CONQUEST RESOURCES LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

For the nine-month period ended September 30, 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.

CONQUEST RESOURCES LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

For the nine-month period ended September 30, 2019

CONQUEST RESOURCES LIMITED

Condensed Interim Consolidated Statement of Financial Position

Unaudited - prepared by management

As at September 30, 2019

Expressed in Canadian dollars

	Notes	September 30, 2019 $	December 31, 2018 (Audited) $
ASSETS			
Current			
Cash		2,370	11,292
Amounts receivable	5	806	30,771
Prepaid expense	5	-	4,204
Total current assets		3,176	46,267
Long-term assets			
Investments in mineral rights	6	627,900	627,900
Mineral properties	6	1	1
Total long-term assets		627,901	627,901
Total assets		631,077	674,168
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7	177,732	73,719
Total liabilities		177,732	73,719
SHAREHOLDERS' EQUITY			
Capital stock	8	15,345,331	15,335,331
Warrants	9	-	28,000
Share-based payment reserve	10	-	64,690
		15,345,331	15,428,021
Deficit		(14,891,986)	(14,827,572)
Total shareholders' equity		453,345	600,449
Total liabilities and shareholders' equity		631,077	674,168

Commitments and contingencies (Notes 1, 6 and 10)

The financial statements were approved by the Board of Directors on November 21, 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 nine-month period ended September 30

Expressed in Canadian dollars

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
	$	$	$	$
Expenses				
Corporate expenses	1,294	8,410	13,328	52,870
Professional fees	16,819	19,200	56,717	56,286
Office and general	10,377	9,168	18,585	14,902
Exploration and evaluation expenses	11,887	38,728	68,474	241,551
Loss for the period	40,377	75,506	157,104	365,609
Net loss per common share				
- Basic and diluted	0.000	0.001	0.001	0.003
Weighted average common shares outstanding				
- Basic and diluted	128,609,660	113,203,660	128,609,660	113,203,660

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 September 30, 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
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
Loss for the period	-	-	-	(365,609)	(365,609)
Balance September 30, 2018	15,335,331	52,030	64,690	(14,777,131)	674,920
Warrants expired	-	(24,030)	-	24,030	-
Loss for the year	-	-	-	(74,471)	(74,471)
Balance December 31, 2018	15,335,331	28,000	64,690	(14,827,572)	600,449
Warrants expired	-	(28,000)	-	28,000	-
Shares issued	10,000	-	-	-	10,000
Stock options expired	-	-	(64,690)	64,690	-
Loss for the period	-	-	-	(157,104)	(157,104)
Balance September 30, 2019	15,345,331	-	-	(14,891,986)	453,345

See accompanying notes to the consolidated financial statements

CONQUEST RESOURCES LIMITED
Condensed Interim Consolidated Statements of Cash Flows
Unaudited - prepared by management
For the nine-month periods ended September 30,
Expressed in Canadian dollars

	2019 $	2018 $
Cash flows from operating activities		
Net loss for the period	(157,104)	(365,609)
Movements in working capital		
Increase/(decrease) in amounts receivable and prepaid expense	34,168	(4,510)
(Decrease)/increase in accounts payable and accrued liabilities	104,014	(165,590)
Net cash used in operating activities	(18,922)	(535,709)
Cash flows from financing activities		
Proceeds from issue of flow-through shares	-	295,000
Proceeds from issue of shares	10,000	-
Less share issue costs	-	97,000
Exercise of stock options	-	10,000
Net cash received from financing activities	10,000	402,000
Decrease in cash	(8,922)	(133,709)
Cash, beginning of year	11,292	215,635
Cash, end of period	2,370	81,926

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 September 30, 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 nine-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, 2019 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 September 30, 2019 or September 30, 2018.

During the nine-month period ended September 30, 2019, the Company made payments or accrued $32,808 (2018 - $59,618) to related parties, including $22,500 for management fees to Robert Kinloch, Director, $3,108 for legal fees to Steenberglaw Professional Corporation, a company controlled by a director of the Company, and $7,200 for rent to Buchans Resources Limited, a company with common directors.

During the nine-month period ended September 30, 2019, the Company received $67,697 advances from Energold Minerals Inc, a company with a common director.

Included in accounts payable and accrued liabilities at September 30, 2019 is $100,505 (December 31, 2018 - $16,764) due to related parties. Such amounts are due on demand, unsecured and non-interest bearing.

5. ACCOUNTS RECEIVABLE

	September 30, 2019 $	December 31, 2018 $
Receivable sales taxes	806	4,538
Prepaid expenses	-	3,707
	806	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:

	September 30, 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	347,140	46,081	301,059	266,383	34,676
Smith Lake	1,266,562	16,608	1,249,954	5,765	1,244,189
King Bay	1,003,189	3,993	999,196	2,454	996,742
Total	8,863,659	68,474	8,795,185	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.

On May 29, 2019, the Company entered into an option agreement with Vision Exploration to earn up to a 100% interest, subject to a 1.5% Net Smelter Royalty, in twenty-seven (27) mineral claims, the "MacBeth" claims, situated approximately nine (9) kilometres southwest of the Company's Golden Rose property at Emerald Lake.

During the period, the Company spent $10,000 on sampling, geochemistry and petrography on the MacBeth claims. This expenditure and the issuance of 50,000 common shares of Conquest fulfilled the first-year obligations under the three-year option earn-in agreement. Should Conquest choose to maintain the option, years 2 and 3 of the option agreement each require minimum expenditures on the MacBeth property of $10,000 and the issuance of 75,000 and 100,000 shares, respectively.

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

	September 30, 2019 $	December 31, 2018 $
Trade payables	56,628	71,212
Payable to related parties (Note 4)	100,505	97,720
Accrued liabilities	20,600	45,430
Accounts payable and accrued liabilities	177,732	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	118,923,348	15,335,331
Shares issued	50,000	10,000
Balance at September 30, 2019	118,973,348	15,345,331

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 consisted 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 consisted 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 entitled 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.

During the period, the Company issued 50,000 shares in connection with its option on the MacBeth claims near Golden Rose. See Note 6.

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 remaining 5,600,000 stock options expired on May 21, 2019, there were no stock options outstanding as at September 30, 2019.

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 September 30, 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

Liquidity risk encompasses the risk that the Company cannot meet its financial obligations as they come due. At September 30, 2019, the Company had cash of $2,370 (December 31, 2018 - $11,292) to settle accounts payable and accrued liabilities of $177,732, including $100,505 liabilities due to related parties (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. The Company has relied on equity financing to fund its working capital requirements and, notwithstanding its working capital deficit, the Company believes it will be able to settle its current obligations from equity financings. There is a risk that additional financing will not be available to the Company on a timely basis or on acceptable terms. Refer to Note 1.

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.

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 September 30, 2019, the Company did not hold any short-term deposit certificates.

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 nine-month period ended September 30, 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 nine-month period ended September 30, 2019. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.