder train is 18.9 grams of gold per tonne (0.55 ounce per ton) and 5.14 grams of gold per tonne (0.15 ounce per ton) from the western boulder train.

A drilling program in 2007 investigated the W-Series anomalies previously outlined by magnetic surveys. These anomalies are situated immediately up ice from the western boulder train. Gold mineralization was encountered in nine (9) holes and in all of the five (5) W-Series anomalies.

A short follow-up drill program comprising four (4) holes (291 metres) was drilled from the ice in late December 2007 and January 2008.

Due to expenditures of the exploration programs carried out over past years, the mineral claims are in a credit position with respect to minimum work commitments and do not therefore have any current minimum expenditure requirement other than minimal mining lease taxes.

#### **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.

**RESULTS OF OPERATIONS**

The Company recorded no revenue in the quarters ended September 30, 2016 or 2015.

For the nine month period ended September 30, 2016, the Company recorded a loss of \$109,415 (\$0.001 per share). The loss included exploration expenditures of \$24,881.

For the three month period ended September 30, 2016, the Company recorded a loss of \$31,103 (\$0.000 per share). The loss included exploration expenditures of \$7,500.

For the nine month period ended September 30, 2015, the Company recorded a loss of \$104,948 (\$0.001 per share). The loss included exploration expenditures of \$64,307 and a gain on the sale of marketable securities of \$73,222.

For the three month period ended September 30, 2015, the Company recorded a loss of \$50,991 (\$0.001 per share). The loss included exploration expenditures of \$31,241.

**Summary of Quarterly Results**

	Q3 2016 (\$000's)	Q2 2016 (\$000's)	Q1 2016 (\$000's)	Q4 2015 (\$000's)	Q3 2015 (\$000's)	Q2 2015 (\$000's)	Q1 2015 (\$000's)	Q4 2014 (\$000's)
Income/(loss) before income taxes	(31)	(42)	(37)	(60)	(57)	(63)	9	262
Net income/(loss)	(31)	(42)	(37)	(60)	(57)	(63)	9	262
Net income/(loss) per share - Basic and diluted	(0.000)	(0.001)	(0.000)	(0.000)	(0.001)	(0.001)	0.000	0.000
Total assets	105	132	172	241	254	310	392	369
Working Capital	50	81	123	160	181	246	309	298

- The fourth quarter of 2014 includes a gain on disposal of exploration property of \$343,000
- The first quarter of 2015 includes a gain of \$49,502 on the market value of marketable securities
- The second quarter of 2015 includes a gain on disposal of marketable securities of \$24,000

**LIQUIDITY AND CAPITAL RESOURCES**

At September 30, 2016, the Company had cash of \$96,088 and a working capital surplus of \$50,075, compared to a surplus of \$159,490 at December 31, 2015.

Current assets at September 30, 2016 were \$104,949 compared to \$240,405 at December 31, 2015. Accounts payable and accrued liabilities decreased to \$54,873 at September 30, 2016 from \$80,915 at December 31, 2015.

The Company holds a 100% interest in the Alexander Property, on which it has invested a cumulative total of \$6,241,392 at September 30, 2016, a 100% interest in the Smith Lake Property, on which it had invested a cumulative total of \$1,219,946 at September 30, 2016, and \$992,272 on King Bay. These values may not reflect the realizable value of the properties if they were offered for sale at this time.

At September 30, 2016, 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.

**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 quarters ended September 30, 2016 or September 30, 2015.

For the nine month period ended September 30, 2016, the Company accrued or made payments to related parties in the amount of \$18,078, including professional fees in respect of legal services provided by SteenbergLaw in the amount of \$1,806, and \$16,272 for rent paid to Labrador Iron Mines Ltd, a public company in which John F. Kearney, Neil J. F. Steenberg and Danesh Varma serve as directors and officers.

Included in accounts payable at September 30, 2016 is \$32,320 payable to related parties. Such amounts are due on demand, unsecured and non-interest bearing.

These 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.

**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 4 of the December 31, 2015 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 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, 2016, 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.

**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 management 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, 2016, the Company had cash of \$96,088 to settle current liabilities of \$54,873. 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 is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is no longer exposed to market risk with respect to its marketable securities as all marketable securities were sold by the Company and none are held at September 30, 2016.

### ***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. Based on 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 September 30, 2016, would affect the net income by plus or minus \$Nil during a one-year period.

As at September 30, 2016, 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 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 September 30, 2016 and September 30, 2015, 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, 2016 and November 28, 2016, 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, 2016 and November 28, 2016, there were 5,800,000 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.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 28, 2016