

CONQUEST RESOURCES LIMITED
(A Development Stage Company)

Interim Financial Statements

(Note: These Financial Statements have not been reviewed by the Company's Auditors)

September 30, 2006

Index

Consolidated Balance Sheet

Consolidated Statement of Loss and Deficit

Consolidated Statement of Cash Flows

Notes to Financial Statements

Schedules of Mineral Properties and Deferred Exploration Expenditures

Conquest Resources Limited
(A Development Stage Company)
Interim Consolidated Balance Sheet
As at September 30, 2006
Canadian Funds

Unaudited - these financial statements have not been reviewed by the Company's Auditors

	September 30 2006 \$	December 31 2005 \$
ASSETS		
Current assets		
Cash and short-term investments	1,087,061	1,624,131
Amounts receivable	63,520	18,362
Prepaid expense	<u>-</u>	<u>12,782</u>
	1,150,581	1,655,275
Other assets		
Long-term investment in Trade Winds Ventures Inc	160,500	127,000
Mineral properties	<u>2,993,626</u>	<u>2,854,841</u>
	3,154,126	2,981,841
	<u>4,304,707</u>	<u>4,637,116</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	99,693	210,299
Shareholders' equity		
Capital stock	9,023,233	9,023,233
Warrants	-	45,000
Contributed surplus	1,517,065	1,382,690
Deficit	<u>(6,335,284)</u>	<u>(6,024,106)</u>
	4,205,014	4,426,817
	<u>4,304,707</u>	<u>4,637,116</u>

ON BEHALF OF THE BOARD:

"Terence N. McKillen" Director

"John F. Kearney" Director

See Accompanying Notes

Conquest Resources Limited
(A Development Stage Company)

Interim Consolidated Statement of Loss and Deficit

For the Three Months and Nine Months Periods Ended September 30, 2006

Canadian Funds

Unaudited - these financial statements have not been reviewed by the Company's Auditors

	Three months ended Sep 30		Nine months ended Sep 30	
	2006	2005	2006	2005
	\$	\$	\$	\$
Expenses				
Stock-based compensation	2,675	-	89,375	96,000
Property investigation	3,920	3,212	11,690	33,986
Office and general	23,967	7,136	86,178	51,811
Corporate expenses	25,444	15,644	68,493	67,423
Salaries and benefits	8,004	37,953	20,531	49,772
Professional fees	7,421	4,531	26,736	32,331
Travel and Entertainment	1,772	1,431	8,175	5,333
Loss before the undernoted	73,203	69,907	311,178	336,656
Gain on sale of investments		(11,847)		(11,847)
Amortization	-	-	-	4,106
Write off of mineral properties	-	100,000	-	100,000
Net loss for the period	73,203	158,060	311,178	428,915
Deficit, beginning of period	6,262,081	6,248,798	6,024,106	5,977,943
Deficit, end of period	6,335,284	6,406,858	6,335,284	6,406,858
Net loss per common share	0.01	0.01	0.01	0.01

- See Accompanying Notes -

Conquest Resources Limited*(A Development Stage Company)***Interim Consolidated Statement of Cash Flows**

For the Three Months and Nine Months Periods Ended September 30, 2006

*Canadian Funds**Unaudited - these financial statements have not been reviewed by the Company's Auditors*

	Three months ended Sep 30		Nine months ended Sep 30	
	2006	2005	2006	2005
	\$	\$	\$	\$
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES				
Net loss for the period	(73,203)	(158,060)	(311,178)	(428,915)
Item not involving cash				
Write off of mineral properties	-	100,000	-	100,000
Stock-based compensation	2,675	-	89,375	96,000
Amortization	-	-	-	4,106
	<u>(70,528)</u>	<u>(58,060)</u>	<u>(221,803)</u>	<u>(228,809)</u>
Changes in non-cash working capital balances	(11,738)	(12,745)	(142,982)	11,464
Cash flows (used in) operating activities	(82,266)	(70,805)	(364,785)	(217,345)
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES				
Mineral properties and deferred exploration expenditure	(8,350)	(36,093)	(138,785)	(289,838)
Long-term investment in Trade Winds Ventures Inc.	-	-	(33,500)	-
Fixed assets	-	-	-	4,106
	<u>(8,350)</u>	<u>(36,093)</u>	<u>(172,285)</u>	<u>(289,838)</u>
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES				
Issue costs	-	-	-	(38,978)
Increase (Decrease) in cash and short-term investments	(90,616)	(106,898)	(537,070)	(546,161)
Cash and short-term investments, beginning of period	1,177,677	1,144,925	1,624,131	1,613,784
Cash and short-term investments, end of period	1,087,061	1,038,027	1,087,061	1,067,623

- See Accompanying Notes -

b) *Stock Options*

Pursuant to a stock option plan approved by the Board of Directors, the maximum number of common shares reserved for issuance to various directors, officers, consultants and employees may not exceed 10% of the common shares outstanding immediately before such issuance. The following table summarizes the stock options outstanding as at September 30, 2006:

Number of Common Shares	Exercise Price \$	Expiry Date
200,000	0.20	May 6, 2007
800,000	0.20	Sep 26, 2007
150,000	0.30	Mar 17,2008
1,350,000	0.20	Sep 24, 2008
1,600,000	0.10	Mar 1, 2010
300,000	0.12	Mar 12, 2011
100,000	0.13	June 16, 2011
<u>600,000</u>	0.15	June 16, 2011
5,100,000		

Options held by a director of the Company on 600,000 shares exercisable at \$0.10 per share expired unexercised on May 7, 2006. New options on 600,000 shares were granted to the director at an exercise price of \$0.15 with an expiration date of September 16, 2011. Stock-based compensation of \$63,600 has been recorded for these options.

The Company issued share options of a total of 300,000 to an officer exercisable at a price of \$0.12 per share at any time until March 12, 2011. Stock-based compensation of \$23,100 has been recorded for these options.

On September 16, 2006, 100,000 options were granted to a person providing investor relation services with an exercise price of \$0.13 and expiration date of September 16, 2011. These options will vest in stages over a twelve months period with no more than 25% vesting in any three months period. 25,000 options were vested as of September 30, 2006. Stock-based compensation of \$2,675 has been recorded for the options vested during the quarter ended September 30, 2006.

c) *Warrants*

All share purchase warrants expired unexercised on January 15, 2006

4. Profit and Loss Per Share

	Three Months Ended September 30		Nine Months Ended September 30	
	2006	2005	2006	2005
Net loss for the three months and nine months ended September 30, 2006 and 2005	\$ 73,203	\$ 158,060	\$311,178	\$ 428,915
Basic net loss per common share	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)

Basic loss per share was calculated on the basis of the weighted average number of common shares outstanding for the periods, which amounted to 59,767,677 common shares. For the three months and Nine months ended September 30, 2006 and 2005, the existence of stock options and warrants affects the calculation of loss per share on a fully diluted basis. As the effect of this dilution is to reduce the reported loss per share, fully diluted loss per share has not been shown.

5. Mineral Properties & Deferred Exploration Expenditures

[Segmented according to Property and by category]

5 (A) Schedule of Mineral Properties

For Nine Month Period Ended September 30, 2006

Canadian Funds

	Dec 31, 2005	Additions	Sep 30, 2006
	\$	\$	\$
CANADA			
Alexander	1,398,722	11,809	1,410,531
Smith Lake	635,069	-	635,069
King Bay	287,162	147,189	434,351
Aurora	512,488	(20,213)	492,275
Total Canada	2,833,441	138,785	2,972,226
AFRICA			
Tanzania	21,400	-	21,400
Total	2,854,841	138,785	2,993,626

The expenditures on Aurora are net of recovery of \$33,500 represented by receipt of 50,000 shares of Trade Winds Ventures Inc.

5 (B) Mineral Properties - Schedule of Deferred Exploration Expenditures

For Nine Month Period Ended September 30, 2006

Canadian Funds

	Alexander	Aurora	King Bay	Total
	\$	\$	\$	\$
Geology, geophysics and geochemistry	11,503	5,706	24,769	41,978
Drilling	306	-	98,371	98,677
Travel and accommodation	-	-	13,354	13,354
Equipment, property lease and other	-	7,581	10,695	18,276
Recovery	-	(33,500)	-	(33,500)
Total additions, net	11,809	(20,213)	147,189	138,785

The recovery for Aurora represents receipt of 50,000 shares of Trade Winds Ventures Inc.

For Nine Month Period Ended September 30, 2005

	Alexander \$	Aurora \$	King Bay \$	Total \$
Geology, geophysics and geochemistry	34,945	-	19,341	54,286
Drilling	16,461	-	194,065	210,526
Travel and accommodation	-	-	1,883	1,883
Equipment, property lease and other	7,026	-	16,117	23,143
Total additions, net	58,432		231,406	289,838

6. Subsequent Events

None

Form 52-109F2 - Certification of Interim Filings

I, Terence N. McKillen, Chief Executive Officer of Conquest Resources Limited, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Conquest Resources Limited (the issuer) for the period ended September 30, 2006;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings.
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures for the issuer, and we have designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared.

Date: November 26, 2006

signed "Terence N. McKillen"

Terence N. McKillen
Chief Executive Officer

FORM 52-109F2 - CERTIFICATION OF INTERIM FILINGS

I, Danesh Varma, Chief Financial Officer of Conquest Resources Limited, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Conquest Resources Limited (the issuer) for the period ended September 30, 2006;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings.
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures for the issuer, and we have designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared.

Date: November 26, 2006

signed "Danesh Varma"

Danesh Varma
Chief Financial Officer

CONQUEST RESOURCES LIMITED
(A Development Stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE INTERIM PERIOD ENDED SEPTEMBER 30, 2006

(Form 52-109F2)

CONQUEST RESOURCES LIMITED
(A Development Stage Company)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE INTERIM PERIOD ENDED SEPTEMBER 30, 2006
(Dated November 26, 2006)
(Form 51-109F2)

Company Overview

Conquest Resources Limited (the *Company*) is a Toronto; Canada based public company incorporated in 1945 and whose shares are listed on the TSX Venture Exchange (TSXV) under the symbol "CQR". The Company is a reporting issuer in the Provinces of Ontario, British Columbia and Alberta.

The Company is principally engaged in the acquisition, exploration and development of mineral exploration properties. The Company has acquired interests and entered into agreements to acquire interests in mineral exploration properties located in Canada, Zimbabwe, and Tanzania.

The significant industry and economic factors affecting the Company remained substantially unchanged during the period.

During the quarter, Mr. Brian Hester's retirement from the Board was accepted with regret. Mr. Hester has had a distinguished career in the international minerals industry over the past 56 years and had been a director of the Company since early 2000. Mr. Hester will remain as a special advisor to the Company. On August 9, 2006, the Company was pleased to announce the addition of Mr. Peter Palframan to its Board of Directors. Mr. Palframan will also serve on Conquest's Audit Committee. He is a Chartered Accountant and currently Senior Vice President of Operations at CHUM Television in Toronto. He is currently a Director and Chair of the Audit Committee of Cannasat Therapeutics Inc. Mr. Palframan was previously a member of the board of Conquest from March 2000 to May 2002.

Operational Highlights - 3QR 2006

During the third quarter of 2006, Conquest's activities continued to be mainly concentrated in Canada where activities focused on property evaluation and exploration on the Alexander Property at Red Lake, the Aurora and Sunday Lake Properties at Detour Lake and the King Bay Property at Sturgeon Lake, all in Ontario. During the quarter, Conquest continued to review near-term production opportunities in North and South America.

Conquest continued to evaluate options with respect to the possibility of conducting a follow-up drill program at King Bay from a barge or other floating platform. A suitable barge was located late in the quarter but a drill contractor was not available to take advantage of the opportunity. Consequently the Company is making definitive plans for a winter drill program to begin as soon as ice conditions are satisfactory. The target mineralization at King Bay, as indicated by drilling earlier this year and from the mineralization observed in the three boulder trains, is high grade gold contained in blue-black quartz veins in a hydrothermally altered quartz porphyry together with pyrrhotite. Through the limited drill programs to date, the presence of the key blue-black quartz, extensive hydrothermal alteration and gold mineralization (including visible gold) have been confirmed to a depth of 200 meters along the flanks of two of the target areas.

On the Alexander Property at Red Lake, Conquest is evaluating options with respect to testing several deeper targets, including the possibility for a repetition of the Red Lake mine sequence to occur overfolded on to

the southwestern part of the Alexander Property.

On the Aurora Property at Detour Lake, joint venture partner Trade Winds Ventures Inc. will continue with its earn-in option for a further year with a planned drill program over the winter season. Trade Winds must contribute \$4.4 million by April 30, 2009 for exploration on the main Aurora property to earn a 60% interest in the Property. Trade Winds has spent \$1.1 million to September 30, 2006 and issued 200,000 shares of Trade Winds to Conquest, including 50,000 shares in May 2006 pursuant to the terms of the Joint Venture Agreement. The Sunday Lake and Nash Creek claim groups, also at Detour Lake, are excluded from the joint venture.

In Tanzania, Barrick Gold continues to explore under option the Company's Suguti property in the Lake Victoria area. In Zimbabwe, the Company's projects in the Midlands goldfield have remained on a care and maintenance basis pending an improvement in the local political, economic and security situation.

Financial Highlights - 3QR 2006

Conquest incurred a loss for the third quarter of \$73,203 (\$0.01 per share) compared to a loss of \$158,060 (\$0.01 per share) in the third quarter of 2005. Included in the loss for the third quarter of 2006 was a non-cash charge of \$2,675 in respect to stock-based compensation. There was no charge in respect to stock-based compensation in the third quarter of 2005. The loss for the third quarter of 2005 included a gain on investments of \$11,847 and a write off of mineral properties of \$100,000.

The loss for the nine months period ended September 30, 2006 was \$311,178 (\$0.01 per share) compared to a loss of \$428,915 (\$0.01 per share) in the nine months period ended September 30, 2005. Included in the loss in the nine months period ended September 30, 2005 was a non-cash charge of \$89,375 in respect to stock-based compensation compared to \$96,000 in the nine months period ended September 30, 2005. There was also a gain on investments of \$11,847, a write off of mineral properties of \$100,000 and an amortization charge of \$4,106 on plant and equipment in the nine months period ended September 30, 2005.

The Company recorded no revenue in the third quarter or the nine months period ended September 30, 2006 or 2005.

Administrative expense, excluding the stock-based compensation, during the nine months period ended September 30, 2006 amounted to \$221,803 compared to \$240,656 in the nine months period ended September 30, 2005. Administrative expense, excluding the stock-based compensation, during the third quarter of 2006 amounted to \$70,528 compared to \$69,907 in the third quarter of 2005.

Industry Trends and Risks

The price of gold and other metals continued to reach new highs during the quarter. Despite the buoyant metals market, some resource companies, particularly in the junior sector, continued to exhibit generally weak share prices. Continued low market capitalization, reflected in depressed share prices may result in less receptive equity markets for junior mining shares which could impact upon the Company's ability to finance ongoing exploration activities.

Summary of Quarterly Results

	3QR04	4QR04	1QR05	2QR05	3QR05	4QR05	1QR06	2QR06	3QR06
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net Income (loss) per share	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	0.01	(0.01)	(0.01)	(0.01)
Net Income (loss) before taxes	(180,219)	(857,343)	(159,644)	(111,211)	(158,060)	350,326	(83,424)	(154,551)	(73,203)
Total assets	5,315,497	4,700,421	4,581,118	4,451,821	4,291,374	4,637,116	4,463,018	4,392,779	4,304,707

Liquidity and Capital Resources

Total assets decreased to \$4,304,707 at September 30, 2006 from \$4,637,116 at December 31, 2005 primarily as a result of the administrative expenses and exploration expenditures. Total liabilities decreased to \$99,693 at September 30, 2006 from \$210,299 at December 31, 2005. The Company had a working capital surplus of \$1,050,888 at September 30, 2006 compared to \$1,444,976 at December 31, 2005. Cash and short-term investments of \$1.1 million at September 30, 2006 were down from \$1.6 million at December 31, 2005 primarily as funds were expended on the Ontario exploration projects and administrative expenses.

At September 30, 2006, the Company had mineral properties with a total book value of \$2,993,626. The balance sheet values may not represent that which could be obtained were the properties to be offered for sale at this time. The investment in shares of Trade Winds Ventures Inc. has gone up from \$127,000 to \$160,500 following the issuance of 50,000 shares in May 2006 and is treated as a long-term investment.

See Note 5 to the interim financial statements for details of Mineral Properties and Deferred Exploration Expenditures for the nine months period ended September 30, 2006.

Mineral Properties - Schedule of Deferred Exploration Expenditures For Nine Month Period Ended September 30, 2006

Canadian Funds

	Alexander	Aurora	King Bay	Total
	\$	\$	\$	\$
Geology, geophysics and geochemistry	11,503	5,706	24,769	41,978
Drilling	306	-	98,371	98,677
Travel and accommodation	-	-	13,354	13,354
Equipment, property lease and other	-	7,581	10,695	18,276
Recovery	-	(33,500)	-	(33,500)
Total additions, net	11,809	(20,213)	147,189	138,785

The recovery for Aurora represents receipt of 50,000 shares of Trade Winds Ventures Inc.

For Nine Month Period Ended September 30, 2005

Canadian Funds

	Alexander \$	Aurora \$	King Bay \$	Total \$
Geology, geophysics and geochemistry	34,945	-	19,341	54,286
Drilling	16,461	-	194,065	210,526
Travel and accommodation	-	-	1,883	1,883
Equipment, property lease and other	7,026	-	16,117	23,143
Total additions, net	58,432		231,406	289,838

Related Party Transactions

Amounts paid and accrued in the quarter include the expenditures incurred by directors and corporations controlled by the directors for general expenses of \$9,863, exploration expenses of \$8,750, corporate expenses of \$10,500 and entertainment expenses of \$1,395.

Included in amounts receivable and in accounts payable and accrued liabilities at September 30, 2006 were \$17,348 and \$77,494, respectively, due to these related parties. All amounts were incurred in the normal course of business and are measured at the exchange amount.

Significant Accounting Policies & Risk Factors

The Company's Accounting Policies have been disclosed in the Financial Statements for the Year ended December 31, 2005. The principal Risk Factors impacting the Company have been disclosed in the Company's Annual Information Form (AIF) for the year ended December 31, 2005. These documents are available from the Company upon request or can be viewed on SEDAR at www.sedar.com.

Management considers the following to be the most critical in understanding the judgments that are involved in preparing the Company's financial statements and the uncertainties that could impact its results of operations, financial condition and future cash flows.

Use of Estimates - the preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. The most significant estimates are related to the carrying value of resource interests and its recoverability, site restoration costs and asset retirement and related obligations. Actual results could differ from those estimates.

Mineral Properties and Deferred Exploration Expenditures - In accordance with its accounting policies the Company capitalizes exploration and development costs incurred on its exploration properties. Management's estimates of the recoverable reserves and resources, operating and capital costs and future metal prices are all subject to risks and uncertainties which may affect the assessment of recoverability of amounts recorded for resource interests. Upon commencement of production capitalized costs will be subject to depreciation and depletion over the estimated useful life of the project.

Stock Based Compensation - In 2004 the Company adopted new recommendations on Accounting for Stock Based Compensation and the revisions thereto effective January 1, 2004. The Company

records compensation cost on the grant of stock options to employees and non-employees.

Financial Instruments

Fair value

Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities on the consolidated balance sheets approximate fair value because of the limited terms of these instruments.

Foreign exchange risk

Certain of the Company's expenses are incurred in Zimbabwean, Tanzanian and United States currencies and are therefore subject to gains or losses due to fluctuations in these currencies against the Canadian Dollar.

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.

Disclosure of Outstanding Share Capital

The Company has unlimited authorized share capital of a single class of common shares of which, at September 30, 2006, 59,767,677 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, 2006, the Company had 5,100,000 stock options issued pursuant to the Company's Stock Option Plan.

Outlook

The Company plans an ongoing program of exploration on its Canadian projects during 2007 with significant emphasis on diamond drilling. Sufficient funds are available directly or through joint venture contributions to support continued exploration activities for early 2007 but the Company will have to seek additional financing to more aggressively pursue exploration on its Alexander and King Bay properties and to continue exploration in 2007. There is no guarantee that such financing can be secured.

Subsequent Events

None

Caution on Forward-Looking Information

This report may contain forward-looking statements within the meaning of the United States Private Securities Legislation Reform Act of 1995. Such forward-looking statements are subject to risks, uncertainties and other factors described under the caption "Risk Factors" in the Company's Annual Information Form.