

# **CONQUEST RESOURCES LIMITED**

## **ANNUAL INFORMATION FORM**

For the fiscal year ended December 31, 2001

Dated as at May 14, 2002

### **Conquest Resources Limited**

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# **CONQUEST RESOURCES LIMITED**

## **ANNUAL INFORMATION FORM**

### **Item 1: - The Company - Incorporation**

Conquest Resources Limited (the “Company” or “Conquest”) was incorporated on January 23, 1945 under the name “Quest Yellowknife Mines Limited” under the *Business Corporations Act* (Ontario). On October 15, 1984 the Company changed its name to “Conquest Yellowknife Resources Ltd.”. On January 27, 2000 the Company changed its name to “Conquest Resources Limited” .

The Company 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 “YQR”.

### **Item 2: - General Development Of The Company**

Since incorporation in 1945 the Company has been principally engaged in the acquisition, exploration, development and operation of mineral properties. The Company has acquired interests and entered into agreements to acquire interests in and to mineral properties located in Canada, Zimbabwe and Tanzania.

In the early 1980s the Company refocused its efforts on mineral exploration in Northern Ontario and acquired the Missanabie property lying north of the Renabie Mine and conducted a mineral exploration program.

In 1993 the Company acquired mining claims in Heenan Township, 65 miles due west of Timmins, Ontario and completed an exploration program in 1994.

In 1996 the Company entered into an option agreement on two gold properties in the Mount Nansen area of the Yukon Territory and carried out an exploration program.

In 1999 the Company entered into an agreement to acquire Baobab Minerals Inc., a private company which held a package of mineral exploration properties in Tanzania and Zimbabwe. The acquisition of Baobab was completed by an exchange of shares the effect of which was to constitute a reverse takeover of Conquest by Baobab.

In 2000 the Company acquired three mineral properties and entered into tribute and option agreements on two exploration properties in Zimbabwe.

In 2001 the Company acquired a further four mineral properties comprising former mines and small producing mines also in Zimbabwe.

In 2002 the Company determined to diversify its interests away from Southern Africa, disposed of one Zimbabwe property and dropped two others and entered into agreements to explore two gold properties at Red Lake and Detour Lake in Ontario. The Company has recently entered into an Option and Joint Venture Agreement to acquire an interest in a gold property on the Kyrgyz Republic.

Throughout 2001, particularly in the second half of that year, and into 2002, operating conditions in

Zimbabwe became more difficult due to the worsening political climate, hyper inflationary economic pressures and artificially fixed currency exchange rates. Although the Golden Kopje mine produced approximately 6000 ounces of gold in 2001 it requires further investment to deepen and develop the mine. In May 2002, in a restructuring of its Zimbabwe assets, the Company sold its indirect interest in the Golden Kopje mine in Zimbabwe for \$1 but retained an option to reacquire up to a 50% joint venture interest in the mine. In addition the Company has taken a write-down of \$620,000 in its accounts for the year ended December 31, 2001 against a full carrying value of the Golden Kopje mine and against two small exploration properties also in Zimbabwe.

For the immediate future Conquest intends to confine its efforts in Zimbabwe on securing and maintaining its remaining assets pending clarification of the future direction and economic prospects for that country. These assets are largely non producing exploration or development projects.

Conquest plans for 2002 and future years is to focus its ongoing efforts on gold exploration in Canada where the company has recently acquired a strategically located property in the Red Lake Gold camp and a joint venture on the Aurora property in the Detour Gold Camp, both in Northern Ontario and on its recently negotiated gold production opportunity at the Jerooy gold deposit in the Kyrgyz Republic, Central Asia.

### **Item 3: - Description Of The Business**

#### **General:**

The Company's business is conducted in the various countries in which it operates through direct and indirect ownership of companies, joint ventures or other entities having beneficial ownership of, or rights to, or rights to explore and acquire, mining and mineral exploration claims, concessions, leases, licences or properties.

The Company carries out its operations in Canada either directly or through its wholly owned subsidiary Baobab Minerals Inc. ("*Baobab*"), a company incorporated under the *Company Act* (British Columbia).

The Company owns patented mineral claims in Ontario in Leeson and Riggs Townships, both in the Missinabie area and has entered into option agreements whereby it may earn an interest in certain mineral properties located near Detour Lake and in Balmer Township at Red Lake, also in Ontario by incurring certain exploration expenditures all of which are described in more detail under the heading captioned "The Company's Mineral Properties" below.

The Company carries out its operations in Zimbabwe through its wholly owned subsidiary African Gold B.V. ("*Afgold*") incorporated under the laws of The Netherlands which owns all of the issued and outstanding shares of Plontberg Manufacturing (Private) Limited ("*Plontberg*"), a company incorporated under the laws of the Republic of Zimbabwe.

The Company owns the formerly producing shut down Babs, Beehive and Piper Moss mines, and the exploration and exploitation rights over the Blue Rock, Glencairn, Eiffel Flats, Shamrock and Gretna Green properties which are located in Zimbabwe; all of which are described in more detail under the heading captioned "The Company's Mineral Properties" below.

The Company carries out its operations in Tanzania through its wholly owned subsidiary Sampo Resources (Tanzania) Limited ("*Sampo*") incorporated under the laws of the Republic of Tanzania. Sampo holds the mineral exploration rights over the Ikungu and Suguti properties (each hereinafter discussed) which are located in Tanzania; all of which are described in more detail under the heading captioned "The Company's Mineral Properties" below.

In May 2002 the Company entered into an Option and Joint Venture Agreement to acquire all of the shares of Norox Mining Company Limited ("Norox") a company incorporated under the laws of the Cayman Islands which is the owner of 66.67% of the shares of Talas Gold Mining Company a company incorporated in the Kyrgyz Republic which holds the exclusive right to explore for and extract gold and other metals at the Jerooy Gold property in the Kyrgyz Republic.

## **THE COMPANY'S MINERAL PROPERTIES**

### **CANADA**

#### **1. Red Lake Project, Ontario**

##### *Land Tenure*

Pursuant to an option agreement dated March 4, 2002, between Energold Minerals Inc. ("Energold") and the Company, Conquest has the right to acquire a 100% interest in the Red Lake property by expending \$500,000 on exploration and development work prior to December 31, 2006. Upon exercise of the option, Energold will be entitled to a 2% net smelter royalty from any production from the property. The Red Lake property comprises 27 patented claims situated in the Township of Balmer, in the District of Kenora (Patricia Division) and issued by Letters Patent dated January 25, 1947. The claims comprise approximately 1,107 acres (448 ha) and numbered KRL 20303-05, KRL 20437-40, KRL 20485-88, KRL 20516-20, KRL 20533-56, KRL 20748-54.

##### *Location, Access and Infrastructure*

The claims are located in central Balmer Township, in the heart of the Red Lake mining camp and immediately adjacent to the Red Lake gold mine owned and operated by Goldcorp Inc. Access to the claims is through the Goldcorp property.

Red Lake is a long established gold mining town with excellent services and infrastructure to support mining and exploration activity.

##### *Overview*

The Red Lake property is located immediately east of Goldcorp's Red Lake mine.

The Conquest property boundary lies approximately 1,000 metres east of the Dickenson head frame, and includes over 4,000 metres of potentially favourable geology strategically located in the heart of the Red Lake camp where past production and current publicly disclosed reserves total approximately 23,000,000 ounces of gold.

Previous work done on the property in 1946 by Alexander Red Lake Gold Mines Limited identified a discontinuous zone of gold mineralisation with up to 0.34 ounces gold per ton (10.6 g/t) over narrow widths and approximately 1,200 metres in length. In 1980 Getty Canadian Minerals Ltd. completed a programme of airborne and surface exploration and five shallow drill holes with a best result of 0.31 ounces gold per ton (9.7 g/t) over 0.52m.

The property has not been explored since 1980. The known zone of mineralization, which has been traced over 1,200 metres has not been adequately tested throughout its length. The property has never been tested or explored at depth. On its adjacent property, Goldcorp discovered its new high grade zone at a depth of approximately 5,000 feet (1,500 metres) in 1995. According to published information, Goldcorp plans to explore the vertical extent of mineralization to a depth of approximately 7,000 feet.

Goldcorp's **Far East Zone** was located by drilling in 1998 and 1999 to the east of the main workings, and as reported by Goldcorp was found in "an area previously thought to have limited potential." The Far East Zone is located between the 16 and 23 Levels at a depth of about 3,000 feet and is believed to be located approximately 4,800 feet east of the main shaft, placing it not far from the boundary with Conquest's claims. According to Goldcorp, the "target area has potential to host both sulphide and high grade mineralization."

### Geological Setting

The Red Lake greenstone belt is located in the western portion of the Uchi Subprovince, a typical Archean granite-greenstone terrain containing eastward trending belts of volcanic and sedimentary rocks and syn-volcanic intrusives. The volcanic complex is comprised of mafic flows with subordinate amounts of intercalated intermediate and felsic volcanic rocks, and chemical and clastic sedimentary units. Several large, ultramafic to intermediate intrusions are present in the sequence. The greenstone belt is bounded on all sides by granitoid masses.

The Red Lake greenstone belt has been subdivided into distinct tectonic assemblages. These assemblages, from oldest to youngest, are the Balmer Assemblage, the Ball Assemblage, the Bruce Channel Assemblage, and the Confederation Assemblage. The Balmer Assemblage which hosts the Red Lake mine gold deposits, constitutes the majority of the Red Lake greenstone belt and forms the central core. Large scale folding is a prominent characteristic of the eastern portion of the Red Lake greenstone belt. Lithological and aeromagnetic evidence supports the presence of major folding.

Gold deposits at Red Lake appear to be spatially related to large-scale linear deformation-alteration zones. The mine rock types are characterized by large-scale intense alteration. Ore zones are also spatially related to faults and irregular fold contacts between mafic and ultramafic rocks.

### Reserves and Resources

There are no known mineral reserves or resources on the Company's Red Lake property.

### Exploration & Development

The Company plans to carry out geological mapping, regional and property data compilation to establish priority areas for future follow up which will include geophysical surveys and drilling.

## **2. Aurora Project, Ontario**

### Land Tenure

Pursuant to an option/joint venture agreement dated March 7, 2002, between Conquest and Prism Resources Inc. ("Prism"), Conquest has the right to acquire a 60% interest in Prism's right to earn a 100% interest in the Aurora Property, a group of 11 mining leases and 16 mining claims situated 5km southeast of the former Detour gold mine which are subject to an underlying joint venture agreement dated December 31, 1999 between Prism and Boliden Westmin (Canada) Limited ("Boliden").

Conquest may acquire an initial interest in the Aurora Property by expending a total of \$350,000 on exploration and development programs prior to June 31, 2004 with a commitment of \$150,000 expenditure prior to June 30, 2003. Conquest is the operator of the joint venture. In order for the Conquest-Prism joint venture to be vested with its initial 60% interest, Prism will make a payment of \$200,000 to Boliden by July 1, 2004. In the event that Prism fails to make such payment, Conquest will have the right to make the payment, after which its interest in the Conquest-Prism joint venture will increase to 90% (54% direct property interest). The parties have the right to enter into an operating joint venture with Boliden on July 1,

2004 (on a 60:40 basis) or elect to earn a further 40% interest (total 100%) subject to a 2% NSR by spending a cumulative \$4,385,816 on or before December 31, 2012.

Mining Leases: 106316-23, 106367, 106541, 107018

Mining Claims: P1090117-20, P1114018-19, P1204468, P1204525-29, P1204533, P124533, P1204535, P1218849-50

### Location, Access and Infrastructure

The Aurora Property comprises a total of 6,770 hectares in the Detour Mining District and lies 130 kilometres northeast of Cochrane and 5 kilometres south of the former Detour gold mine near the Ontario/Quebec provincial border. The claim group is 16km in length and 4 to 5km in width. The Detour mine site (currently under option to Newmont Limited and Pelangio Mines Inc.) is accessible by all weather road from Cochrane. A network of bush roads traverses the Aurora Property. Also located nearby are the Selbaie copper-zinc mine and the Casa Berardi gold deposits.

### Overview

Previous exploration expenditure on the property by Boliden, Placer Dome, Inco, Penarroya and Amoco Canada reportedly exceeds \$3.7 million. Approximately 90 diamond drill holes (17,000 metres), 113 reverse circulation drill holes, EM, magnetometer and IP surveys have been completed over the 16 kilometre strike length of the Aurora Property. Drilling has identified three zones of mineralization associated with major structural breaks (Northern, Central and Southern Zones) that parallel the long axis of the Property. Several target areas have been identified for further drilling.

In 1971, Inco completed a 115 metre diamond drill test hole on claims which are now part of the property. Further work was conducted over a small portion of the property during the next six years by Penarroya Ltd. (EM, magnetometer surveys, and one diamond drill hole), Amoco Canada Ltd. (ground EM, magnetic surveys, and one diamond drill hole), and Noranda Exploration (ground geophysical surveys and some diamond drilling).

In 1980, Westmin staked the Aurora Property. Since then approximately \$3 million has been spent on data gathering that has included diamond and reverse circulation (RC) overburden drilling and geophysical surveying. Westmin acquired a large portion of the current property and conducted an extensive exploration program between 1980 and 1989 consisting of geological mapping, geophysical surveys, 113 reverse circulation holes, 50 diamond drill holes (8,260.5 metres), additional Max-Min II and magnetometer surveys.

Placer Dome optioned the property in 1994 and conducted a detailed airborne magnetic-EM survey, followed by a ground grid IP survey. In 1996 Placer Dome drilled 16 diamond drill holes (3,968 metres). Five holes intersected visible gold mineralization. Assays ranged up to 46.2 grams of gold per tonne over 3 metres and 21.6 grams of gold per tonne over 2.6 metres. In 1997 Placer Dome completed an additional 16 holes (4,314 metres), encountering visible gold in 3 more holes including 10 grams of gold per tonne over 2 metres. In 1998, Placer Dome relinquished the option on the Aurora Property at the time they announced the closure of their Detour Mine.

The 90 diamond drill holes (17,000 metres) completed over the 16 kilometre strike length of the Aurora Property have defined three sections of mineralization: Northern Break, Central Break, and Southern Break.

### Geological Setting

The Aurora claims are located in the northeastern part of the Early Precambrian Abitibi Belt of the Superior Province. The Detour mine and the immediately surrounding part of the Abitibi Greenstone Belt is included in what has been designated the Northern Volcanic Zone which has been subdivided into two distinct

volcano-sedimentary successions; these are the monocyclic volcanic segment and the polycyclic volcanic segment.

The Detour mine orebodies are located on the north limb of a major fold structure and are hosted in strongly conductive sulphide-rich tuffaceous cherty chemical sedimentary rocks at the contact between clastic sedimentary rocks on the south and tholeiitic mafic volcanic rocks on the north. Gold orebodies are also hosted in quartz veins, talc-carbonate rock and in other environments.

#### Northern Break

The Northern Break is marked by thick sections of graphitic argillite near the contact between mafic and ultramafic volcanic and intrusive rocks and the clastic sedimentary rocks on the north side of the property. Drilling intersected sericitic felsic tuff with extensive quartz-carbonate veining as well as arsenopyrite and green mica and returned some low gold values.

#### Central Break

The Central Break is defined by a thick diamictite unit or paraconglomerate characterized by mafic volcanic rock clasts in a fine grained mafic matrix. The unit is bounded by mafic volcanic flow rocks. Turbiditic wackes and iron-rich chemical sedimentary rocks containing magnetite, pyrite, pyrrhotite and Fe-chlorite and amphibole are interlayered with the volcanic and sedimentary rocks. Placer Dome encountered interesting results in some holes, including: 1.0m at 6.6g/t Au and 1.0m at 4.3g/t Au.

#### Southern Break

Placer Dome drilling in 1996 and 1997 intersected several gold-rich intersections in three separate areas over a strike length of 1.85 kilometres. Amongst these were intercepts of 46.2 grams of gold per tonne over 3 metres, 21.6 grams of gold per tonne over 2.6 metres and 10.0 grams of gold per tonne over 2.0 metres. Gold mineralization has been intersected in six of the seven drill holes, which have tested the area to date, including: 1.5m at 4.9g/t Au, 2.6m at 21.6g/t Au, 2.0m at 10.0g/t Au, 0.9m at 10.3g/t Au, 3.0m at 46.2g/t Au. These results have never been followed up by any confirmation drilling to determine whether mineralization is continuous both along strike and down dip.

#### Reserves and Resources

There are no known mineral reserves or resources on the Company's Aurora property.

#### Exploration & Development

The Company plans to carry out data compilation and target evaluation prior to initiating a first phase exploration programme which will likely entail additional prospecting, detailed geophysical surveys and diamond drilling in the vicinity of the high grade gold intersections previously identified in earlier exploration programmes.

### **3. Missinabie Project, Ontario**

#### Land Tenure

Conquest owns ten patented claims comprising two distinct blocks in the Missinabie area of Northern Ontario. Conquest holds title to the mineral rights associated with six of the claims which are located in **Leeson Township** (S 34426-30, S 35977) and owns surface and mineral rights associated with the four claims which are located at Dog Lake in **Riggs Township** (SSM 12589, SSM 12594-56).

### Location, Access and Infrastructure

The claims are located in the Sudbury Mining District, and the Sault Ste. Marie Mining Division, approximately 100km northeast of Wawa. The claim blocks lie within the Missinabie Goudreau greenstone belt which hosts the former Magino, Kremzar and Renabie gold mines. The Leeson Township claims lie immediately north of the former Renabie gold mine while the Riggs Township claims lie some 7km to the northwest of the town of Missinabie.

### Overview

There is no record of previous work being carried out on the Riggs Township claims. The Leeson Township claims are situated adjacent to the Renabie mine where according to public records the former production amounted to approximately 4.5 million tons at an average grade of 0.2 oz Au/t (900,000 ounces gold). The Kremzar and Magino mines, also in the same general vicinity, were operated for short periods of time in the late 1980s and had reported reserves of 2.4 million tons at 0.23 oz/Au ton and 1.9 million tons at 0.25 oz Au/ton respectively.

Gold mineralisation in the Renabie area occurs within two distinct shear trends associated with altered felsic volcanic and intrusive rocks. The Renabie 'C' and Nudulama zones have an easterly strike while the Braminco 'C', 'B', '7' and '21' zones have a northerly strike. Within the principal trends, the zones occur as massive fine grained quartz and/or laminated quartz-sericite zones.

Previous expenditures on the property, including drilling, by Conquest exceed \$1 million. Drilling at the Renabie site in the late 1980s intersected encouraging gold values associated with a 600m long north-trending shear zone. Gold intersections included 0.12 oz Au/t over 7.1 ft, 0.06 oz Au/t over 16.8 ft, 0.24 oz Au/t over 13.3 ft, 0.17 oz Au/t over 3.5 ft and 0.10 oz Au/t over 18.6 ft. The shear zone appears to be the northerly continuation of the Braminco shear zone which is believed to be the host to mineralisation at the Renabie and Canrios (Braminco) gold deposits located immediately to the south. The shear occurs close to the metavolcanic-granite/tonalite contact. East-trending shear zones, parallel to the structure hosting the main Renabie deposit, are also found on the property.

### Reserves and Resources

There are no known mineral reserves or resources on the Company's Missinabie property.

## **KYRGYZ REPUBLIC**

### **1. Jerooy Project**

#### Land Tenure

Pursuant to an option and joint venture agreement dated May 3, 2002, between Conquest and Oxus Mining Plc, Conquest may earn in stages up to an initial 10% effective interest in the Jerooy gold project located in the Kyrgyz Republic in Central Asia, together with the option to acquire in stages, subject to regulatory approval, up to a 66.67% effective interest in the project. Conquest has the right to initially invest up to US\$1,000,000, in stages of US\$200,000 on signing the agreement, US\$400,000 by June 30, 2002 and US\$400,000 by December 31, 2002, to earn up to a 10% interest in the project.

The interest or right to earn an interest in the Jerooy project is held through Norox Mining Company Limited ("Norox"), a company incorporated in the Cayman Islands. Norox owns 66.67% of the issued share capital of Talas Gold Mining Company ("Talas"), a Kyrgyz Republic registered company, which owns the exclusive

right to explore and extract gold and other metals from the Jerooy project pursuant to a Licence Agreement dated September 9, 1998 with the State Agency on Geology and Mineral Resources. Kyrgyzaltyn owns the remaining 33.33% Kyrgyzaltyn interest in Talas.

Following completion of its initial evaluation, Conquest will have the option, subject to regulatory approval, to acquire the remaining 85% interest in Norox at any time up to March 31, 2003 for a total consideration of US\$7,000,000, payable in two parts, 42.5% for Conquest shares of a value equal to US\$3,500,000 calculated on the basis of the average closing market price for each of the sixty trading days preceding the exercise date (subject to regulatory and shareholder approval) and 42.5% for cash of US\$3,500,000 payable before December 31, 2003.

If having exercised the Option and purchased the first half of the remaining 85% interest in Norox (i.e. 42.5%), Conquest does not complete the purchase of the second 42.5% interest in Norox by December 31, 2003, Oxus has the right to buy back from Conquest for cash the 57.5% interest in Norox already purchased at a discount of 10% of the purchase price, or alternatively to sell the remaining 42.5% interest in Norox to Conquest for shares of Conquest (subject to regulatory approval).

#### Location, Access and Infrastructure

The Jerooy project is located in northwestern Kyrgyz Republic some 190km west of the capital Bishkek. There is a paved road from Bishkek to the regional capital of Talas from which the property is accessible by a 20km gravel road to the south. The Jerooy deposit outcrops at an elevation of 3,700 metres within the Ala Tau Ridge. An exploration camp is located at the site. A 220v transmission line is within 20km of the Jerooy site.

The Kyrgyz Republic has rail and road links to Western Europe and shipping access via Russian ports situated on the Baltic and Black Seas. Bishkek is serviced by international flights from London and Frankfurt. There is also a scheduled air service from Bishkek to Talas.

#### Overview

The Jerooy gold occurrence was discovered in 1968 during the Soviet era. Following independence from the Soviet Union in 1991, several western mining companies were invited to conduct investigations of the Jerooy deposit. Initial investigations were undertaken by MK Gold Company from 1993 to 1995 and Cameco Gold from 1996 to 1997. In 1998, the project was acquired by Norox, a joint venture between Oxus (25%) and Normandy Mining (75%). Normandy subsequently exchanged its interest in the project for shares of Oxus in October 1999 and Normandy (Newmont) remains the major shareholder of Oxus (19%).

Extensive work has been carried out on the project in addition to the Soviets including resource estimates by Pincock Allen and Holt, Snowden Associates, Watts Griffiths McOuat, Roscoe Postle, and CMSA Consulting and feasibility study work by Kilborn, SNC Lavalin, Golder Associates, Lakefield Research and Kvaerner. Norox completed a pre-feasibility study in March 1998 and further feasibility studies were completed in April and July 1999.

#### Geological Setting

The Jerooy deposit is located in the Talas – Ala Tau Ridge and forms part of the Northern Tian-Shian structural domain. The oldest rocks in the area are presumed to be Archean to Proterozoic in age. These rocks are represented by granite gneisses, mica schists – phyllites, marbles with lenses of garnet amphibolite and eclogite. These older formations occur mainly to the north of the Talas valley and are not represented in the area of Jerooy. The Talas - Ala Tau Ridge is predominantly underlain by Upper Riphean and Lower Proterozoic sediments predominantly represented by sandstones, shales, phyllites, aleurolites and limestones, 500m to 2,000m in thickness with hypabyssal intrusives and effusives of liparite, dacite and

porphyries. Contact with younger formations is always tectonic. Early Palaeozoic rocks are widespread throughout the Northern Tian-Shian Range. Along the Talas – Ala Tau ridge they are represented by thinly bedded limestone and dolomite with lenses of black flint and assumed to be Late Cambrian to Ordovician in age. These sediments lie discordantly on older Proterozoic sediments. Upper formations of Ordovician to Devonian age become progressively more terrigenous and volcanogenic and are sharply discordant with older sequences. The lower formations are represented by andesites, dacites, andesite basalts, tuffs, clayey to micaceous shales and liparitic tuffs, dacite felsites and their tuffaceous equivalents. Upper Devonian to Lower Permian formations are even more terrigenous with red polymictic and arkosic sandstones interbedded with conglomerates and shales, with occasional limestones and tuffs.

### Reserves and Resources

The total mineral resource (Measured and Indicated) as reported by Snowden and Associates (Mark Noppe, M.Sc., MAusIMM and Viv Snowden, M.Sc., FAusIMM, MAIG) in January 1999 and prepared in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC Code - 1996) for the Northwest deposit only is 18,892,171 tonnes at a grade of 4.59 g/t using a 2g/t cut-off (2,788,000 contained ounces).

The Snowden resource estimate is based on a total of 74,370 sample intervals from underground sampling (wall and face channel sampling of drifts and crosscuts on 10 levels and from raises) and from 221 drill holes. Assay values at or below the fire assay detection limit of 0.1g/t Au were treated as zero. The data contained no extreme outliers, and no top-cut was applied in the statistical comparisons. The Snowden mandate was to estimate resources to be used for future open pit optimisation and reserve estimation. The resources were estimated by computer block modelling using geostatistical multiple indicator kriging methods. The estimate utilised DATAMINE resource estimation and mine planning software. Resource estimates have been presented at various cut-off grades from 0g/t to 2.0g/t Au.

Resource Summary for Northwest Orebody of the Jeroooy Deposit (Snowden & Associates, January 1999)								
	Measured		Indicated		Inferred		Total	
Cut-off (g/t)	Gold Grade (g/t)	Tonnes	Gold Grade (g/t)	Tonnes	Gold Grade (g/t)	Tonnes	Gold Grade (g/t)	Tonnes
0.0	6.80	6,101,040	1.48	57,643,868	1.21	10,567,095	1.88	74,312,003
0.5	6.86	6,048,488	1.80	45,195,028	1.44	8,469,037	2.26	59,712,553
1.0	7.18	5,741,629	2.32	30,460,116	1.93	4,960,312	2.95	41,162,057
1.5	7.69	5,287,136	2.82	20,865,076	2.33	3,176,002	3.64	29,328,214
2.0	8.14	4,909,946	3.35	13,982,225	2.73	1,841,318	4.43	20,733,489

In September 1999, Roscoe Postle & Associates ("RPA") completed an independent audit of the Snowden resource estimate for the Jeroooy Northwest gold deposit under the supervision of Richard E. Routledge, B.Sc., M.Sc. (Appl), P. Geol. This study examined the deposit for both open pit and underground ore extraction and concluded with certain qualifications that the "Snowden resource estimate is acceptable for use in a feasibility study for open pit mine design and optimisation and for general underground mine planning."

Among other criteria, RPA reviewed previous resource estimates; examined drill core; conducted error checking and data validation; reviewed assay statistics and protocols, quality assurance and control procedures; checked and verified the reported tonnage with the modelled domain solids; compared interpolated block grades to channel sample grades in surrounding drifts; contoured block model grades in

the low grade domain and compared results to assays and geology; compared length weighted average grade of assays with block model grades for each domain; assembled additional density data; reviewed and further investigated drill hole assay reliability; and reclassified some of the Measured Resources to Indicated Resources.

RPA went on to restate the Snowden resources as follows:

Resource Summary for the Jerooy Northwest Deposit (Roscoe Postle & Associates, September 1999) Snowden Measured and Indicated Resources Restated for Potential Open Pit (1g/t Au cut-off) and Potential Underground (4g/t Au cut-off)									
	ut-off (g/t)	HGD Tonnes	HGD Grade (g/t)	MDG Tonnes	MDG Grade (g/t)	LGD Tonnes	LGD Grade (g/t)	Total Tonnes	Total Grade (g/t)
Surface to 3,400m RL	1.0 (O/P)	2,160,000	9.87	4,200,000	3.29	12,510,000	2.03	18,870,000	3.21
3,400m to 3,050m RL	4.0 (U/G)	2,090,000	9.99	380,000	4.71	-	-	2,470,000	9.16

HGD=high grade domain; MGD=medium grade domain; LGD=low grade domain

Since completion of the preliminary feasibility study, Oxus has continued with the investigation and planning of the project.

There are a number of partially explored mineralised zones and geochemical anomalies around the Northwest Orebody. Some have been explored by core drilling and trenching whereas those close to the Northwest Orebody have underground development. The **Southeast Zone** is the most significant known zone of gold mineralization after the Northwest deposit, situated 300m to 400m to the south. Previous exploration has included trenching, core drilling and two levels of underground development. Additional levels have been driven from workings in the Northwest Orebody. The style of mineralisation is similar to that of the Northwest deposit but is more erratic and discontinuous with a northeast strike. Grades can be relatively high, greater than 10g/t Au, but more discontinuous. Mineralised zones reach a maximum width of 5m to 10m with a few lenses of 15m to 20m. Lenses are rarely more than 40m to 50m in length. The close proximity of this zone to the proposed open pit implies that this mineralised zone could be considered as an additional resource for the proposed open pit.

#### Exploration & Development

The Company plans to carry out an optimization of the Jerooy Northwest deposit mineral resources and reserves and will optimize and evaluate alternative options for mine development, including both open pit and underground components. The Company plans to complete a bankable feasibility study by the end of 2002.

**REPUBLIC OF ZIMBABWE**

## General

Commencing in 1999 the Company's strategy on investment in Zimbabwe was to acquire, or to negotiate agreements or options, on mineral or mining properties that were believed to be well located, to have known gold showings or to have had a history of commercial production or production on a small scale or which were located adjacent to mines with historical production.

The defeat in a national Referendum in early 2000 of a government proposal to amend the Constitution to provide for re-election of a President for a third term and the victory of the Opposition Movement appeared to indicate that the country was moving towards more progressive economic development. However, the victory of the Government Party and the defeat of the Opposition in a general parliamentary election in the spring of 2001, following a bitterly contested election campaign, followed by the subsequent seizure of commercially owned farms and the acrimonious election contest for the election of President in the spring of 2002, allied with the deteriorating economic conditions in the country, hyper inflation, government mandated wage increases, artificially fixed exchange rates, the general collapse in law and order and breakdown of the rule of law, all led to a severe deterioration in the operating conditions in Zimbabwe. The official exchange rate was maintained artificially high at Zim\$55 to US\$1, whilst the unofficial gray market exchange rate varied between 5 and 10 times this rate.

Although the Company acquired the producing Golden Kopje mine in June of 2001, it became apparent that the Company was unable to exercise normal management and control over the operations primarily due to lack of communication ability, harassment and intimidation of work force, suspected gold theft, fuel shortages, general unavailability of spare parts, hyper inflationary costs and the virtual non-enforceability of normal commercial legal rights and remedies.

In May 2002, in a restructuring of its Zimbabwe assets, the Company sold its interest in the Golden Kopje mine in Zimbabwe for \$1 but retained an option to reacquire up to a 50% joint venture interest in the mine. In addition the Company has taken a write-down of \$620,000 in its accounts for the year ended December 31, 2001 against a full carrying value of the Golden Kopje mine and against two small exploration properties also in Zimbabwe.

The Company's ongoing strategy with regard to its remaining properties in Zimbabwe is to seek to secure and maintain the assets pending stabilization and normality of the operating environment and clarification of the future direction and prospects for that country.

The following information on the Company's properties in Zimbabwe has been compiled from sources that are believed to be accurate, including government reports and reports provided by the owners or previous owners of the properties. Conquest has not had the opportunity to independently verify the accuracy of the information. The information is provided as a general background only to illustrate the potential of the various properties for the discovery, delineation definition and potential development, under normal operating circumstances, of the properties. With the exception of the Babs, Beehive, and Golden Kopje properties there are no known mineral reserves or resources as defined in National Instrument 43-101 on any of the Company's Zimbabwe properties.

### **1. Piper Moss Property**

#### Land Tenure

The company owns 6 mineral claims (Piper Moss, Piper Moss 2-6) through a wholly owned subsidiary which can be maintained in good standing by paying a modest annual fee to the Ministry of Mines.

### Location, Access and Infrastructure

The Piper Moss property lies approximately 3 kilometres north of the town of Kwe Kwe in the Midlands area of Zimbabwe. The area has a rich gold mining tradition with over 30 past producing mines located within a 10km radius. A major highway, linking Harare to Bulawayo, passes along the side of the property, providing excellent access. The Harare-Bulawayo railway lies parallel to the highway and electrical power is available to the site.

### Overview

The Piper Moss mine is a former gold production property (6<sup>th</sup> largest in the Midlands Goldfield) situated just 3km north of and in a similar geological setting to the Globe & Phoenix Mine, the second largest gold producer in Zimbabwe's history (over 2.3 million ounces gold). The Piper Moss mine was formerly accessed on 14 levels by two shafts and by over 10,670 metres of lateral development.

The Moss vein from which most of the past production of 163,200 ounces (520,000 tonnes at 10.8gm/t gold) was derived can be traced for over 1,200 metres and is up to 2m wide in places. Several of the ore shoots contain very rich grades which have been estimated (in government reports) to be in excess of 1.0 ounces per ton (34.28gm/t). Other production came from the Sinola and Spur veins. Several other mineralized structures occur parallel to the Moss vein and contain ore grade values.

### Geological Setting

The Kwe Kwe area lies within the Midlands Greenstone Belt, the largest and most prolific of the greenstone belts in terms of gold production for Zimbabwe. Within the belt, the Bulawayan and Shamvian Groups represent the two dominant stratigraphic units. The Bulawayan Group is the older and defines the lateral extent of the greenstone belt. It consists primarily of mafic to felsic volcanics which have been subdivided into a lower Mafic Formation, a middle sequence consisting of intermediate volcanics known as the Maliyami Formation, and an upper Felsic Formation. The Shamvian Group unconformably overlies the Bulawayan volcanics and consists primarily of a series of immature volcanic derived sediments which are generally represented by greywackes, grits, phyllites and conglomerates. The structural evolution of the Midlands Greenstone Belt initially involved extension, which led to the emplacement of the volcanics of the Bulawayan Group. Later the Sesombi, Whitewaters and Biri tonalites were intruded. This led to compressional deformation which formed a regional cleavage and foliation, folding and shearing, together with low grade metamorphism.

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### Reserves and Resources

There are no known reserves and resources as defined in National Instrument 43.101 on the Piper Moss property.

## **2. Babs and Beehive Mines**

### Land Tenure

The Company indirectly owns all of the issued and outstanding shares of Plontberg Manufacturing (Private)

Limited (*“Plontberg”*), a company incorporated under the laws of the Republic of Zimbabwe. Plontberg owns a 90% joint venture interest in the Babs and Beehive mine properties situated near Kwe Kwe in central Zimbabwe.

#### Location, Access and Infrastructure

The Beehive mine is located approximately 10km north of Kwekwe, adjacent to the Indarama and Sherwood Star gold mines and 6km north of the Piper Moss mine. The Babs mine is located 30km west of Kwe Kwe. The Beehive mine is readily accessible from the main Harare-Bulawayo highway and the Kwe Kwe-Gokwe paved highway passes alongside the Babs property. There is 33kva electrical power supply from the national power grid available at both sites.

#### Overview

The Babs and Beehive mines were re-developed between 1997 and 1998 at a cost of approximately \$4.5 million and operated for 9 months before being placed on care and maintenance in early 1999 as a result of falling gold prices and increasing interest costs in Zimbabwe currency.

The Beehive mine was previously operated intermittently between 1933 and 1984 when published records indicate 464kg gold were produced at an average grade of 6.8g/t. The mine is accessed by an inclined shaft which was rehabilitated and deepened in 1997. A second, vertical shaft from earlier operations, reaches the fifth level. Three types of gold-bearing formations are recognised at the mine: (1) banded iron formation; (2) felsic quartz porphyry and (3) fault-hosted quartz reefs. Ore shoots are developed along two parallel structures, respectively in the hanging wall and foot wall.

The Babs mine is accessed by an inclined shaft to below the third level and by two, shallow, vertical shafts to the second level which are remnants from earlier operations. Previous development during the period 1906 to 1947 was largely confined to the western section and above the third level where the mine is characterised by a strong and dominant Main Reef and a well mineralised Flat Reef. Previous reported production amounted to 623kg gold at an average grade of 9.6g/t. Only about one-third of the potential strike has been developed to a shallow depth.

#### Geological Setting

The Kwe Kwe area lies within the Midlands Greenstone Belt, the largest and most prolific of the greenstone belts in terms of gold production for Zimbabwe. Within the belt, the Bulawayan and Shamvian Groups represent the two dominant stratigraphic units. The Bulawayan Group is the older and defines the lateral extent of the greenstone belt. It consists primarily of mafic to felsic volcanics which have been subdivided into a lower Mafic Formation, a middle sequence consisting of intermediate volcanics known as the Maliyami Formation, and an upper Felsic Formation. The Shamvian Group unconformably overlies the Bulawayan volcanics and consists primarily of a series of immature volcanic derived sediments which are generally represented by greywackes, grits, phyllites and conglomerates. The structural evolution of the Midlands Greenstone Belt initially involved extension, which led to the emplacement of the volcanics of the Bulawayan Group. Later the Sesombi, Whitewaters and Biri tonalites were intruded. This led to compressional deformation which formed a regional cleavage and foliation, folding and shearing, together with low grade metamorphism.

The Beehive mine is located along the regional Taba Mali deformation zone and is hosted in mafic greenstones and pillow lavas of the Mafic Formation of the Bulawayan Group. Three cross cutting banded ironstone bodies occur within the immediate mine complex which host gold mineralization. A felsic quartz porphyry containing low grade gold mineralization occurs to the south.

The Babs mine is located in sheared propylitized andesitic lavas assigned to the Maliyama Formation of the

upper Bulawayan Group. The Sesombi tonalitic intrusive occurs to the north and east of the mine.

### Reserves and Resources

There are no reserves on the properties that can be defined under National Instrument 43-101. An inferred mineral resource for both mines, as presented by L. S. Blake of Blake Geological Consultants Limited in a report dated October 20, 2000, is 360,000 tonnes at a grade of 5.7g/t gold (Beehive: 145,000 tonnes at 8.8g/t Au; Babs: 214,000 tonnes at 5.0g/t Au). Blake indicates that a further inferred mineral resource of 400,000 tonnes of low grade mineralisation may be amenable to open pit mining and to heap leach gold extraction. The properties are considered to have potential for mineral resources and reserves to be delineated following completion of drilling and underground development programmes.

### Processing Plant

A 300 tonne per day processing plant is located on the Beehive mine site which was constructed in 1998. The crushing circuit consists of a primary and two secondary crushers which provide feed to a 350 tonne capacity fine ore bin. Ore is fed to two parallel ball mills, rated at 100 tpd and 200 tpd capacity respectively. Slimes are fed to C.I.P. tanks for leaching and subsequent carbon recovery. An on-site elution plant is used to recover gold from the carbon for subsequent smelting. A gravity circuit is also included. The plant is not currently operating.

## **3. Shamrock Property**

### Land Tenure

Conquest indirectly holds 8 mineral claims comprising the Shamrock gold mine through an assignment of a Tribute Agreement between Falcon Gold Zimbabwe (Private) Limited and Rysadust (Private) Ltd. Under the terms of the agreement Conquest has the right to operate the Shamrock mine until February 2006.

<b>Name</b>	<b>District</b>	<b>Registered Number</b>
Shamrock	Gweru	4471 BM
Shamrock 2	Gweru	4472 BM
Shamrock 3	Gweru	7797 BM
Shamrock 4	Gweru	7798 BM
Shamrock 5	Gweru	7799 BM
Shamrock 6	Gweru	7800 BM
Shamrock 7	Gweru	7801 BM
Shamrock 8	Gweru	7802 BM

### Location, Access and Infrastructure

The Shamrock property covers an area of 230 hectares in south-central Zimbabwe. Vehicle access is along paved and dirt roads leading from the town of Gweru, 35 km to the southeast. There is electrical power available to the site.

### Overview

The present Shamrock property includes several ancient workings on gold bearing veins that were first worked in modern times in 1901. Mining continued intermittently through 1938, with a declared production of 627.29 kilograms of gold (20,170 ounces) at an average recovered grade of 5.4 g/t Au. The present claims were staked in 1974 by Falcon who carried out limited additional development work, including deepening of the Merrifield shaft to 95 m, and blocked out reserves of 1,026 tonnes averaging 14.7 g/t Au. Falcon milled about 1,000 tonnes of development muck, producing 19.54 kilograms of gold (628 ounces).

Operations ceased in 1975 and the mine laid dormant until acquisition of the tribute by Rysadust in 1997. Rysadust has installed a small mill to treat quartz rubble from surface and vein/wallrock material from underground, plus a static-leach cyanide plant to treat new tailings and old dumps.

Although the historic production from the Shamrock Mine area has been relatively small, it was derived from parts of the upper levels of vein systems that are known to be more extensive both along strike and to depth. While there is very little information deeper than 100 metres from surface, it is reasonable to expect that this style of mineralization will extend to a depth at least equivalent to that of the strike of the veins. All of the gold-bearing reefs are open along strike and to depth.

Due to recent shortages of diesel fuel and lack of sufficient electrical power at the site, underground operations were curtailed in the second half of 2000.

Since August 1998 the plant has operated on an intermittent basis at about 15 tonnes per day, more recently operating on a toll mill basis treating ore delivered to the site by independent miners from surrounding small holdings.

### Geological Setting

The Kwe Kwe area lies within the Midlands Greenstone Belt, the largest and most prolific of the greenstone belts in terms of gold production for Zimbabwe. Within the belt, the Bulawayan and Shamvian Groups represent the two dominant stratigraphic units. The Bulawayan Group is the older and defines the lateral extent of the greenstone belt. It consists primarily of mafic to felsic volcanics which have been subdivided into a lower Mafic Formation, a middle sequence consisting of intermediate volcanics known as the Maliyami Formation, and an upper Felsic Formation. The Shamvian Group unconformably overlies the Bulawayan volcanics and consists primarily of a series of immature volcanic derived sediments which are generally represented by greywackes, grits, phyllites and conglomerates. The structural evolution of the Midlands Greenstone Belt initially involved extension, which led to the emplacement of the volcanics of the Bulawayan Group. Later the Sesombi, Whitewaters and Biri tonalites were intruded. This led to compressional deformation which formed a regional cleavage and foliation, folding and shearing, together with low grade metamorphism.

The property is underlain by Archæan felsic to intermediate volcanic and volcanoclastic rocks of the Ranche Felsic Formation, the second-oldest unit of the Zimbabwean Craton. A number of serpentinites have been intruded into the volcanics. In total, 14 gold-bearing reefs have been identified on the property, essentially quartz-vein zones striking east and dipping south. Pyrite and pyrrotite accompany the gold in the veins but are generally sparse.

The principal reefs are the Incline, Rose of Sharon, Shamrock and Merrifield, and these are the areas where most of the historic work was carried out. The individual "ore" zones within the reefs are generally less than 1 metre thick, across a horizontal width within the vein up to at least 50 metres in the Merrifield Reef. Known strike lengths of the reefs include 450 metres on the Incline Reef, 290 metres on the Rose of Sharon, 300 metres on the Shamrock and 300 metres on the Merrifield. Most of the less-developed reefs have similar strike length on surface. In historical underground sampling, the Incline Reef showed 68.4 g/t Au over 25 centimetres in the No.2 shaft; 42.8 g/t Au over 46 centimetres in the Rose of Sharon No.2 shaft; and 24.7 g/t Au over 71.5 centimetres in the Merrifield Reef, across 50 metres width.

### Reserves and Resources

There are no known mineral reserves or resources as defined under National Instrument 43-101 on the Company's Shamrock property.

### Exploration & Development

The Company plans to continue custom milling operations at Shamrock providing local economic conditions do not deteriorate further.

#### **4. Gretna Green Property**

##### Land Tenure

Conquest indirectly holds the 5 mining claim Gretna Green property (594.6 hectares) through an assignment of a Tribute Agreement dated January 1, 2000, between Falcon Gold Zimbabwe (Private) Limited and Rysadust (Private) Ltd. Under the terms of the agreement Conquest has the right to extract mineral product from the property until January 2006 and has the option to purchase the property for the Zimbabwe Dollar equivalent of 1,200 ounces of gold. The terms of the tribute require Rysadust to pay Falcon a royalty of 7% of the total gross value of gold and/or other products won by the mining operations, on a monthly basis.

<b><u>Name</u></b>	<b><u>District</u></b>	<b><u>Registered Number</u></b>
Gretna Green	Gweru	7927 BM
Gretna Green 2	Gweru	7928 BM
Gretna Green 3	Gweru	7951 BM
Gretna Green 4	Gweru	8491 BM
Gretna Green 5	Gweru	19558 BM

##### Location, Access and Infrastructure

The Gretna Green Property is located 35km northwest of Gweru and is located north of and contiguous with the Shamrock mine. The property comprises 595 hectares and includes 6 small former producing mines. Vehicle access is along paved and dirt roads leading from the town of Gweru, 35 km to the southeast. There is electrical power available at the adjacent Shamrock mine site.

##### Overview

The present Gretna Green property includes ancient workings on gold bearing veins that were first worked in modern times in 1908. The past-producing Gretna Green, Bedad, Eileen, Alannah, Solomon's Fortune and Vilgoten mines lie within the claims and had a combined declared production up to 1948 of 197.24 kg of gold (6,341 ounces) at an average grade of 8.2 g/t Au.

Although the historic production from the Gretna green group of mines has been relatively small, it was derived from parts of the upper levels of vein systems that are known to be more extensive both along strike and to depth. All of the gold-bearing reefs are open along strike and to depth. No work has been carried out by the Company.

##### Geological Setting

The Kwe Kwe area lies within the Midlands Greenstone Belt, the largest and most prolific of the greenstone belts in terms of gold production for Zimbabwe. Within the belt, the Bulawayan and Shamvian Groups represent the two dominant stratigraphic units. The Bulawayan Group is the older and defines the lateral extent of the greenstone belt. It consists primarily of mafic to felsic volcanics which have been subdivided into a lower Mafic Formation, a middle sequence consisting of intermediate volcanics known as the Maliyami Formation, and an upper Felsic Formation. The Shamvian Group unconformably overlies the Bulawayan volcanics and consists primarily of a series of immature volcanic derived sediments which are

generally represented by greywackes, grits, phyllites and conglomerates. The structural evolution of the Midlands Greenstone Belt initially involved extension, which led to the emplacement of the volcanics of the Bulawayan Group. Later the Sesombi, Whitewaters and Biri tonalites were intruded. This led to compressional deformation which formed a regional cleavage and foliation, folding and shearing, together with low grade metamorphism.

The property is underlain by Archæan felsic to intermediate volcanic and volcanoclastic rocks of the Ranche Felsic Formation, the second-oldest unit of the Zimbabwean Craton. A number of serpentinites have been intruded into the volcanics. At least six gold-bearing reefs have been identified on the property, essentially quartz-vein zones striking east and dipping south. Pyrite and pyrrhotite accompany the gold in the veins but are generally sparse.

#### Reserves and Resources

There are no known mineral reserves or resources as defined under National Instrument 43-101 on the Company's Gretna Green property.

### **5. Blue Rock Property**

#### Land Tenure

Conquest indirectly holds the Blue Rock gold mine through an assignment of a Tribute Agreement dated January 1, 2000 with D. Broughton under which the Company may operate the Blue Rock mine for six years from January 1, 2000, with an option to purchase the Property outright. The terms of the tribute require the Company to pay Mr. Broughton a royalty of 5% of production, payable monthly with a minimum payment equivalent to 140 g of gold. The option to purchase amounts to the Zimbabwe dollar equivalent of 1,300 ounces of gold and, if exercised, would terminate the royalty.

The Property consists of four contiguous claims in the Blue Rock group and eight contiguous claims in the Shlegani group, separated from the Blue Rock group by about 500 m. The two groups together cover approximately 400 hectares.

<b><u>Name</u></b>	<b><u>District</u></b>	<b><u>Registered Number</u></b>
Ruvingo 64	Chegutu	2368
Berks	Chegutu	12998
Blue Rock	Chegutu	12999
Blue Rock 2	Chegutu	20129BM
Jolly Miller	Chegutu	478BM
Jolly Miller 9	Chegutu	18912
Shlegani	Chegutu	18911
Shlegani 2	Chegutu	16092
Shlegani 3	Chegutu	16093
Shlegani 4	Chegutu	16110
Shlegani 13	Chegutu	2350
Shlegani 14	Chegutu	2351

#### Location, Access and Infrastructure

The Blue Rock Mine is located within the old Stockdale farm in the Chegutu District of central Zimbabwe, 6km north of the town of Chegutu and 3km south of the Giant Mine. The Blue Rock and Shlegani claims lie along the Chegutu-Chinoyi paved road. The main railway line from Harare to Bulawayo runs through

Chegututu and passes about 1.5 km east of the property. Vehicle access to the mine site is good, along dirt roads off the Chegututu-Chinoyi highway and electrical power is available to the site.

### Overview

The Blue Rock mine formerly produced over 235kg gold at an average grade of 10.3gm/t. The area is entirely underlain by Archaean rocks of the Basement Complex and forms the northern tip of the east-trending Hartley greenstone belt. The three claim groups are on continuations of the regionally extensive banded iron formation that runs through the New Found Out, Elvington and Giant mines. The Giant Mine produced over 550,000 ounces of gold (17,398.76 kg) mainly between 1902 and 1951 at a recovered grade of 8.43gm/t gold.

At Blue Rock, underground mining in the oxide zone above 45m, was mainly carried out in 1910-14, 1926-30 and 1933-35. Two inclined shafts were sunk to a depth of 45m. A limited amount of surface mining was also done at Blue Rock. The Blue Rock workings are based on two gold-bearing quartz reefs in hornblende-biotite schists. All of the production from the Blue Rock Mine has been from the oxide zone, above 45 m (5<sup>th</sup> level). The west reef has a proven strike of 90 m at the 26 m level, with a north-south strike and 64E east dip. Two inclined shafts were sunk on this reef, the main or No. 2 shaft going down to 38 m. The No. 1 shaft, a 60E incline, was sunk to 45 m on the east reef or the 5<sup>th</sup> level. A raise was put up from the end of a cross-cut at this level to connect with the west reef. During the development of the quartz reefs some gold was mined from the adjoining banded iron formation and from a jaspilite which was discovered by cross-cutting into the footwall at the 20 m level. The sulphide zones of both the quartz reefs and the iron formation are open to depth, and the strike extent of either has not been established. The declared historic gold production totalled 236.93kg of gold (7,617.5 ounces) at an average recovery of 10.3 gm/t gold. At Red Hat both open cast and underground mining was carried out to a depth of 91m during the periods 1933-1946 and 1950-1951. An inclined shaft followed the ironstone down on an easterly dip. A vertical shaft was later developed, cutting the reef at the 208-foot level (3 level). There is a further level (4 level) 90 feet below. Underground production was halted in 1946 when the main shaft caved. Declared production amounted to 500kg gold (16,000 ounces) at an average recovery of 12.0gm/t gold.

Several open cast workings were operated on the Shlegani claims. The Shlegani and Red Hat workings are hosted in north-south striking, banded iron formation. Although the historic production from the Blue Rock, Red Hat and Shlegani mines has been relatively small, it was derived from parts of the upper levels of vein systems and iron formations that are known to be more extensive along strike and are open to depth. There has been no modern exploration carried out on the property; in particular the potential of the iron formation horizon that hosts the gold mineralisation at Red Hat and at the nearby Giant Mine has not been addressed, nor has the sulphide zone potential of the reefs been examined. The properties have the potential to host a significant gold resource, given the favourable lithologies, geological setting and mining history. Insufficient data is currently available to calculate or classify reserves.

A small mill on the Blue Rock property is designed to process free-milling gold ore and has the capacity to process 30 tonnes per day.

### Geological Setting

The Kwe Kwe area lies within the Midlands Greenstone Belt, the largest and most prolific of the greenstone belts in terms of gold production for Zimbabwe. Within the belt, the Bulawayan and Shamvian Groups represent the two dominant stratigraphic units. The Bulawayan Group is the older and defines the lateral extent of the greenstone belt. It consists primarily of mafic to felsic volcanics which have been subdivided into a lower Mafic Formation, a middle sequence consisting of intermediate volcanics known as the Maliyami Formation, and an upper Felsic Formation. The Shamvian Group unconformably overlies the Bulawayan volcanics and consists primarily of a series of immature volcanic derived sediments which are generally represented by greywackes, grits, phyllites and conglomerates. The structural evolution of the

Midlands Greenstone Belt initially involved extension, which led to the emplacement of the volcanics of the Bulawayan Group. Later the Sesombi, Whitewaters and Biri tonalites were intruded. This led to compressional deformation which formed a regional cleavage and foliation, folding and shearing, together with low grade metamorphism.

### Reserves and Resources

There are no known reserves or resources as defined under National Instrument 43-101 on the Company's Blue Rock property.

## **6. Glencairn Properties**

### Land Tenure

Pursuant to an option agreement dated August 24, 2000, Conquest has the option to evaluate and acquire the Glencairn mine and adjacent properties (the "Glencairn group"). Under the terms of the option agreement Conquest may acquire a 100% interest in the Glencairn group of mines for a consideration of US\$1 million at any time during the term of the option agreement which is valid through August 31, 2006. Prior to exercising the option to purchase, Conquest has the right to operate the mines, including the use of the milling facility, in return for payment of a 5% production royalty. The property is held by Vulcan Mining Company (Pvt.) Ltd.

<u>Claim Block</u>	<u>District</u>	<u>Registration No.</u>	<u>No. of Claims</u>
Vulcan	Kadoma	17291	10
Glenmore	Kadoma	18626	10
Glenmore 2	Kadoma	18627	10
Glenmore 3	Kadoma	18628	10
Glenmore 4	Kadoma	18629	10
Glenmore 5	Kadoma	18630	10
Glenmore 6	Kadoma	18631	10
Glenmore 7	Kadoma	195	10
Glenmore 8	Kadoma	196	9
Glenmore 9	Kadoma	197	10
Glenmore 10	Kadoma	198	10
Glenmore 11	Kadoma	199	10
Glenmore 12	Kadoma	200	10
Discovery 6	Kadoma	17940	4
Site 19	Kadoma	2018A	5

### Location, Access and Infrastructure

The property is located within the Kadoma District of central Zimbabwe. The nearest urban centre is Kadoma, 11.5 km to the west. Access is via paved roads east from Kadoma, which straddles the Harare-Bulawayo highway. Electrical service is available to the site.

The property is located 4km northeast of the Cam and Motor mine, Zimbabwe's largest gold producer (>4.7 million ounces historic gold production) and covers 2.5km of strike along the main Eiffel Reef structure with which the Cam and Motor mine is also associated. The Glencairn group also includes the Glenmore, Eiffel

Main and Vulcan gold mines which collectively have produced over 75,000 ounces gold at an average grade of 16.0 g/t gold. The Glencairn and Eiffel Main mines were operated on a small-scale basis up to the end of 1999.

### Overview

The first claims in the area were staked at the beginning of the 1900's on ancient workings that formed part of the outcrop area of what became the Cam and Motor Mine. There is little record of development from 1910 until closure in 1917 though development in depth on the Glencairn suggested the reef would coalesce with the Eiffel Main reef. The owners of the Glencairn, Glenrosa Mines Ltd., acquired the Eiffel claims in 1912 and reclaimed the Blackwell shaft on the latter. After being deepened, this shaft became the main shaft serving the lower levels on the Glencairn reef and reached a depth of 120 m in 1912. A slimes retreatment program was carried out in 1925-26 and, in 1926-27, a syndicate produced 120 ounces of gold from milling waste dumps. The tenor of the ore milled up to closure in 1917 was 28 g/t Au yet no attempt was made to dewater the mine until it was tributed from the London and Rhodesian Mining and Land Company Limited in 1950 for the purpose of re-opening it under the Mining Settlement Scheme. It was dewatered during 1951 with limited development and exploration carried out as areas became accessible. These limited efforts revealed little of value and the mine closed again in 1952.

Some limited development and stoping in ore was done in the 1950s on a small cross reef on the 3<sup>d</sup> level between the north and south reefs. There was also a small amount of stoping on the north reef below the 5<sup>th</sup> level near the Blackwell shaft. Two diamond drill holes were sunk into the hanging wall and foot wall from the top (3<sup>d</sup> level) and bottom (4<sup>th</sup> level) of the #5 winze, in an attempt to find parallel reefs. A third hole was drilled into the hangingwall off the Eiffel Main reef from the #5 cross-cut, all without intersecting any significant gold values. This work was interpreted at the time as showing the mine was worked out and the existing stoped areas showed the pay limits. In the history of production at the Glencairn Mine, ore was milled from 1908 to 1917 and residues only were treated in 1911-14, 1916-17, 1918, 1925 and 1926. In all 1,550 kg of gold (49,843 oz) were extracted from 54,634 tonnes of ore, an average grade of 28.37 g/t Au, with a further 65.74 kg extracted from 10,517 tonnes of tailings.

The Eiffel Main mine is northeast of the Glencairn workings. The claims were first held by the Zambesia Exploring Company Ltd. but work was suspended in 1899 due to the Boer War. They were later acquired by the Alice Proprietary Mines (Rhodesia) Ltd. who let them on tribute to Messrs. Blackwell and Singer in 1907. The mine was worked down to 75 m and all available payable ore was extracted by August 1909. The reef strikes northeast and dips to the northwest at about 60E. The No. 3 inclined shaft, assumed to be Blackwell's shaft on the Glencairn, was sunk to 75 m on the main ore shoot where three reefs came together. Separate shafts were sunk on these reefs southwest of the main incline and "good ore" extracted to a depth of 20 m. At the junction of the reefs the orebody was 30-50 cm wide. Drives off the No. 3 shaft to the northeast revealed a short extension of the reef on the 37 m level and nothing on the 49 m level. On the 49 m level, stoping was confined to about 10 m southwest of the shaft. A northeast extension of the reef was sought, without success, by cross-cutting both ways from the bottom of a 9 m winze 64 m from the shaft. A surface trench was dug 110 m southwest of the shaft, without finding any gold mineralization.

The No.1 inclined shaft was sunk about 450 m northeast of the No. 3 shaft to a depth of 55 m. All the ground for about 50 m northeast of the shaft was stoped above the 24 m level. The dumps were assayed in November 1909 but gave values too low for treating at that time (0.75 g/t Au). They were, however, treated in 1926 with seemingly satisfactory results.

The Glenmore Mine is located on the old Blagdon Extension Farm about 5.2 km northeast of the Cam and Motor Mine and adjoining the Glencairn Mine on the west. The Glenmore main fissure is in similar rocks and parallel to that at the Eiffel Main. The Glenmore Mine has a maximum strike of payable ore of about 50 m, diminishing below the 3<sup>d</sup> level (34 m). The mine was developed to the 8<sup>th</sup> level (150 m) and a winze was sunk to 20 m below that on the reef. Poor values were recorded from the 7<sup>th</sup> level (125 m) down. The main

reef joins with a flatter reef at a depth of about 40 m, between the 3<sup>rd</sup> and 4<sup>th</sup> levels. The main reef was mined below the junction down to the 6<sup>th</sup> level (100 m), with two small isolated blocks mined between the 6<sup>th</sup> and 7<sup>th</sup> levels. Over 110 m of drifting was done on the 7<sup>th</sup> level

The Vulcan Mine is situated on the old Blagdon Extension Farm adjoining the Glencairn claims to the east. Work prior to 1934 included drifting on a series of quartz reefs to a depth of 23 m, within the zone of oxidation. At one time the mine was optioned to the Cam and Motor Gold Mining Company Ltd who worked some of the reefs from surface. A large tonnage of quartz rubble occurred on the property, apparently derived from three parallel reefs. Some of the rubble from near the No. 1 vertical shaft gave pannings from 8-60 g/t Au, while elsewhere showed only traces.

On the adjoining Vulcan No.2 block a rubble bed and a reef, parallel to the Glencairn, were exposed over a strike of 150 m. Production commenced in December 1934, with all the gold being extracted by amalgamation. The tailings were reported as being unpayable. The mine closed in 1938 with total production of 17.4 kg of gold (559 ounces) from 5,546 tonnes of ore, an average recovery of 3.14 g/t Au. The property currently has a 140 tonne per day milling complex on site which was operated on a trial basis by the Company during 2000.

### Geological Setting

The Eiffel Flats area east of Kadoma, within which the Glencairn group of mines is located, is entirely underlain by Archæan rocks of the Basement Complex. The east-trending Hartley greenstone belt is about 16 km wide in this area, and is comprised of the Upper Greenstone Series of the Bulawayan Group and overlying sediments of the Shamvaian Group. The greenstones were intruded by quartz-porphyry and felsite dykes. The northern margin of the belt, between Kadoma and Hartley, is marked by the intrusion of the tonalitic Biri granite, part of the Sesombi Suite. The southern margin of the belt is a faulted (and possibly intrusive) contact with migmatitic granites of the Rhodesdale Batholith. The faulting is marked by quartz-sericite schists and has obscured the relationship between the greenstone belt and the Rhodesdale Terrane, though the granites are probably older than the greenstones. The north-south Great Dyke lies about 35 km east of the Glencairn Mine.

The greenstones of the Hartley belt are dominantly of the Bimodal Unit, part of the Western Succession of the Upper Greenstones, and largely a bimodal volcanic suite of pillowed and massive tholeiitic basaltic flows, with some komatiites, alternating with dacite flows and clasts. The sequence includes mafic and ultramafic sills, grits and conglomerates locally derived from pyroclastic rocks, and banded iron-formation.

Quartz veins cut all formations of the area and vary considerably in age from post-Sebakwian to post-Shamvaian. Many cut the granitic areas, but a significant number occur within the greenstone belt. Gold occurs primarily as vein, impregnation and shear-zone deposits in the shear zones within the greenstone belt and along the Rhodesdale Terrane/greenstone belt contact. Insignificant amounts have been found in the Shamvaian sediments and the central gneisses of the Rhodesdale Terrane.

The Rhodesdale Terrane is characterized by complex plastic folding and upper amphibolite facies regional metamorphism. In contrast, though structures within the greenstone belt are complex and some fold limbs are overturned, deformation is slight and regional metamorphism is lower greenschist facies.

The Glencairn group of mines are situated in basaltic greenstones, along a series of east-northeast-trending fractures that parallel the local strike of the Hartley greenstone belt. Narrow bands of clastic sediments occur intercalated with the basaltic greenstones, and several narrow dolerite sills occur in the vicinity. The general geology is very similar to that of the Cam and Motor Mine to the west, though the association of significant quartz veining and gold mineralization with sediment/greenstone contacts is less marked in the shallow historic workings of the Glencairn Mine.

## Reserves and Resources

There are no reserves and resources as defined under National Instrument 43-101 on the Company's Glencairn property.

### **7. Eiffel Flats Properties**

#### Land Tenure

Pursuant to an option agreement dated September 2000, Conquest may evaluate and has the option to acquire several former gold mines and adjacent properties situated adjacent to the Glencairn mine. Under the terms of the agreements Conquest has the right to acquire a 100% interest in the two groups of mines for a total consideration of US\$1,000,000 at any time during the term of the option agreements which are valid through August 31, 2003.

#### Location, Access and Infrastructure

The property is located within the Kadoma District of central Zimbabwe. The nearest urban centre is Kadoma, 11.5 km to the west. Access is via paved roads east from Kadoma, which straddles the Harare-Bulawayo highway. Electrical service is available adjacent to the properties. The Eiffel and Ibrox properties are located immediately adjacent to the Cam and Motor mine property.

#### Overview

The mines occur on the northwest limb of the Eiffel Flats anticline, in a similar structural position as the Cam and Motor mine. Mineralised parallel and cross structures are known on the properties, many of which have not previously been developed. Mining at the Cam and Motor mine continued to a depth of 1,900 metres below surface, whereas depth of historic development on the Eiffel and Ibrox properties has only been in the order of 100-200 metres. All of the old mines are currently closed and the underground workings are flooded.

The Eiffel group, comprising the Eiffel Blue, Blue Duck and Orcus properties, extends approximately 3km to the northeast of the Cam and Motor mine. The mines were first worked in the early part of the last century, mainly in the periods 1906-1925 and again during 1938-1941 when the mines historically produced over 94,000 ounces gold at an average grade of 14.5 g/t. The Eiffel Blue mine has workings to 7 levels (180m). The Blue Duck mine has been developed via a vertical shaft to 10 level (260m) and an inclined shaft to 3 level. The conjugated shear zone is reported to have had similar characteristics to one of the gold reefs which provided significant production within the Cam and Motor mine complex. At the Orcus mine, two ore bodies were developed which converged at the lowest developed level (100m).

The Ibrox mine is situated approximately 4km northeast of the Cam and Motor mine. The Ibrox mine was first worked in 1909-1910, and again in 1939 and between 1946 and 1952. A total of 472 ounces of gold were recovered at an average recovered grade of 4.28 g/t gold. Closure of the Ibrox mine was not due to exhaustion of ore reserves but due to high pumping costs and excessive flooding. The Ibrox mine is developed down to the 86.9 m level (4 Level) which is accessed by a vertical shaft. An inclined shaft is situated 300 m to the northeast which provides access to the 27.4m level (2 Level). The mine comprises a complex system of northeast trending, sub-parallel shear zones developed in massive and competent mafic volcanic rocks. The deformation zone is 10 to 20 metres wide in which several anastomosing quartz shears occur. Individual quartz shears are reported up to 3 metres in thickness. As with the Cam and Motor mine, there is evidence at the Ibrox for north to northwest trending mineralised cross structures.

### Geological Setting

The Eiffel Flats area east of Kadoma, within which the Glencairn group of mines is located, is entirely underlain by Archæan rocks of the Basement Complex. The east-trending Hartley greenstone belt is about 16 km wide in this area, and is comprised of the Upper Greenstone Series of the Bulawayan Group and overlying sediments of the Shamvaian Group. The greenstones were intruded by quartz-porphyry and felsite dykes. The northern margin of the belt, between Kadoma and Hartley, is marked by the intrusion of the tonalitic Biri granite, part of the Sesombi Suite. The southern margin of the belt is a faulted (and possibly intrusive) contact with migmatitic granites of the Rhodesdale Batholith. The faulting is marked by quartz-sericite schists and has obscured the relationship between the greenstone belt and the Rhodesdale Terrane, though the granites are probably older than the greenstones. The north-south Great Dyke lies about 35 km east of the Glencairn Mine.

The greenstones of the Hartley belt are dominantly of the Bimodal Unit, part of the Western Succession of the Upper Greenstones, and largely a bimodal volcanic suite of pillowed and massive tholeiitic basaltic flows, with some komatiites, alternating with dacite flows and clasts. The sequence includes mafic and ultramafic sills, grits and conglomerates locally derived from pyroclastic rocks, and banded iron-formation.

Quartz veins cut all formations of the area and vary considerably in age from post-Sebakwian to post-Shamvaian. Many cut the granitic areas, but a significant number occur within the greenstone belt. Gold occurs primarily as vein, impregnation and shear-zone deposits in the shear zones within the greenstone belt and along the Rhodesdale Terrane/greenstone belt contact. Insignificant amounts have been found in the Shamvaian sediments and the central gneisses of the Rhodesdale Terrane.

The Rhodesdale Terrane is characterized by complex plastic folding and upper amphibolite facies regional metamorphism. In contrast, though structures within the greenstone belt are complex and some fold limbs are overturned, deformation is slight and regional metamorphism is lower greenschist facies.

The Eiffel Flats group of mines are situated in basaltic greenstones, along a series of east-northeast-trending fractures that parallel the local strike of the Hartley greenstone belt. Narrow bands of clastic sediments occur intercalated with the basaltic greenstones, and several narrow dolerite sills occur in the vicinity. The general geology is very similar to that of the Cam and Motor Mine to the west.

### Reserves and Resources

There are no reserves and resources as defined under National Instrument 43-101 on the Company's Eiffel Flats property.

## **8. Golden Kopje Mine**

The Company sold its indirect interest in the Golden Kopje mine for \$1 in May 2002. The following disclosure is included for historical information purposes only.

### Land Tenure

The Golden Kopje mine is indirectly owned by CanZim Resources Inc. The property comprises 37 mining claims for a total area of 1,004 hectares and two Exclusive Prospecting Orders comprising 64,951 hectares. Pursuant to an agreement dated May 3, 2002, Conquest may acquire up to a 50% interest in the Golden Kopje mine and/or the Golden Kopje Tailings Project by contributing capital or equipment to deepen the mine or develop the Tailings Project.

### Location, Access and Infrastructure

The Golden Kopje mine is located 22km southwest of Chinhoyi and 150km northwest of the capital Harare. The mine is easily accessible by a paved highway from the town of Chinoyi. Paved and gravel roads provide access to the Exclusive Prospecting Orders. The Golden Kopje mine, comprises a 500 tonne per day mine and processing plant and has been operating and producing gold on a continuous basis since 1983. Power, water resources, accommodation and skilled labour are in place.

### Overview

The Golden Kopje mine was developed in 1983 by Blanket Mines (1983) Private Limited, the operating company in the country for Falconbridge Gold Company. Earlier, sporadic production had come from the property in the period 1906 to 1950. Approximately 15 tonnes gold has been produced from the mine historically. In November 1997, the mine was acquired from Kinross by Thunderbird Mines Limited. In June 2001, Conquest acquired an indirect interest in the mine. In a restructuring of its Zimbabwe assets in May 2002, Conquest sold the Golden Kopje mine to CanZim Resources Inc for \$1.

The Golden Kopje mine produced approximately 6,000 ounces gold during 2001.

The mine is serviced by 5 shafts and has a 500 tonne per day processing plant on site including primary and secondary crushing circuits; grinding and re-grinding circuits (2 ball mills); flotation circuit with cyanide leaching of the floatation concentrate and Merrill Crowe precipitation and subsequent smelting of recovered gold. Recoveries have varied from 72-85%.

### Geological Setting

The Golden Kopje mine lies within the Chinhoyi-Guruve Greenstone Belt along its southwestern and central portions. The geology comprises mostly metasediments and metavolcanics assigned to the Bulawayan Group with overlying Shamvaian metasediments. The Bulawayan Group comprises mostly basaltic pillow lavas, phyllites, cherts and banded iron formation. The upper succession Shamvaian Group comprises bedded arkoses, greywackes, grits, conglomerates andesites, dacites and carbonate rocks. The Zwimba granite lies to the south. The ore bodies occur within oxide facies banded iron formation which is enclosed between a talc schist footwall and a chlorite schist hangingwall. The orebodies comprise closely spaced quartz-pyrite veins which continue along strike into more extensive zones of mineralization characterized by banded, massive and disseminated mineralization. Mineralization comprises mostly pyrite, pyrrhotite, occasional chalcopyrite, sphalerite and pentlandite. The mineralization is generally stratabound and mostly restricted to the banded iron formation. The banded iron formation bodies comprise elongated sulphidic lenses ranging in length from 5 metres to 30 metres and widths of 1 metre to 8 metres. They strike mostly northeastwards and dip steeply to the northwest.

### Reserves and Resources

The indicated mineral resource for the Golden Kopje mine as at October 2001 is 597,000 tonnes grading 4.70gm/t gold and the inferred mineral resource is 606,000 tonnes grading 5.70gm/t gold (L. Blake, Blake Geological Consultants Limited). There is approximately 1.3 million tonnes of tailings sands on the property from historic production.

### Exploration & Development

In conjunction with CanZim Resources Inc., the Company may conduct a review and evaluation on the potential re-treatment of historic tailings at Golden Kopje as well as evaluating the economics of accessing and developing mineral resources at deeper levels in the mine.

## REPUBLIC OF TANZANIA

### 1. Suguti Property

#### Land Tenure

The Suguti property is held by Conquest's wholly-owned subsidiary, Sampo Resources (Tanzania) Ltd. ("Sampo"). The Prospecting Licence 337/95 held in Sampo's name and currently subject to an option/JV agreement with Pangea Gold Mines Ltd. (now Barrick Gold) has recently been replaced by a new licence issued in Barrick's name and held in trust for Sampo. Under the terms of the agreement, Barrick can acquire a 100% interest in the Property subject to a 2% NSR royalty in favour of Sampo by completing a bankable feasibility study and making a small annual payment. Barrick has the right to purchase the royalty for a payment of US\$1 million.

#### Location, Access and Infrastructure

The Suguti property is located within the Lake Victoria Goldfield. The property is situated about 26km east of Suguti Bay on the east side of Lake Victoria. The regional centre of Musoma lies about 60km to the north and may be reached by following 7km of unimproved track from the village of Mwibaggi to the paved road connecting Mwanza, to the south, with Musoma. Musoma is serviced by regular scheduled air service, has good hotels, banks and postal-telecommunications services. Bus, rail and boat service are also available at or near to Mwanza.

#### Overview

The Suguti property is well located within the Lake Victoria Goldfield with respect to former gold mines and prospects in the middle of the Musoma greenstone belt. Gold was first discovered in the Musoma greenstone belt in 1913. Production began at Buhemba in 1922. Total production from the area is reported to be 23,378kg (751,500 ounces) gold. The closest former producer of any size, the former Kiabakari mine, lies 11km to the north of the property and produced 8,900kg gold (274,000 ounces) from an underground operation. There are no records of small-scale local gold mining on the property.

Approximately US\$250,000 has been spent in historic exploration on the property comprising geological, geochemical and geophysical surveys. In October 1995 Sampo entered into a joint venture with Pangea Gold Mines Ltd. (now Barrick Gold).

#### Geological Setting

The Suguti licence lies in the central portion of the Musoma-Mara Greenstone Belt which forms part of the Archean granite-greenstone terrain of the Tanzanian Craton. The greenstones represent the Nyanzian System that has been described as pendants to the granitic basement, called the Dodoman. The Nyanzian greenstones host most of Tanzania's gold deposits. The Nyanzian System comprises a lower series of basalt flows and mafic tuffs overlain by a series of felsic volcanic breccia and chemical sediments, which include exhalites dominated by banded iron formation. The mafic and felsic members of the Nyanzian sequence have been intruded by syn- and late-orogenic granites.

#### Reserves and Resources

There are no known mineral reserves or resources as defined under National Instrument 43-101 on the Suguti properties.

## **2. Ikungu Property**

### Land Tenure

The Ikungu property is held by Conquest's wholly-owned subsidiary, Sampo Resources (Tanzania) Ltd. ("Sampo"). The property is located in the Lake Victoria Gold Field, Tanzania. The property consists of prospecting licence number 25/92, originally granted to the Sampo in May, 1992. The licence has been extended three times and is currently awaiting re-issue by the Ministry.

Under a 1994 agreement as amended in 1995, Sampo granted Patrician Gold Mines Limited and JCI (Tanzania) Ltd. the right to earn an 85% interest in the property for an expenditure of U.S.\$2 million. In 1997, JCI earned an 85% interest in the property and acquired an additional 2% interest as Sampo did not participate pro rata to its interest in the joint venture. In 2000, Sampo acquired JCI's 87% interest in the property for a net smelter royalty of 1.5% on the first 185,000 ounces of gold production and 1% on any additional gold production.

### Location, Access and Infrastructure

The Ikungu property is located within the Lake Victoria Goldfield. The property comprises 18.5 sq.km. and is situated about 16km west of the regional centre of Musoma. Musoma is serviced by regular scheduled air service, has good hotels, banks and postal-telecommunications services. The main road between Mwanza and Nairobi runs through Musoma. Bus, rail and boat service are also available at or near to Mwanza. Access to the property is by a rough track running south from Musoma. JCI constructed a camp and core shed on the property.

### Overview

Former work between 1933 and 1942 consisted of milling about 40, 000 tons from which 22, 000 ounces are reported to have been recovered (average recovered grade of 17.1gm/t).

The total amount spent on exploration of the present licence area by Sampo and joint venture partners amounts to US\$2,496,610. Diamond drilling on the present property consists of 20 holes amounting to 3,689.41 metres. Reverse circulation holes number 18 and amount to 1,313.0 metres of drilling. The work was completed in two separate programmes. During the first diamond drilling programme two holes intersected gold content and widths of possible commercial interest. Several zones of lower grade mineralisation were encountered in the reverse circulation drilling. A total of 1,425 geochemical samples were collected for analysis and 625 line kilometres were flown during an airborne geophysical survey.

An exhalite horizon was trenched by former operators over a strike length of about two kilometres between former mine workings. Scattered samples from these trenches, taken in 1964, show encouraging values of gold in the range 1.5 to 2.0gm/t with erratic high values to 103gm/t. Two types of gold deposit are recognised on the property for which a two-staged work programme is recommended. The first type of deposit is the low grade, oxidized material near surface which further work might show justifies a heap-leach/open pit operation. The second type of deposit is the high grade material cut at depth below the former Forest Mine. Several encouraging intersections were recorded in drilling carried out in 1994, including 24.8gm/t over 4.78m and 12.0gm/t over 6.0m. A third type of gold deposit present within the exhalite horizon consists of gash veins containing coarse gold. Although this type of deposit was mined formerly, it represents a difficult exploration target.

### Geological Setting

The Ikungu licence lies in the Musoma-Mara Greenstone Belt which forms part of the Archean granite-greenstone terrain of the Tanzanian Craton. The greenstones represent the Nyanzian System that has been

described as pendants to the granitic basement, called the Dodoman. The Nyanzian greenstones host most of Tanzania's gold deposits. The Nyanzian System comprises a lower series of basalt flows and mafic tuffs overlain by a series of felsic volcanic breccia and chemical sediments, which include exhalites dominated by banded iron formation. The mafic and felsic members of the Nyanzian sequence have been intruded by syn- and late-orogenic granites. On the property three main lithologies are recognised - basaltic flows, basaltic tuffs and exhalite-banded iron formation. Metamorphism is of high grade greenschist facies.

### Reserves and Resources

There are no known reserves or resources as defined under National Instrument 43-101 on the Ikungu property. However, in 1996, JCI Limited, a former joint venture partner, estimated an inferred mineral resource for the Forest mine of approximately 2,500,000 tonnes at 2.25g/t Au, including 313,500 tonnes at 8.1g/t gold. Low grade material around the Road Shaft was not taken into consideration and neither was the potential for near-surface, low grade mineralisation.

### **COMPETITIVE CONDITIONS**

The Mineral industry is intensely competitive in all its phases. There is aggressive competition for the discovery and acquisition of properties considered to have commercial potential. The Company competes with many companies possessing far greater financial resources and technical facilities than itself for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees.

### **HUMAN RESOURCES**

Conquest's corporate and registered office is located in Toronto, Canada with a representative office in Vancouver, B.C.

As at May 15, 2002 the Company had no permanent employees. The functions of management, finance, accounting, operations and investor relations are provided by the Directors and senior management on a contract, consultancy or part time basis.

The Company will depend upon recruiting and maintaining qualified personnel to staff its operations. The Company believes that such personnel currently are available at reasonable salaries and wages in the geographic areas in which the Company intends to operate. There can be no assurance, however, that such personnel will always be available in the future. In addition, it cannot be predicted whether the labour staffing at any of the Company's projects will be unionized, resulting in potentially higher operating costs.

### **Dependence upon Key Personnel**

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its senior management. The loss of services of any of its management could have a material adverse effect on the Company. The Company does not maintain key man insurance on any of its management.

### **Conflicts of Interest**

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies or have significant shareholding in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a

director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the Company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

## **RISK FACTORS:**

### **Exploration and Development Risks**

The business of exploring for minerals and mining involves a high degree of risk. There is no assurance the Company's mineral exploration activities will be successful. Few properties that are explored are ultimately developed into producing mines. In exploring and developing its mineral deposits the Issuer will be subjected to an array of complex economic factors and technical considerations. Delays in obtaining governmental approvals, inability to obtain financings or other factors could cause delays in exploring and developing properties. Such delays could materially adversely affect the financial performance of the Issuer. Unusual or unexpected formations, formation pressures, power outages, labour disruptions, flooding, explosions, cave-ins, landslides, environmental hazards, the discharge of toxic chemicals and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration and development programs.

### **Stage of Development**

All of the Company's properties are in the exploration or pre-production stage. As a result there can be no assurance that the Company will be able to develop and operate any of these projects' profitably, or that its activities will generate positive cash flow.

Exploration and development of minerals is a speculative venture involving some substantial risk. There is no certainty that the expenditures to be made by the Company will result in discoveries of commercial quantities of ore.

### **Title Matters**

The mining claims in which the Company has an interest may not have been surveyed and, accordingly, the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land comprising the claims may be in doubt. Some claims are subject to regular compliance with assessment work requirements.

While the Company has investigated title to all mining claims and, to the best of its knowledge, title to all properties is in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer or native land claims and title may be affected by undetected defects. Other parties may dispute the Company's title to its mining properties.

### **Marketability**

The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, proximity of the necessary infrastructure, government regulations relating to prices, taxes, royalties, land tenure, land use, importing

and exporting minerals and environmental protection. The exact effect of these factors cannot be accurately predicted.

### **Mineral Prices**

The market price of precious metals and other minerals is volatile and cannot be controlled. If the price of precious metals and other minerals should drop significantly, the economic prospects of the projects that the Company has an interest in could be significantly reduced or rendered uneconomic. There is no assurance that, even if commercial quantities of ore are discovered, a profitable market may exist for the sale of products from that ore. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Mineral prices have fluctuated widely, particularly in recent years.

The price of gold, has experienced volatile and significant movements over short periods of time and is affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations (including the U.S. dollar relative to the Canadian dollar and other currencies), interest rates, global or regional consumption patterns, speculative activities and increases in production due to improved mining and production methods. The supply of and demand for gold is affected by various factors including political events, economic conditions and production costs in major mineral producing regions.

### **Currency Conversion and Exchange Rates**

Exchange rate fluctuations can have a significant impact on the Company's operations. In particular Zimbabwe has experienced high regulated fixed official exchange rates which adversely affect mining operations in that Country.

### **Environmental and other Regulatory Requirements**

Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extend of which cannot be predicted. Before production can commence on any properties the Company must obtain regulatory approval and there is no assurance that such approvals will be obtained. Although the Company believes its mineral and exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

The Company is not aware of any environmental protection measures required or any unusual contingent environmental liabilities applicable to its properties which are not generally common to mineral exploration, development and production industry participants in all of the jurisdictions in which the Company holds property interests. The Company has not received notice from any applicable governmental authorities of non-compliance with such regulations relating to safety and environmental protection.

### **Uninsured Risks**

The Company may become subject to liability for cave-ins, pollution or other hazards or have a material adverse effect on the Company's financial position against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. The payment of such liabilities would reduce the funds available for exploration activities of mineral exploration and mining. In particular, the Company is not insured for environmental liability or earthquake damage.

### **Laws and Regulations - Political Stability**

The Company's properties may be affected by the extent of the political stability in each country in which the properties are located and the nature of government regulation relating to the resource industry and foreign investors therein. Changes in regulation or shifts in political conditions are beyond the control of the Company and may adversely affect its business and its holdings.

Certain of the Company's properties are located in the African countries of Zimbabwe and Tanzania and in the Kyrgyz Republic. The Company's mining and exploration activities in these countries may be affected by the extent of the country's political and economic stability and the nature of their government regulation relating to the mining industry and foreign investors therein. Changes in regulation or shifts in political conditions are beyond the control of the Company and may adversely affect its business and its holdings. In addition, mining operations may be affected by government regulations with respect to production, price controls, export controls, exchange controls, income taxes, expropriation of property, environmental legislation and mine safety.

### **Additional Financing**

The Company's ability to continue exploration, development and commencement of production of its properties will be dependent upon its ability to raise additional financing. No assurances can be made that the Company will be able to raise such additional capital.

The development of the Company's properties will depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There is no assurance that the Company will be successful in obtaining the required financing.

### **Limitations on Enforceability**

All or a substantial portion of the assets of the Company are located outside Canada. As a result the ability of investors to enforce judgements obtained in Canadian courts predicated upon civil liability provisions of applicable securities laws in Canada may be adversely affected.

**Item 4: - Selected Consolidated Financial Information**

The following tables set forth selected financial information with respect to Conquest for the three years ended December 31, 1999, 2000 and 2001. The information appearing below has been derived from and should be read in conjunction with the financial statements of the Company and notes thereto:

	<b>2001</b> \$	<b>2000</b> \$	<b>1999</b> \$
<b>Revenue</b>	0	16,669	0
<b>Administrative Expenses</b>	258,922	180,673	8,654
<b>Net Earnings (Loss)</b>	(1,097,342)	(189,164)	(8,654)
<b>Net Earnings (Loss) Per Common Share</b>	(0.05)	(0.01)	(0.00)
<b>Total Assets</b>	4,741,531	2,367,590	532,940
<b>Total Long Term Debt</b>	0	0	0
<b>Shareholders Equity</b>	4,160,851	2,172,923	484,197

**Quarterly Information:**

	<b>Revenue</b> \$	<b>Net Earnings (Loss)</b> \$	<b>Net Earnings (Loss)</b> <b>Per Common Share</b> \$
<b>2001</b>			
Fourth Quarter	0	(774,376)	(0.05)
Third Quarter	0	(162,008)	(0.01)
Second Quarter	0	(124,634)	(0.01)
First Quarter	0	(36,324)	(0.01)
<b>2000</b>			
Fourth Quarter	16,609	(34,537)	(0.01)
Third Quarter	0	(58,210)	(0.02)
Second Quarter	0	(74,923)	(0.01)
First Quarter	0	(21,494)	(0.01)

The quarterly information above is unaudited and has been re-stated to credit revenue from sale of gold produced from development stage properties to deferred exploration expenditure and to deconsolidate the operations of Elverton in the Third Quarter of 2001.

**Item 5: - Management's Discussion and Analysis of Financial Condition and Results of Operations Year Ended 31 December 2001**

**A. General**

Conquest is a Toronto based junior mining exploration and development company, incorporated in 1945, which is conducting a feasibility study on the 2 million ounce Jerooy gold project in Kyrgyz Republic. In addition Conquest holds interests in two gold exploration properties in Ontario, at the Red Lake and Detour Lake gold camps, as well as exploration and development projects in Tanzania and Zimbabwe.

**B. Quarterly Information**

Refer to Item 4 - Selected Financial Information

**C. Liquidity and Capital Resources**

At December 31, 2001, Conquest had cash of \$8,843 compared to \$48,170 at December 31, 2000. The Company had a working capital deficiency of \$571,226 compared with \$122,910 at December 31, 2000. Included in accounts payable and accrued liabilities of \$580,680 at December 31, 2001 is \$182,805 due to related parties and \$272,731 due to a minority joint venture partner in one of the Zimbabwe properties.

At December 31, 2001 the Company held mining properties with a total book value of \$3,273,944. Of this total, \$591,359 represents properties in Canada whilst the balance represents mineral properties in Africa. Plant and mining equipment, located in Zimbabwe, is carried at \$1,458,133. The balance sheet values may not represent that which could be obtained were the properties to be offered for sale at this time.

At December 31, 2001 the Company had 20,971,139 common shares issued and outstanding. In addition the Company had an aggregate of \$3,160,000 convertible debentures outstanding. These debentures are classified as equity. The debentures are convertible to common shares until 2006 at escalating prices between \$0.20 and \$0.35 per share. Interest at 8% per annum is payable, at the option of the Company in shares and at maturity the Company is entitled to pay the principal amount in shares at the market price at that time.

In February 2001, approval was received from the Canada Customs and Revenue Agency under the Income Tax Act, making its shares eligible for Registered Retirement Savings Plans (RRSPs), Registered Retirement Income Funds (RIFs) and Registered Educational Savings Plans (RESPs).

Subsequent to year end in April, 2002, Conquest completed a private placement of 3,000,000 Units at a subscription price of \$0.10 per Unit. Each Unit comprises one Common Share and one Common Share Purchase Warrant. Each Common Share Purchase Warrant entitles the holder to purchase an additional Common Share at an exercise price of \$0.20 at any time prior to close of business on September 30, 2002.

**D. Results of Operations**

During 2001, Conquest's operating activities were mainly concentrated in Zimbabwe while corporate activities in Canada focused on property identification, evaluation and acquisitions. Conquest incurred a loss for 2001 of \$258,922, before amortization and property write downs, compared to a loss of \$180,673 in 2000. Amortization of plant and equipment was \$253,026 in 2001 compared to \$25,160 in 2000. After property write downs of \$585,394, the net loss for 2001 was \$1,097,342 (5¢ per share) compared to a net loss for 2000 of \$189,164 (1¢ per share). The property write downs related to certain of the Company's mineral properties in Zimbabwe.

The Company recorded no revenue in 2001 as property option payments received and proceeds generated from the sale of gold produced during development stage were credited to the deferred exploration expenditure on the relevant properties.

Administration expense during 2001 amounted to \$258,922 compared to \$180,673 in 2000. The major items were office and general expense of \$177,454 in 2001, compared with \$41,888 in 2000 and corporate expenses of \$48,738 in 2001 compared to \$32,580 in 2000. The increase in expenses during 2001 was as a result of increased corporate activity.

During 2001 the Company settled \$78,256 of historic indebtedness through the payment of \$22,986 in cash and the issue of 552,698 common shares at a deemed issue price of \$0.10 per share.

During 2001 Conquest completed the acquisition of a number of mineral properties in Zimbabwe, financed by the issue of convertible debentures.

In April 2001, the Company acquired all of the shares of African Gold B.V. ("Afgold") and notes payable by Afgold of Stg£400,000 and US\$1.0 million for a consideration of US\$1,500,000. Afgold is the indirect owner of a 90% interest in the Babs and Beehive gold properties, situated near Kwekwe in the Midlands Goldfield of Zimbabwe.

In April 2001, the Company completed the private placement of convertible debentures in the principal amount of \$2,600,000. The debentures are convertible into common shares of the company before April 30, 2006 at a conversion price of \$0.20 per share during the first two years and at \$0.25, \$0.30 and \$0.35 per share respectively during the third, fourth and fifth years. Interest at 8% is payable, at the option of the Company, in shares. If fully converted, a further 7,428,571 to 13,000,000 common shares of the company would be issued.

In August, 2001, the Company acquired all of the shares of Elverton Limited ("Elverton") for a consideration of \$560,000 satisfied through the issue of convertible debentures in the aggregate principal amount of \$560,000. Elverton indirectly owns the Golden Kopje gold mine, situated near Chinoyi in the Midlands Goldfield of Zimbabwe. The debentures are convertible into common shares of the company before August 30, 2006 at a conversion price of \$0.20 per share during the first two years and at \$0.25, \$0.30 and \$0.35 per share respectively during the third, fourth and fifth years. Interest at 8% is payable, at the option of the Company, in shares. If fully converted, a further 1,600,000 to 2,800,000 shares of Conquest would be issued.

During 2001 the Golden Kopje mine, which employs over 300 people, produced 5,992 ounces of gold. Operations were severely impacted by the economic and political conditions prevailing in Zimbabwe. The country experienced hyper inflation, fuel shortages and government mandated wage increases. At the same time the local currency was maintained at an artificially high exchange rate. The combined impact of these factors is to render most traditional mining operations in Zimbabwe uneconomic. Subsequent to year end in May, 2002, in a restructuring of its Zimbabwe assets, Conquest sold its interest in Elverton and the Golden Kopje mine for \$1. In addition Conquest has taken a write down of \$620,000 in its accounts for the year ended December 31, 2001 against the full carrying value of the Golden Kopje mine and against the Rama and Athem exploration projects also in Zimbabwe.

At the Company's other mining properties in Zimbabwe, pilot scale production was carried out as part of the ongoing evaluation and development of these properties. The revenue of \$534,437 generated from this gold production was credited to deferred exploration expense. Continued operation of the mining properties in Zimbabwe, and receipt of any cash flows, is dependent on a stabilization of the economic and political situation in Zimbabwe and on finance being available to fund the development of these projects.

## **E. Subsequent Events**

- (a) The Company has signed a letter of intent to enter into a joint venture agreement with Prism Resources Inc. ("Prism") whereby the Company will have the right to acquire a 60% interest in Prism's right to earn a 100% interest in the Aurora Property. The Aurora Property consists of a group of 11 mining leases and 18 mining claims in Ontario, Canada. Conquest may acquire an initial interest by expending a total of \$350,000 on exploration and development programs prior to June 30, 2004 with a commitment of \$150,000 expenditure prior to June 30, 2003.
- (b) The Company entered into a letter of intent to earn an interest in a group of 27 patented mining claims situated in Central Balmer Township in Ontario, Canada. Under the agreement with Energold Minerals Inc. ("Energold"), the Company shall have the right to earn up to a 100% interest in the Red Lake Property, subject to a 2% NSR, by expending a total of \$500,000 on exploration and development before December 31, 2006. Energold is controlled by a director of the Company.
- (c) Pursuant to a purchase and sale agreement dated May 1, 2002, the Company disposed of its investment in Elverton Limited ("Elverton") for total consideration of \$1, and retained an option to reacquire up to a 50% joint venture interest in the Golden Kopje mine and/or the Golden Kopje Tailings Project by contributing capital or equipment. A former director of the Company is also a director and minority shareholder of the purchasing company.
- (d) The Company entered into an Option and Joint Venture Agreement with Oxus Mining PLC ("Oxus") to acquire up to a 66.67% interest in the Jerooy gold project located in the Kyrgyz Republic, subject to regulatory approval. Conquest has the right to initially invest up to US\$1,000,000 in stages of: US\$200,000 on signing the agreement, US\$400,000 by June 30, 2002 and US\$400,000 by December 31, 2002 to earn up to a 10% interest in the project. Following the completion of its initial evaluation, the Company will have the option to acquire the remaining 56.67% interest in the project any time up to March 31, 2003 for a total consideration of US\$7,000,000, payable in two parts. The first part is payable in shares of the Company, subject to regulatory approval, of a value equal to US\$3,500,000, calculated on the basis of the average closing market price for each of the sixty trading days preceding the exercise date, and US\$3,500,000 payable in cash before December 21, 2003. If, having exercised the option, and completing the first part of the payment (in Company shares), the Company does not complete the purchase of the second part by the stated date, Oxus has the right to buy back from the Company for cash the interest previously purchased at a 10% discount, or sell the remaining interest in the property to the Company in exchange for shares of the Company, subject to regulatory approval. If the option is exercised, Oxus would become the largest shareholder of the Company.
- (e) Pursuant to an Agreement of Purchase and Sale, the Company sold a portion of the surface rights related to the Missinabie property, excluding all mineral rights and access thereto, for gross proceeds of \$10,000 (received) and a royalty equal to three dollars per cubic metre of coniferous trees in excess of the first five thousand cubic metres harvested, for a period of up to ten years.

- (f) In April 2002, the Company completed a private placement consisting of 3,000,000 units for gross proceeds of \$300,000 at a subscription price of \$0.10 per unit. Each unit consisted of one common share and one non-transferable warrant which entitles the holder to purchase one additional common share at an exercise price of \$0.20 per share until September 30, 2002.
- (g) Pursuant to a stock option plan, and subject to regulatory approval, 240,000 common shares were reserved for issuance to employees of the Company at an exercise price of \$ 0.20 per share. The options expire May 10, 2007

#### **F. Outlook**

The Company is currently in a development phase and does not expect to generate any cash flow during 2002. With the exception of the Jerooy property in Kyrgyz Republic, insufficient exploration and development work has been carried out on the company's properties to permit the estimation of mineral reserves and mineral resources as defined under National Instrument 43-101. There is no certainty that expenditures will result in commercial quantities of ore being found on these other properties.

In order for Conquest to fund ongoing exploration and development programmes and to expand its operations, additional funds will have to be raised. The Company's present cash resources, will need to be augmented if the planned programmes are to be successfully completed. Discussions with investment dealers and financial advisors are continuing but no commitments have been made, nor is it possible to give assurances that such funds will be obtained.

#### **Item 6: - Market for Securities**

The Company's common shares trade on the TSX Venture Exchange under the symbol "YQR".

**Item 7: - Directors and Officers**

The following table sets out the names of the directors and officers, all offices of the Company each now holds, each person's principal occupation, business or employment for the past five years and the period of time during which each has been director or officer of the Issuer:

Name, Municipality of Residence and Office of Directors, Officers	Principal Occupation, Business or Employment for the Past Five Years	Date First Elected or Appointed
<b>Gerald J. Gauthier</b> Vice President Mining, Toronto, Ontario	Vice President Mining Conquest Resources Limited, Prior to 2001 President & Director of United Keno Hill Mines Limited prior to March 1999 President, COO & Director Santa Cruz Gold Inc.; Formerly Senior Vice-President Lac Minerals Limited	May 2002
<b>Brian W. Hester *</b> Director Vineland, Ontario	Independent Consulting Geologist, former associate at Derry Michener Booth & Wahl	Jan. 2000
<b>John F. Kearney *</b> Director & Chairman Toronto, Ontario	Chairman, Anglesey Mining plc; Director: Minco plc, Canadian Zinc Corporation, McCarthy Corporation plc; Formerly Chairman, President & CEO Northgate Exploration Limited and Campbell Resources Inc.	Apr. 2001
<b>Terence N. McKillen *</b> Director, President & CEO Mississauga, Ontario	President Conquest Resources Limited, Prior to 1999 President & CEO Rift Resources Limited; President McKillen, Tyler & Associates; Director Minco plc	Jan. 2000
<b>Neil J.F. Steenberg</b> Director & Secretary Toronto, Ontario	Partner, Gowling Lafleur Henderson LLP	Jan. 2000
<b>D. Brett Whitelaw</b> Director, Vice President Vancouver, B.C.	President, Whitelaw Enterprises Ltd.	Jan. 2000

\* Members of the Audit Committee

Each director elected holds office until the next annual general meeting of the Company, unless the director's office is earlier vacated in accordance with the Articles/By-Laws of the Company.

As at 14 May, 2002, the Directors and senior officers of the Company as a group beneficially own, directly or indirectly, approximately 18.8 % of the outstanding common shares of the Issuer.

**Item 8: - Additional Information**

Additional information, including Directors' and Officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, are contained in the Company's Information Circular dated May 12, 2002 for its Annual General Meeting to be held June 27, 2002.

Additional financial information is contained in the Company's audited financial statements for the years ended December 31, 2001 and 2000 which are incorporated by reference in this Annual Information Form.

The Company shall provide, upon request to the Company and upon payment of a reasonable charge where permitted, a copy of the 2001 Annual Information Form, the December 31, 2001 audited financial statements and the accompanying auditor's report thereon, any subsequent interim financial statements and the Information Circular.