

**CONQUEST RESOURCES LIMITED**  
*(A Development Stage Company)*

**MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR THE INTERIM PERIOD ENDED SEPTEMBER 30, 2008**

(Form 52-109F2)

**CONQUEST RESOURCES LIMITED**  
*(A Development Stage Company)*  
**Management Discussion and Analysis**  
**For the nine month period ended September 30, 2008**

*Date: November 24, 2008*

**General**

The following discussion of financial condition, results of operations and future prospects should be read in conjunction with the unaudited interim consolidated financial statements for the period ended September 30, 2008 of Conquest Resources Limited. ("Conquest" or the "Company"), which have been prepared in accordance with Canadian generally accepted accounting principles.

**Company Overview**

Conquest 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.

The softening in almost all commodity prices experienced since the end of 2007 accelerated subsequent to the end of the period as a result of the volatility and turmoil in global financial markets. Future forecasts of economic performance in Canada and the consuming countries are now less predictable than previously due to these impacts.

The junior mineral exploration sector, in concert with the major producers and other industrial and financial sectors, has seen share prices test new lows. Continued low market capitalization together with a less than receptive equity market for junior mining shares could have a significant impact upon the Company's ability to finance ongoing exploration activities.

**Operational Highlights – 3QR2008**

During the period ended September 30, 2008, Conquest's exploration activities continued in Canada on the Alexander Property at Red Lake, and the King Bay Property at Sturgeon Lake, all in Ontario.

Conquest's Alexander Property which lies immediately east of Goldcorp Inc.'s Red Lake and Campbell mines is almost completely surrounded by Goldcorp's land holdings on the Mine Trend. The Red Lake mine is claimed by Goldcorp to be the richest gold mine in the world. The Red Lake Mining District has produced in excess of 25 million ounces gold. The important Balmer volcanic rocks, which host the majority of gold produced from the Red Lake greenstone belt, and the adjacent Bruce Channel sedimentary rocks have been identified on the Alexander property. These prospective host rocks lie within the Mine Trend structural corridor extending southeast from two of Canada's premier gold mines. Conquest has located a number of gold bearing structures on the Alexander Property through trenching and shallow drilling. This data further serves to confirm that Conquest holds one of the most under-explored, prospective land positions in the Red Lake gold camp. A new multi-year exploration strategy to test identified drill targets on Conquest's Alexander Property has been formulated but requires additional financing prior to implementation.

On the King Bay Property at Sturgeon Lake (Conquest 60%), data from drilling earlier this year and in previous years is being reviewed in conjunction with earlier geological, geochemical and geophysical data in order to reconcile mineralization discovered in drilling with the various high grade boulder trains present to the south of King Bay. The Company believes that the mineralization encountered to date represents a source area of the Western Boulder Train and is formulating a new exploration focus to locate the source of the Central and Eastern Boulder Trains. Conquest has now earned a 60% joint venture interest and the other party, KBG Minerals, is contributing its pro rata share.

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Conquest holds a 100% interest in the Aurora Project at Detour Lake. The Aurora property is located very close to, but south of, the Detour Lake property of Detour Gold Mines Inc. Detour Gold is currently conducting a feasibility study for the development of a 30,000 tonnes per day open pit mine based on a currently defined resource of 4.8 million contained ounces of gold. Three structural deformation zones, parallel to the Sunday Lake Deformation Zone which hosts the Detour gold deposits, are believed to cross the Aurora property. Conquest has encountered significant gold values over narrow widths along the southern deformation zone. The Sunday Lake property, an isolated group of claims forming part of the Aurora project, is located immediately east of the former Detour gold mine. The eastern extension of the Sunday Lake Deformation Zone crosses the length of the property and has potential to host a similar type of mineralization as at Detour Lake. Very little drilling has been carried out on the Sunday Lake claim block. Conquest is seeking a joint venture partner for the Aurora and Sunday Lake blocks to facilitate a significant follow up drill programme, in light of the excellent developments being undertaken by Detour Gold.

**Financial Highlights – 3QR2008**

Conquest incurred a loss for the third quarter of 2008 of \$53,773 (\$0.009 per share) compared to a loss of \$57,501 (\$0.009 per share) in the third quarter of 2007. Included in the loss in the third quarter of 2008 was a write down to market of the investment in Trade Winds Venture Inc. of \$13,000. The loss for the third quarter of 2007 also included a write down of the investment in Trade Winds Venture Inc. of \$20,000 and a future tax recovery of \$21,200. There was no charge in respect to stock-based compensation in the third quarter of 2008 or 2007.

The Company recorded no revenue in the three months period ended September 30, 2008 or 2007.

Administrative expense during the three month period ended September 30, 2008 amounted to \$40,773 compared to \$58,701 in the three month period ended September 30, 2007.

**Summary of Quarterly Results**

|                        | 4QR06     | 1QR07     | 2QR07     | 3QR07     | 4QR07     | 1QR08     | 2QR08     | 3QR08     |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                        | (\$)      | (\$)      | (\$)      | (\$)      | (\$)      | (\$)      | (\$)      | (\$)      |
| Net loss per share     | (0.025)   | (0.014)   | (0.015)   | (0.013)   | (0.010)   | (0.004)   | (0.009)   | (0.009)   |
| Net loss* before taxes | (158,624) | (87,139)  | (91,394)  | (78,701)  | (65,054)  | (22,452)  | (54,425)  | (53,773)  |
| Total assets           | 4,500,589 | 4,368,069 | 4,264,998 | 4,189,925 | 3,492,457 | 3,474,874 | 3,395,866 | 3,344,886 |
| Working Capital        | 1,213,117 | 837,738   | 687,277   | 608,065   | 511,084   | 408,423   | 368,561   | 321,867   |

\* Before write down of exploration properties & deferred exploration expenditures

**Liquidity and Capital Resources**

Total assets decreased to \$3,344,886 at September 30, 2008 from \$3,492,457 at December 31, 2007 primarily as a result of administrative expenses and funds expended on the Ontario exploration projects. Accounts payable and accrued liabilities decreased to \$115,047 at September 30, 2008 from \$126,008 at December 31, 2007. The Company had a working capital surplus of \$321,867 at September 30, 2008 compared to \$511,084 at December 31, 2007.

**CONQUEST RESOURCES LIMITED**  
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**Management Discussion and Analysis**  
**For the nine month period ended September 30, 2008**

At September 30, 2008, the Company had mineral properties with a total book value of \$2,890,972. The balance sheet values may not represent that which could be obtained if the properties were to be offered for sale at this time.

Conquest is adequately financed to undertake its stated goals for 2008 but will require additional funding to more aggressively pursue exploration on the Alexander and King Bay Properties and to pursue any new project acquisitions.

**Exploration Properties - Schedule of Deferred Exploration Expenditures**  
**For Nine Month Period Ended September 30, 2008**

|                                      | Alexander     | Aurora        | King Bay      | Total         |
|--------------------------------------|---------------|---------------|---------------|---------------|
|                                      | \$            | \$            | \$            | \$            |
| Geology, geophysics and geochemistry | 6,400         | 2,625         | 82            | 9,107         |
| Drilling                             | -             | -             | 60,575        | 60,575        |
| Travel and accommodation             | -             | -             | -             | -             |
| Equipment, property lease and other  | 6,313         | 12,354        | 3,218         | 21,885        |
| <b>Total additions</b>               | <b>12,713</b> | <b>14,979</b> | <b>63,875</b> | <b>91,567</b> |

**Related Party Transactions**

Related party transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the first nine months of the year, the Company made payments totaling \$23,586, including \$12,886 to D.B. Whitelaw, Director, for corporate and administration costs, \$4,300 to Neil J.F. Steenberg, for legal fees, and \$6,400 to Terence N. McKillen for geology.

Included in accounts payable and accrued liabilities at September 30, 2008 is \$88,847 due to related parties, including \$87,202 interest free loan payable on demand due to Energold Minerals and \$1,645 due to Neil J.F. Steenberg, Director, for legal fees.

**Significant Accounting Policies**

The Company's Accounting Policies have been disclosed in the Financial Statements for the year ended December 31, 2007. 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 the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the year. Actual results could differ from estimates. During the fiscal years presented, management has made a number of significant estimates and valuation assumptions, including the recoverability of investments in exploration properties, the future costs associated with environmental remediation and site restoration matters, fair value of financial instruments, valuation of investments, valuation of tax accounts and factors affecting the valuation of stock-based compensation and share purchase warrants. These estimates and valuation assumptions are based on present conditions and management's planned course of action, as well as an assumption

**CONQUEST RESOURCES LIMITED**  
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**Management Discussion and Analysis**  
**For the nine month period ended September 30, 2008**

about future business and economic conditions. Should the underlying valuation assumptions and estimates change, the recorded amounts could change by a material amount.

Exploration Properties and Deferred Exploration Expenditures - These assets are carried at historical cost. The cost of exploration properties and related exploration and development costs are deferred. These costs will be amortized over the estimated useful life of the properties following commencement of commercial production or written off if the properties are sold, allowed to lapse, or the property shows no promise from prior exploration results, or management determines that there is a permanent and significant impairment in value. All of the Company's properties are considered to be in the exploration or development stage and none have achieved commercial production. Accordingly any revenue generated from testing or pilot plant processing is credited to deferred exploration expense. The Company does not accrue the future costs to keep the properties in good standing. Administrative expenditures, not directly related to property maintenance, are charged to operations as incurred.

Stock-Based Compensation – The Company records compensation cost based on the fair value method of accounting for stock-based compensation. The fair value of stock options is determined using the Black-Scholes option pricing model. The fair value of stock options is recognized over the vesting period as compensation expense and contributed surplus. When options are exercised, the proceeds received, together with any related amount in contributed surplus, will be credited to capital stock. The Black-Scholes model 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.

**Disclosure on Outstanding Share Capital**

The Company has unlimited authorized share capital of a single class of common shares of which, at September 30 and November 24, 2008, 62,663,830 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 and November 24, 2008, the Company had 3,357,691 share purchase warrants outstanding and 2,800,000 share options issued pursuant to the Company's Stock Option Plan. The share purchase warrants have an expiry date of December 15, 2008.

**Disclosure Controls and Procedures**

Disclosure controls and procedures include the Company's controls and procedures that are designed to provide reasonable assurance that material items requiring disclosure by the Company are identified and reported in a timely manner.

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company have evaluated, and continue to evaluate, the design and effectiveness of the Company's disclosure controls and procedures as of September 30, 2008, and have concluded that such disclosure controls and procedures were operating effectively at that date.

There were no significant changes to the Company's disclosure controls process during the quarter ended September 30, 2008.

It should be noted that, while the Company's CEO and CFO believe that the Company's disclosure controls and procedures provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and procedures can prevent all errors or mistakes. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

**CONQUEST RESOURCES LIMITED**  
*(A Development Stage Company)*  
**Management Discussion and Analysis**  
**For the nine month period ended September 30, 2008**

**Internal Controls over Financial Reporting**

An internal control over financial reporting is a process designed by management to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian generally accepted accounting principles. Management has determined that no changes in internal control over financial reporting have occurred during the most recent period that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting.

**Forward-Looking Statements**

*This management's discussion and analysis contains certain forward-looking statements relating to, but not limited to, the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, delays in the development of projects changes in exchange rates, fluctuations in commodity prices, inflation and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Shareholders and prospective investors should be aware that these statements are subject to known and unknown risks uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.*

November 24, 2008