

CONQUEST RESOURCES LIMITED

Interim Financial Statements

September 30, 2004

Index

Balance Sheet

Statement of Operations and Deficit

Notes to Financial Statements

Schedule of Mineral Properties

Schedule of Deferred Exploration Expenditure

Conquest Resources Limited
Consolidated Balance Sheet

As at 30 September 2004

Canadian Funds

Unaudited - these financial statements have not been reviewed by an auditor

	Sep 30 2004	Dec 31 2003
	\$	
ASSETS		
Current assets		
Cash and short-term investments	2,199,397	2,973,969
Amounts receivables	<u>39,250</u>	<u>24,838</u>
	2,238,647	2,998,807
Other assets		
Investments	281,970	222,970
Mineral properties	2,793,470	2,165,744
Plant and equipment, net	<u>1,410</u>	<u>331,155</u>
	3,076,850	2,719,869
	<u>5,315,497</u>	<u>5,718,676</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	216,843	323,991
Shareholders' equity		
Convertible debentures	-	-
Capital stock	8,916,064	8,417,313
Warrants	758,640	908,640
Contributed Surplus	372,050	58,150
Deficit	<u>(4,948,100)</u>	<u>(3,989,418)</u>
	5,298,654	5,394,685
	<u>5,315,497</u>	<u>5,718,676</u>

ON BEHALF OF THE BOARD:

"Terence N. McKillen" Director

"John F. Kearney" Director

- See Accompanying Notes -

Conquest Resources Limited

Consolidated Statement of Loss and Deficit

For the Three & Nine Months Period Ended September 30

Canadian Funds

Unaudited - these financial statements have not been reviewed by an auditor

	Three Months Ended		Nine Months Ended	
	Sep 30		Sep 30	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
	\$	\$	\$	\$
Expenses				
Office and general	33,274	12,219	54,186	45,570
Corporate expenses	28,561	12,011	90,552	34,659
Consulting fees	-	-	-	14,000
Salaries and benefits	8,161	21,486	47,948	56,828
Professional fees	13,200	16,821	27,982	19,721
Travel & Entertainment	1,340	3,075	7,531	3,704
Loss before the undernoted	84,535	65,612	203,198	174,482
Gain on sale of investments		(414,794)	-	(414,794)
Amortization	95,684	130,224	329,743	390,672
Write down of mineral properties	-	-	281,841	183,106
Net loss for the period	180,219	(218,958)	839,782	333,466
Deficit, beginning of period	4,767,881	3,154,042	3,989,418	2,460,586
Retroactive restatement of stock compensation	-	-	118,900	-
Convertible debentures charges	-	73,614	-	214,646
Deficit, end of period	<u>4,948,100</u>	<u>3,008,698</u>	<u>4,948,100</u>	<u>3,008,698</u>
Net loss per common share	(0.01)	(0.01)	(0.01)	(0.01)

- See Accompanying Notes -

Conquest Resources Limited

Consolidated Statement of Cash Flows

For the Nine Months Period Ended September 30

Canadian Funds

Unaudited - these financial statements have not been reviewed by an auditor

	Three Months Ending September 30		Nine Months Ending September 30	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES				
	\$	\$	\$	\$
Net loss for the period	(180,219)	218,958	(839,782)	(333,466)
Item not involving cash				
Gain on sale of investment	-	(414,794)	-	(414,794)
Write down of mineral properties	-	-	281,841	183,106
Amortization	<u>95,684</u>	<u>130,224</u>	<u>329,743</u>	<u>390,672</u>
	(84,535)	(65,612)	(228,198)	(174,482)
Changes in non-cash working capital balances	(64,326)	(99,302)	(121,560)	(158,355)
Cash flows from (used in) operating activities	(148,861)	(164,914)	(349,758)	(332,837)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES				
Interest on debentures				(175,879)
Shares issued through private placement	500,000	1,200,410	500,000	1,376,289
Mineral properties	-	(44,991)	113,033	-
Options exercised	-	-	40,000	-
Issue Costs	-	-	(3,749)	-
Shares issued for exploration properties	-	-	7,500	-
	<u>500,000</u>	<u>1,155,419</u>	<u>656,784</u>	<u>1,200,410</u>
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES				
Sale of investment in Oxus Gold Plc	-	816,993	-	816,993
Mineral properties and deferred exploration expenditures	<u>(365,605)</u>	<u>-</u>	<u>(1,081,598)</u>	<u>(595,428)</u>
	(365,605)	816,993	(1,081,598)	221,565
Increase (Decrease) in cash & short-term investments	(14,466)	1,807,498	(774,572)	1,089,138
Cash & short-term investments, beginning of period	2,213,863	53,138	2,973,969	771,498
Cash & short-term investments, end of period	<u>2,199,397</u>	<u>1,860,635</u>	<u>2,199,397</u>	<u>1,860,635</u>

- See Accompanying Notes -

Conquest Resources Limited

Notes to Interim Consolidated Financial Statements

30 September, 2004

Canadian Funds

Unaudited - these financial statements have not been reviewed by an auditor

1. Basis of Presentation

The accompanying unaudited interim financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") on the "going concern basis", which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities. These financial statements do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the period ended September 30, 2004 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2004. For further information, see the Company's consolidated financial statements including the notes thereto for the year ended December 31, 2003.

2. Accounting Changes

The interim financial statements are prepared with the same policies used in the Audited Financial Statements for the year ending December 31, 2003, except for the following:

Change in accounting for Stock-based Compensation

Effective January 1, 2002, the Company adopted the new recommendations of CICA Handbook Section 3870, Stock-based Compensation and Other Stock-based Payments. This Section establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. These new recommendations require that compensation for all awards made to non-employees and certain awards made to employees be measured and recorded in the financial statements at fair value. This Section also sets out a fair value based method of accounting for stock options issued to employees and applies to awards granted on or after January 1, 2002.

The Company, as permitted by Section 3870, has chosen to apply this section retroactively in fiscal year 2004 with a restatement of deficit as at January 1, 2004. The cumulative effect of this accounting change at January 1, 2004 is an increase in deficit of \$118,900 and an increase in contributed surplus of \$118,900. Had the December 31, 2003 financial statements been restated, expenses would have increased by \$118,900 and basic loss per share would have increased by \$0.01.

3. Capital Stock

a) *The capital stock is as follows:*

Authorized
Unlimited common shares
Issued
58,371,680 common shares

The following capital stock was issued during the quarter ended September 30, 2004:

1,250,000 shares at \$0.40 per share and 1,250,000 warrants exercisable at \$0.60 per share

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, 2004.

Number of Common shares	Exercise Price	Expiry Date
1,230,000	\$ 0.20	10 Feb, 2005
600,000	\$ 0.10	7 May, 2006
200,000	\$0.20	6 May, 2007
800,000	\$0.20	26 Sep, 2007
150,000	\$0.30	17 Mar, 2008
<u>1,350,000</u>	\$0.20	24 Sep, 2008
4,330,000		

c) *Warrants*

As at September 30, 2004, the Company has issued and outstanding 10,256,886 share purchase warrants valued at \$758,640. Each warrant entitles the holder to purchase one common share of the Company. A summary of outstanding warrants is as follows:

Warrants	Exercise Price	Expiry Date
363,115	\$0.19	17 Mar, 2005
6,721,939	\$0.25	17 Mar, 2005
1,400,000	\$0.45	31 Dec, 2005
20,800	\$0.35	31 Dec, 2004
177,680	\$0.37	31 Dec, 2004
1,575,000	\$0.45	31 Dec, 2005
<u>1,250,000</u>	\$0.60	31 Jan, 2006
11,515,734		

5. Profit and Loss Per Share

Basic (loss) earnings per share were calculated on the basis of the weighted average number of common shares outstanding for the periods ended September 30, 2004 and September 30, 2003 which amounted to 57,410,640 and 37,986,788 common shares respectively.

The existence of stock options, conversion rights and warrants, and for the period ended September 30, 2003, convertible debentures, 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.

Conquest Resources Limited
Schedule of Mineral Properties
Canadian Funds

	Dec-31-03	Additions	Mar-31-04	Additions	Recovery	Jun-30-04	Additions	Sep 30-04
CANADA								
Missanabie	\$509,537	-	\$509,537	\$2,040	-	\$511,577	47,278	558,855
Alexander	404,688	389,455	794,143	50,303	-	844,446	107,544	951,990
Aurora	351,621	29,828	381,449	68,966	(159,000)	291,415	86,723	378,138
Phiz	30,000	14,372	44,372	63,977	-	108,349	57,463	165,812
Rock N Roll	-	15,127	15,127	81,925	-	97,052	61,464	158,516
King Bay							5,133	5,133
Total Canada	\$1,295,846	\$448,782	\$1,744,628	\$267,211	(\$159,000)	\$1,852,839	365,605	2,218,444

Recovery of \$159,000 in QR2-04 represents payment of \$100,000 and 50,000 shares at \$1.18 per share re property option granted to Trade Winds Ventures Inc.

AFRICA

Tanzania								
Acquisition	\$43,971	(\$13,031)	\$30,941			\$30,041		\$30,041
Exploration	14,085		14,085			14,085		14,085
Zimbabwe								
Piper Moss								
Acquisition	156,178		156,178		(56,178)	100,000		100,000
Exploration	57,309		57,309		(57,309)			
Babs, Beehive, Eva								
Acquisition	571,642		571,642		(141,642)	430,000		430,000
Exploration	26,712		26,712		(26,712)			
Total Africa	\$869,898	(\$13,031)	\$856,867		(\$281,841)	\$575,026		\$575,026
Total	\$2,165,744	\$435,751	\$2,601,495	\$267,211	(\$440,841)	\$2,427,865	\$365,605	\$2,793,470

The write down of \$281,841 in QR2-04 represents a provision against the carrying value of the Company's properties in Zimbabwe as a result of the continuing political, economic, and operating uncertainties in that country.

Mineral Properties - Schedule of Deferred Exploration Expenditure

For the Nine Month Periods Ended September 30, 2004

Mineral Properties	Alexander	Aurora	Phiz	Rock N Roll	Missanabie	King Bay	Total
Nine Months ended September 30, 2004							
Acquisition/recovery				7,500			7,500
Geology, geophysics, geochemistry	218,394	128,523	128,900	140,669	36,020	5,133	657,639
Drilling	280,256	31,853					312,209
Travel & Accommodation	34,107	2,597	2,889	4,511	13,298		57,402
Equipment & property lease	9,304	19,735	1,412	3,951			34,402
Other	5,242	2,709	2,610	1,885			12,447
Total	\$547,302	\$185,518	\$135,811	\$158,516	\$49,318	\$5,133	\$1,081,598
Nine months ended September 30, 2003							
Geology, geophysics, geochemistry	\$122,317	\$47,376					\$169,693
Drilling	138,813	231,926					370,739
Travel & Accommodation	17,593	6,811					24,404
Equipment & property lease	4,173	22,000					26,173
Other	1,578	2,840					4,418
Total	\$284,474	\$310,953					\$595,427

**FORM 52-109FT2 - CERTIFICATION OF
INTERIM FILINGS DURING TRANSITION PERIOD**

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 interim period ending September 30, 2004;
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.

Date: November 12, 2004

"Terence N. McKillen"

Terence N. McKillen
Chief Executive Officer

FORM 52-109FT2 - CERTIFICATION OF
INTERIM FILINGS DURING TRANSITION PERIOD

I, John F. Kearney, 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 interim period ending September 30, 2004;
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.

Date: November 12, 2004

"John F. Kearney"

John F. Kearney
Chief Financial Officer

CONQUEST RESOURCES LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER, 2004
(Form 51-102F1)

General

The following discussion of the operating results and financial position of Conquest Resources Limited (the "Company" or "Conquest") is prepared as at November 11, 2004 and should be read in conjunction with the unaudited financial statements and the notes thereto of the Company for the three and nine months ended September 30, 2004 and the audited financial statements of the Company and the notes thereto for the year ended December 31, 2003. The interim financial statements have not been reviewed by the Company's auditor.

Description of Business

Conquest is a Toronto based junior mining exploration and development company. It is a reporting issuer in the Provinces of Ontario, British Columbia and Alberta, and its common shares are listed on the TSX Venture Exchange under the symbol "CQR."

The Company is principally engaged in the acquisition, exploration, development and operation of mineral exploration properties. The Company has acquired interests and entered into agreements to acquire interests in and to mineral exploration properties located in Canada, Zimbabwe, and Tanzania. The significant industry and economic factors effecting the Company remained substantially unchanged during the period.

Operational Highlights - 3QR 2004

During the third quarter of 2004, Conquest's activities continued to be mainly concentrated in Ontario and British Columbia, Canada. Activities in Canada focussed on property evaluation and exploration on the Alexander Property at Red Lake, the Aurora and Sunday Lake Properties at Detour Lake, the Smith Lake Property at Missanabie and the King Bay Property at Sturgeon Lake, all in Ontario and the Phiz and Rock and Roll Properties in northwestern British Columbia.

During the third quarter, Conquest continued an intensive exploration programme on the Alexander Property adjacent to Goldcorp's high grade gold mine at Red Lake, Ontario. Work completed included detailed geological mapping, mechanical stripping and trenching, B-horizon and MMI soil geochemical sampling and Induced Polarization (IP) surveys. Results of the IP survey, comprising over 9,000 metres of surveying, over the central and eastern part of the Alexander property shows four parallel zones consistent with the main southeast structural trend. Three of the anomalous zones are coincidental with previously announced gold and arsenic geochemical anomalies.

On the Aurora property at Detour Lake, Conquest's joint venture partner, Trade Winds Ventures Inc., carried out an initial drilling programme comprising approximately 6-8 holes in advance of a planned major drilling programme for the first quarter 2005. In July, Trade Winds completed a \$500,000 private placement in Conquest at \$0.40 per unit. Each Unit comprises one share and one share purchase warrant. Each share purchase warrant entitles Trade Winds to purchase a common share of Conquest at \$0.60 per share on or before January 15, 2006. Under the Joint Venture Trade Winds has the right to contribute \$4.4 million to exploration at Aurora over a four year period to earn a 60% interest in the main claim block.

Conquest holds a 90% interest in the Sunday Lake Property located immediately east of the former Detour mine and on the Sunday Lake structural break which also hosts the Detour deposit. In September, Conquest undertook a limited initial drill programme comprising 4 holes to ascertain the structural and stratigraphic setting of the Sunday Lake Break and completed a preliminary MMI soil geochemical survey. Results are

awaited.

In August, Conquest entered into an option and joint venture agreement with KBG Minerals Corp. ("KBG") pursuant to which Conquest may earn a 60% working interest in KBG's King Bay Gold Project by expending \$600,000 on exploration prior to April 30, 2008, of which \$200,000 is a firm commitment to be expended prior to April 30, 2006. Upon Conquest acquiring its interest, a joint venture will be constituted with Conquest, the Operator of the venture, and KBG having an initial working interest of 60% and 40% respectively. If either party's working interest is reduced below 10%, the interest will be converted to a 10% net profits royalty.

The King Bay gold property comprises 32 mining claims held under mining lease and 13 patented claims lying over King Bay and its southern shore, an inlet on the western shore of Sturgeon Lake, approximately 100 kilometres north of Ignace, Ontario in the Thunder Bay Mining Division. Five additional unpatented claims are located to the northeast of King Bay. Logging roads provide direct access to the property from highway 599 between Ignace and Savant Lake. The property is subject to an underlying agreement between KBG and Tribute Minerals Corporation ("Tribute") under which Tribute would hold a 1.5% NSR from any production from the property.

Over the 2005 winter ice season (January-March), Conquest plans to conduct a first phase drill programme to evaluate the high grade gold targets on King Bay for a total of approximately 1,500 metres of drilling in 8-12 shallow holes.

Conquest completed a preliminary summer exploration programme on its 100% owned Smith Lake Project at Missanabie. The property is located immediately north of the former Renabie gold mine. Earlier drilling by Conquest in the mid 1980s returned significant gold values including 2.25 oz/t gold over 6.0 ft (70.3 gm/t gold over 1.8m) with visible gold and 0.53 oz/t gold over 1.0 ft (16.6 gm/t gold over 0.3m) with visible gold. Results of geological mapping and prospecting, together with B-horizon soil geochemical sampling suggests an extension of the mineralized zone to the north for 600 metres. Reinterpretation of earlier geophysical data suggests a structural continuity to the south, under Smith Lake, for a further 300 metres. Conquest is evaluating possible drill plans for the Smith Lake property in 2005.

In northwest British Columbia, Conquest completed an evaluation of the summer exploration programmes on the adjacent Phiz and Rock and Roll claims, situated in the Iskut River area close to the former Snip gold mine and the Eskay Creek gold mine. On the Phiz Property results of MMI geochemistry carried out by Conquest displays moderately elevated gold values in the vicinity of the Phiz vein, to the west of the Phiz vein and on a trend paralleling the stratigraphy through the Phiz vein area. Additional anomalous areas were outlined. Chip sampling of the Phiz vein returned a number of anomalous gold values with up to 54.3gm/t gold, confirming earlier results. On the Rock & Roll Property results of MMI and conventional soil geochemistry carried out by Conquest reveals a gold anomaly on two adjoining lines to the southwest of Lost Lake (southwest of the Black Dog Zone). Potential remains that the VMS zones of mineralization may extend to the northwest, under the Iskut River in an area overlain by the Hodoo volcanics. Deeper penetrating EM surveys will be necessary as an initial step in evaluating this area.

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

Review of Financial Results

Conquest incurred a loss for the third quarter of 2004 of \$180,219 (\$0.01 per share) compared to a gain of \$218,958 in the third quarter of 2003. The third quarter of 2003 included a gain of \$414,794 on the sale of investments. Included in the loss in the third quarter of 2004 was amortization of plant and equipment in the amount of \$95,684, compared to \$130,224 in the third quarter of 2003. The Company recorded no revenue in the third quarter of 2004 or 2003. For the nine months ended for September 30, 2004 Conquest incurred a loss

of \$839,782 compared to a loss of \$333,466 in the first nine months of 2003. Included in the loss in the first nine months of 2004 was a write down of Zimbabwe mineral properties of \$281,841 compared to a write down of \$183,106 in the first nine months of 2003.

Administrative expense during the third quarter of 2004 amounted to \$84,535 compared to \$65,612 in the third quarter of 2003. The major items were office and general of \$33,274 in the third quarter of 2004 compared with \$12,219 in the third quarter of 2003. The increase in expenses during the third quarter of 2004 was as a result of an increase in head office costs.

Related Party Transactions

The expenses for the quarter include expenses incurred by directors or to corporations owned by or that employ directors for exploration expenses of \$46,265; corporate expenses of \$12,477; administrative services of \$25,036; and legal services of \$7,950.

Included in accounts payable and accrued liabilities at September 30, 2004 is \$205,641 due to these related parties. All amounts were incurred in the normal course of business and are measured at the exchange amount.

Liquidity and Capital Resources

Total assets decreased to \$5,315,497 at September 30, 2004 from \$5,718,676 at December 31, 2003 primarily as a result of losses incurred on administrative expenses together with amortization of plant and equipment and write down of deferred exploration expenditures. Total liabilities decreased to \$216,843 at September 30, 2004 from \$323,991 at December 31, 2003. The Company had a working capital surplus of \$2,021,804 at September 30, 2004 compared to \$2,674,816 at December 31, 2003.

Cash and short term investments of \$2.2 million at September 30, 2004 were down from \$2.9 million at December 31, 2003 primarily as funds were expended on the Ontario and British Columbia exploration projects, offset by the private placement of \$500,000.

In July 2004, further to an option/joint venture agreement announced April 2004 with Trade Winds Ventures Inc., Trade Winds completed a \$500,000 private placement in Conquest at \$0.40 per unit. Each Unit comprises one share and one share purchase warrant. Each share purchase warrant entitles Trade Winds to purchase a common share of Conquest at \$0.60 per share until January 15, 2006. The proceeds of \$500,000 were added to working capital.

At September 30, 2004, the Company had mining properties with a total book value of \$2,793,470. The balance sheet values may not represent that which could be obtained were the properties to be offered for sale at this time. The investments totalling \$281,970 in shares of Oxus Gold Plc. and Trade Winds Ventures Inc. are treated as long-term investments.

Summary of Quarterly Results

	1QR02	2QR02	3QR02	4QR02	1QR03	2QR03	3QR03	4QR03	1QR04	2QR04	3QR04
Net Income (loss) per	(0.01)	(0.01)	(0.01)	0.00	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Net Income (loss) before taxes, amortization & writedowns (\$)	(162,348)	(204,706)	(151,274)	88,642	(378,993)	(173,432)	218,958	(917,473)	(178,815)	(143,663)	(180,219)
Total assets (\$)	4,658,145	5,112,758	4,971,299	5,448,811	5,031,504	4,874,272	6,280,765	5,718,676	5,568,898	5,072,430	5,315,497

The net income in the third quarter of 2003 related to a non-recurring gain on the sale of investment in Oxus Gold Plc

Outstanding Share Data

The Company has unlimited authorized share capital of a single class of common shares of which, at September 30, 2004, 58,371,680 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, 2004, the Company had 11,515,734 share purchase warrants outstanding and convertible into common shares and 4,330,000 share purchase options issued pursuant to the Company's Stock Option Plan. No options were granted in the quarter.

Significant Accounting Policies and Risk Factors

The Company's Accounting Policies have been disclosed in the Financial Statements for the Year ended December 31, 2003 as well as in the Company's Annual Information Form (AIF) for the Year ended December 31, 2003. Risk Factors have been disclosed in the Company's AIF for the Year ending December 31, 2003. These documents are available from the Company upon request or can be viewed on SEDAR at www.sedar.com.

The 2004 interim financial statements are prepared in accordance with the same policies as the December 31, 2003 year end except for a change in the method of accounting for stock based compensation in accordance with the recommendations of the Canadian Institute of Chartered Accountants. The new recommendations require that compensation for all awards be measured and recorded at fair value for fiscal years beginning on or after January 1, 2004. The Company, as permitted, has chosen to apply the change retroactively in fiscal 2004 with a restatement of deficit as at January 1, 2004.

The fair value of stock options is determined by the widely used Black-Scholes option pricing model which was developed for use in estimating the fair value of freely traded options which are fully transferable and have no vesting restrictions. The Company's options have characteristics that are significantly different from those of traded options and changes in any of the assumptions used can materially affect fair value estimates.

The principal Risk Factors impacting the Company have been disclosed in the Company's Annual Information Form for the year ended December 31, 2003 which can be viewed on SEDAR at www.sedar.com.

Outlook

The Company plans an aggressive programme of exploration on its Canadian projects during the balance of 2004 with significant emphasis on diamond drilling. In the fourth quarter 2004, Conquest plans to continue exploration in Ontario on its Alexander (Red Lake), Aurora and Sunday Lake (Detour Lake) gold properties as well as preliminary work on its new King Bay project at Sturgeon Lake.

Sufficient funds are available to support the proposed exploration activities for 2004 but the Company will have to seek additional financing to continue exploration into 2005. There is no guarantee that such financing can be secured.

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.