CONQUEST RESOURCES LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

As at, and for the three-month period ended March 31, 2019

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

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CONQUEST RESOURCES LIMITED

Condensed Interim Consolidated Statement of Financial Position

Unaudited - prepared by management

As at March 31, 2019

Expressed in Canadian dollars

	Notes	March 31, 2019 $	December 31, 2018 (Audited) $
ASSETS			
Current			
Cash		2,133	11,292
Amounts receivable	5	6,001	30,771
Prepaid expense		8,953	4,204
Total current assets		17,087	46,267
Long-term assets			
Investments in mineral rights	6	627,900	627,900
Mineral properties		1	1
Total long-term assets		627,901	627,901
Total assets		644,988	674,168
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7	84,216	73,719
Total liabilities		84,216	73,719
SHAREHOLDERS' EQUITY			
Capital stock	8	15,335,331	15,335,331
Warrants		-	28,000
Share-based payment reserve	9	64,690	64,690
		15,400,021	15,428,021
Deficit		(14,839,249)	(14,827,572)
Total shareholders' equity		560,772	600,449
Total liabilities and shareholders' equity		644,988	674,168

Commitments and contingencies (Notes 1, 6 and 10)

The financial statements were approved by the Board of Directors on May 23, 2019 and signed on its behalf by:

Signed "John F. Kearney" , Director

Signed "Robert J. Kinloch" , Director

See accompanying notes to the consolidated financial statement

CONQUEST RESOURCES LIMITED

Condensed Interim Consolidated Statement of Operations and Comprehensive Income (Loss)

Unaudited - prepared by management

For the three month period ended March 31,

Expressed in Canadian dollars

	Notes	2019 $	2018 $
Expenses			
Corporate expenses		6,397	33,169
Professional fees		14,178	17,522
Office and general		4,622	4,924
Exploration and evaluation expenses	6	14,480	123,581
Loss from operations for the period		39,677	179,196
Net loss per common share			
- Basic and diluted		0.000	0.002
Weighted average common share outstanding			
- Basic and diluted		118,100,474	101,415,308

See accompanying notes to the consolidated financial statements

CONQUEST RESOURCES LIMITED

Condensed Interim Consolidated Statements of Changes in Equity

Unaudited - prepared by management

As at March 31, 2019

Expressed in Canadian dollars

	Capital Stock $	Warrants $	Share-based payment reserve $	Deficit $	Total $
Balance, December 31, 2017	14,959,021	24,030	67,000	(14,411,522)	638,529
Loss for the period	-	-	-	(179,196)	(179,196)
Balance March 31, 2018	14,959,021	24,030	67,000	(14,590,718)	459,333
Proceeds from private placement	295,000	-	-	-	295,000
Less reserve for warrants	(28,000)	28,000	-	-	-
Shares issued in settlement of debt	97,000	-	-	-	97,000
Exercise of stock options	12,310	-	(2,310)	-	10,000
Warrants expired	-	(24,030)	-	24,030	-
Loss for the year	-	-	-	(260,884)	(260,884)
Balance December 31, 2018	15,335,331	28,000	64,690	(14,827,572)	600,449
Warrants expired	-	(28,000)	-	28,000	-
Loss for the period	-	-	-	(39,677)	(39,677)
Balance March 31, 2019	15,335,331	-	64,690	(14,839,249)	560,772

See accompanying notes to the consolidated financial statements

CONQUEST RESOURCES LIMITED
Condensed Interim Consolidated Statements of Cash Flows
Unaudited - prepared by management
For the three-month periods ended March 31,
Expressed in Canadian dollars

	2019	2018
	$	$
Cash flows from operating activities		
Net loss for the period	(39,677)	(179,196)
Movements in working capital		
Increase/(decrease) in amounts receivable and prepaid expense	20,020	(11,737)
(Decrease)/increase in accounts payable and accrued liabilities	10,497	(169,694)
Net cash used in operating activities	(9,159)	(360,627)
Cash flows from financing activities		
Proceeds from issue of flow-through shares	-	295,000
Less share issue costs	-	97,000
Exercise of stock options	-	10,000
Net cash received from financing activities	-	402,000
Decrease in cash	(9,159)	41,373
Cash, beginning of year	11,292	215,635
Cash, end of period	2,133	257,008

See accompanying notes to the consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Conquest Resources Limited (the "Company" or "Conquest") has interests in exploration and evaluation properties located in northern Ontario. Substantially all of the Company's efforts are devoted to exploring and developing these properties. The Company's head office is located at 55 University Ave, Suite 1805, Toronto, Ontario, M5J 2H7.

There has been no determination whether the Company's interests in its properties contain mineral resource which are economically recoverable. The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its exploration and mining activities, the Company is required to hold certain permits. There is no assurance that the Company's existing permits will be renewed or that new permits that have been applied for will be granted. Major expenditures are required to locate and establish reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. The Company's continued existence is dependent upon discovery of economically recoverable reserves, the ability to obtain necessary financing to complete development and future profitable production or proceeds from disposition. Although the Company has taken steps to verify title to properties in which it has an interest in accordance with industry standards for the current stage of development of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory requirements. The Company's properties may also be subject to increases in taxes and royalties, renegotiating contracts and political uncertainty.

These consolidated financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Several conditions discussed below create a material uncertainty and significant doubt about the Company's ability to continue as a going concern.

At March 31, 2019, 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. 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 may be required to discontinue operations and exploration activities.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements of the Company and its subsidiaries were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The accounting policies set out below were consistently applied to all periods presented, unless otherwise noted.

These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2018 prepared in accordance with IFRS.

These consolidated financial statements have been prepared on a historical cost basis except for marketable securities which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except cash flow information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The condensed interim consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the three-month period are included in the consolidated statement of operations from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Company. All material intra-Company transactions, balances, income and expenses are eliminated on consolidation.

Expressed in Canadian dollars

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The standards and interpretations within IFRS are subject to change and accordingly, the accounting policies that are relevant to the Company will be finalized only when the annual IFRS financial statements are prepared for the year ending December 31, 2019. The accounting policies chosen by the Company have been applied consistently to all periods presented.

(a) Accounting Changes

The Company did not adopt any new International Financial Reporting Standards (IFRSs) or Interpretations in the period that had a material impact on the Company's Financial Statements.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS Standards issued but not yet effective:

IAS 1	Presentation of financial statements
IFRS 3	Business combinations
IFRS 3 and IFRS 11	Joint arrangements
IFRS 10 and IAS 28	Investments in Associates and Joint Ventures

The Company has not yet determined the impact of these amendments on its financial statements.

4. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed.

No fees were paid by the Company to directors for their services as directors of the Company in the 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.

In the period ended March 31, 2018, the Company settled debt to related parties in the amount of $70,000 through the issue of 1,400,000 shares valued at $0.05 per share; of which 600,000 shares were issued to Robert Kinloch, director, and 800,000 shares were issued to Benjamin Batson, former president. The Company also settled an account payable in the amount of $27,000 to a consultant for geological services through the issue of 540,000 shares at $0.05 per share.

See Note 7.

5. ACCOUNTS RECEIVABLE

	March 31, 2019 $	December 31, 2018 $
Receivable sales taxes	6,001	4,538
Prepaid expenses	8,953	3,707
	14,954	8,245

Expressed in Canadian dollars

6. MINERAL PROPERTIES – EXPLORATION AND EVALUATION EXPENDITURES

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

	March 31, 2019	Additions	December 31, 2018	Additions	December 31, 2017
	$	$	$	$	$
Alexander	6,246,768	1,792	6,244,976	1,792	6,243,184
Golden Rose	313,474	12,415	301,059	266,383	34,676
Smith Lake	1,250,227	273	1,249,954	5,765	1,244,189
King Bay	999,196	-	999,196	2,454	996,742
Total	8,809,665	14,480	8,528,802	276,394	8,518,791

Alexander Property, Red Lake, Ontario
The Company has earned a 100% interest in the Alexander Property, a group of patented mining claims situated in Balmer Township, Red Lake Mining District, Ontario, subject to a 2% net smelter return ("NSR") in favour of Energold Minerals Inc. ("Energold"). Energold is controlled by a director of the Company.

Golden Rose, Emerald Lake, Ontario
Through its wholly owned subsidiary, Northern Nickel Mining Inc., the Company holds four (4) mining leases and forty-seven (47) staked mining claims, known as the Golden Rose Property, situated in Afton and Scholes townships at Emerald Lake approximately 65 km northeast of Sudbury, Ontario. A portion of the Golden Rose property comprising the unpatented staked claims is subject to a 1.5% NSR in favour of Osisko Gold Royalties Ltd., and the remaining patented claims and leases are subject to a 2% NSR in favour of EnerMark Inc. The Company incurred a cost of $627,900 to acquire the Golden Rose property through the acquisition of Northern Nickel Mining Inc.

Smith Lake Property, Missinabie, Ontario
The Company holds six (6) patented mining leases and one hundred eighty-one (181) mining claims in the Missinabie area of Northern Ontario, in Leeson, Stover and Rennie Townships, Sault Ste. Marie Mining Division, located approximately 100 kilometres northeast of Wawa.

King Bay Property, Sturgeon Lake, Ontario
The King Bay property comprises one Mining Lease and thirteen (13) Patented Mining Claims at Sturgeon Lake, in northwestern Ontario.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2019	December 31, 2018
	$	$
Trade payables	32,154	71,212
Payable to related parties (Note 4)	19,262	97,720
Accrued liabilities	32,800	45,430
Accounts payable and accrued liabilities	84,216	214,362

Expressed in Canadian dollars

8. CAPITAL STOCK

	Common shares	Amount $
Authorized		
Unlimited common shares, with no par value		
Issued and fully paid		
Balance at December 31, 2017	110,883,728	14,959,021
Proceeds from private placement	5,899,620	295,000
Shares issued in settlement of debt	1,940,000	97,000
Exercise of stock options	200,000	12,310
Less reserve for warrants	-	(28,000)
Balance at December 31, 2018 and March 31, 2019	118,923,348	15,335,331

On January 29, 2018, the Company completed the second tranche of its non-brokered, private placement through the issuance of 1,066,540 units and 900,000 flow-through units for gross proceeds of $295,000. Each unit consists of three common shares and one-half of a common share purchase warrant and was priced at $0.15 per unit. Each flow-through unit consists of two flow-through shares, one common share, and one-half common share purchase warrant, and was priced at $0.15 per flow-through unit. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.075 per share for one year.

The fair value of the 983,270 warrants issued, in the amount of $28,000, was estimated on the date of issue using the Black-Scholes option pricing model under the following assumptions: expected dividend yield of 0%, expected volatility of 180%, risk free interest rate of 1.86% and an expected life of one year. Expected volatility is based on the historical share price volatility of the Company's shares over the past year. These warrants expired unexercised on January 29, 2019.

9. SHARE-BASED PAYMENT RESERVE

The board of directors has approved a stock option plan for directors, officers, management, employees and other persons who perform ongoing services for the Company or any of its subsidiaries. The purpose of the plan is to attract, retain and motivate these parties by providing them with the opportunity, through stock options, to acquire a proprietary interest in the Company and to benefit from its growth.

The maximum number of common shares reserved for issuance upon the exercise of options is not to exceed ten percent of the total number of common shares outstanding immediately prior to such an issuance. The maximum number of common shares reserved for issuance to any one participant upon the exercise of options is not to exceed five percent of the total number of common shares outstanding immediately prior to such an issuance. The options are non-assignable and may be granted for a term not exceeding ten years. The exercise price of the options is fixed by the board of directors at the market price of the shares at the time of grant, subject to all applicable regulatory requirements.

The following table summarizes the stock options outstanding and exercisable as at March 31, 2019:

	Number of Options	Weighted Average Exercise Price $
Balance, December 31, 2017	5,800,000	0.05
Stock options exercised	(200,000)	0.05
Balance, December 31, 2018 and March 31, 2019	5,600,000	0.05

9. SHARE-BASED PAYMENT RESERVE (CONTINUED)

The weighted average remaining contractual life of options outstanding at March 31, 2019 is 0.7 year (2017 – 1.4 years).

Share-based payment reserve transactions relate to the Company's stock options. Share-based payment reserve balance as at March 31, 2019 was $64,690.

10. COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

11. 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.

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 counterparty will be unable to pay amounts owing to 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.

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.

The carrying amounts for cash, 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.

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 March 31, 2019, the Company had cash of $2,133 (December 31, 2018 - $11,292) to settle accounts payable and accrued liabilities of $84,216 (December 31, 2018 - $73,719). All of the Company's financial liabilities 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 of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk through its investments in marketable securities.

11. FINANCIAL INSTRUMENTS (CONTINUED)

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.

Capital Risk

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

Sensitivity Analysis

Cash is invested in investment-grade short-term deposit certificates. At March 31, 2019, the Company did not hold any 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 March 31, 2019, would affect the net loss by plus or minus $820 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.

12. CAPITAL MANAGEMENT

The capital of the Company consists primarily of its shareholders' equity.

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

The Company invests all capital that is surplus to its immediate operational needs in short term, highly-liquid financial instruments, such as short term guaranteed investment certificates, held with a major Canadian financial institution.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's capital management objectives, policies and processes have remained unchanged during 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.

There were no changes to the Company's approach to capital management during the three-month period ended March 31, 2019. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.