ARMOR MINERALS INC.

Management's Discussion and Analysis

For the Three Months Ended June 30, 2019

Introduction

This management's discussion and analysis ("MD&A") of Armor Minerals Inc. (the "*Company*", "*Armor*", "*we*", "*us*", or "*our*") covers the three months ended June 30, 2019. This MD&A takes into account information available up to and including August 27, 2019. This MD&A should be read in conjunction with the accompanying condensed consolidated interim financial statements and notes ("financial statements") for the three months ended June 30, 2019, and MD&A for the year ended March 31, 2019, which are available on the Company's website at www.armorminerals.com and on the SEDAR website at www.sedar.com.

The Company has prepared the condensed consolidated interim financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*.

All dollar amounts reported herein are in Canadian dollars unless indicated otherwise.

Cautionary Note Regarding Forward-Looking Information

Certain information contained in this document constitutes forward-looking statements. All statements, other than statements of historical facts, are forward looking statements, including without limitation, statements with respect to the Company's expectations for obtaining new funding and the success of exploration activities. Forward-looking statements are often, but not always, identified by the use of words such as *may*, *will*, *seek*, *anticipate*, *believe*, *plan*, *estimate*, *budget*, *schedule*, *forecast*, *project*, *expect, intend*, or similar expressions. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Such factors include, among others, uncertainties related to financings and the other risks associated with being a mineral exploration company, as well as those factors discussed elsewhere in this MD&A. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Unless otherwise indicated, forward-looking statements contained herein are as of the date hereof and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable law.

Description of Business

Armor is incorporated in British Columbia, Canada. The Company's head office is located at Suite 555 – 999 Canada Place, Vancouver, British Columbia, V6C 3E1. The condensed consolidated interim financial statements as at June 30, 2019 consist of Armor and its wholly owned subsidiary, Armor Minerals (US) Inc. ("Armor US") organized under the laws of Virginia. The Company is publicly traded with shares listed on the TSX Venture Exchange (the "TSX-V").

The Company is engaged in the acquisition and exploration of mineral property interests. Currently, Armor does not have any mineral producing properties or any revenues from operations.

In October of 2015, the Company signed a definitive Earn-in Agreement (the "Agreement") with Jack's Fork Exploration, Inc. ("Jack's Fork"), to acquire up to an 80% joint venture interest in the Warmister and Tower Hill gold properties (the "Properties") located in Virginia, USA. On April 7, 2016, the Company assigned the Agreement to its wholly owned subsidiary, Armor US. In February of 2017 in accordance with the Agreement, Armor gave thirty days' advance notice of termination to Jack's Fork. As of the date of termination, the Company incurred expenditures totaling US$455,040 and earned a 10% interest in the Properties.

The Company does not have any exploration projects as at June 30, 2019 but is actively seeking new exploration projects and properties by way of acquisition or staking new areas.

Corporate Matters

Effective August 26, 2019, Linda Chang was appointed as Chief Financial Officer of the Company.

During the three months ended June 30, 2019 the Company has evaluated mineral projects for potential acquisition; however, did not make any acquisitions or engage in active mineral exploration. Similarly, Armor was not engaged in active mineral exploration in the same period of the previous fiscal year.

Costs Expensed, Net Loss and Comprehensive Loss

During the three months ended June 30, 2019, the Company recorded a loss before other items of $36,445 and a net loss of $36,444 ($0.00 per share), compared to a loss before other items of $15,875 and a net loss of $14,055 ($0.00 per share) in the same period of fiscal 2019.

The increased net loss during the three months ended June 30, 2019 compared to the same period of the previous fiscal year mainly reflects the increase in salaries and benefits expense related to evaluating mineral projects for potential acquisition, as well as the depreciation of right-of use assets.

Salaries and benefits expense of $16,643 for the three months ended June 30, 2019 compares to $5,906 in the same period of the previous fiscal year. Salaries and benefits expense represent the allocation at cost of salary charges from a related management company (see "Related Party Transactions", subsequently in this MD&A). Personnel employed by the management company work on several public companies and accordingly, the cost charged to Armor will vary with the amount of time incurred on the Company's affairs.

With the adoption of IFRS 16, *Leases* ("IFRS 16") on April 1, 2019, the Company has recognized a depreciation of right-of-use assets of $5,283 for the three months ended June 30, 2019 compared to $nil for the three months ended June 30, 2018.

In accordance with IFRS 16, the Company also recognized interest on lease liabilities of $1,967 for the three months ended June 30, 2019 compared to $nil for the three months ended June 30, 2018.

After accounting for the foreign currency translation loss, there was a comprehensive loss for the three months ended June 30, 2019 of $36,451 compared to a comprehensive loss of $14,044 for the three months ended June 30, 2018. The increased comprehensive loss for the three months ended June 30, 2019 compared to the same period of fiscal 2019 reflects the impact of the factors discussed above.

Liquidity and Capital Resources

As at June 30, 2019, the Company had cash and cash equivalents of $654,787 compared to $701,878 at March 31, 2019. The decrease reflects the Company's operational costs incurred during the three months ended June 30, 2019.

Operating activities used cash in the amount of $39,351 in the three months ended June 30, 2019 compared to $12,228 in the same period of the previous fiscal year. The increased use of cash is primarily attributable to the increase in corporate activity, previously discussed, and the timing of receipts and payments from non-cash working capital items.

Cash outflow from financing activities of $7,687 for the three months ended June 30, 2019 relates to the payment of lease liabilities. Cash flow from financing activities of $240,000 for the three months ended June 30, 2018 relates to the exercise of share purchase warrants of the Company.

At June 30, 2019 the Company had cash and cash equivalents of $654,787, working capital of $568,922, net loss for the three months ended June 30, 2019 of $36,444, and a deficit of $31,282,274. Based on anticipated cash flows, the Company is expected to have sufficient resources to meet its committed expenditures for the next twelve months.

Summary of Quarterly Results

	Net loss For the year ended March 31,		
	2020	2019	2018
Q1	$ (36,444)	$ (14,055)	$ (16,935)
Q2	N/A	(25,871)	(29,423)
Q3	N/A	(34,549)	(13,060)
Q4	N/A	(62,801)	(16,181)
Total	$ (36,444)	$ (137,276)	$ (75,599)

	Net loss per share For the year ended March 31,		
	2020	2019	2018
Q1	$ 0.00	$ 0.00	$ 0.00
Q2	N/A	0.00	0.00
Q3	N/A	0.00	0.00
Q4	N/A	0.00	0.00
Total	$ 0.00	$ 0.00	$ 0.00

The most significant factors influencing the Company's quarterly results over the last eight quarters are:

- Reduced activity in the Company due to an absence of active mineral exploration.
- Certain quarters with an increase in corporate activity related to evaluating mineral projects for potential acquisition.
- Professional fees of $37,492 in the fourth quarter of fiscal 2019 which primarily relate to legal fees associated with a share transfer.
- Professional fees of $26,938 in the third quarter of fiscal 2019 related to property investigation.

Share Capital Information

As at August 27, 2019, the Company had an unlimited number of common shares authorized for issuance of which 44,319,015 are currently issued and outstanding. Also, at August 27, 2019, the Company had 33,118,106 warrants issued and outstanding with a weighted average exercise price of $0.09.

Proposed Transactions

There are no undisclosed proposed transactions that will materially affect the performance of the Company.

Off-Balance Sheet Arrangements

The Company does not have any material off-balance sheet arrangements.

Related Party Transactions

Compensation of key management

Key management includes the Company's directors and certain senior management. For the period ended June 30, 2019, the Company paid salaries and benefits of $3,645 to key management personnel (June 30, 2018 – $2,978).

Related party transactions

Commencing March 1, 2015, the Company shares office space, equipment, personnel, consultants and various administrative services with other companies related by virtue of certain common management and a director of the Company. These services have been mainly provided through a management company equally owned by the related companies. Costs incurred by the management company are allocated between the related companies based on time incurred and use of services

The Company was allocated the following costs with respect to these arrangements for the three months ended June 30, 2019 and 2018:

	Three months ended June 30,	
	2019	2018
Salaries and benefits	$ 16,643	$ 5,906
Office and administrative[1]	17,723	6,932
Listing and filing fees	–	147
Investor relations	1,662	-
	$ 36,028	$ 12,985

[1]Office and administrative includes the Company's lease payments which are administered by the management company.

At June 30, 2019, the amount due to related party was $8,659 (March 31, 2019 – $13,932) with respect to these arrangements.

The amount due from related party at June 30, 2019 and March 31, 2019 of $2,876 relates to the Company's share of jointly owned assets held by the management company.

Critical Accounting Policies and Estimates

The Company's accounting policies are described in its consolidated financial statements for the year ended March 31, 2019. The preparation of its consolidated financial statements requires management to make judgements, estimates and assumptions in the process of applying the Company's accounting policies that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continually evaluated. However, actual outcomes could materially differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected. Information about critical judgements and estimates in applying accounting policies that have the most significant effect on amounts recognized in the consolidated financial statements are as follows:

- Functional currency – The Company and its subsidiaries have to determine their functional currencies based on the primary economic environment in which each entity operates. In order to do that, management has to analyse several factors, including which currency mainly influences the cost of undertaking the business activities, in which currency the entity has received financing, and in which currency it keeps its receipts from operating activities. Management uses its judgment to determine which factors are most important, when the above indicators are mixed and the functional currency is not obvious.
- Options and warrants – The fair value of options and warrants is determined on the grant date. In order to compute the fair value, the Company uses the Black-Scholes option pricing model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life, expected volatility, expected dividend yield and the risk-free interest rate, as well as the number of options or warrants expected to be exercised.

Refer to note 3 of the condensed consolidated interim financial statements for the three months ended June 30, 2019 for the significant judgements related to IFRS 16.

Changes in accounting policies

As a result of the application of IFRS 16, the Company has amended the relevant accounting policies. Refer to note 3 of the condensed consolidated interim financial statements for the three months ended June 30, 2019 for additional details.

Financial Instruments

The Company's financial instruments are classified into the following categories of financial assets and liabilities (shown at carrying value):

		June 30, 2019		March 31, 2019
Financial assets - loans and receivables				
Cash and cash equivalents	$	654,787	$	701,878
Amounts receivable		1,290		2,261
Due from related party		2,876		2,876
	$	658,953	$	707,015

		June 30, 2019		March 31, 2019
Financial liabilities at amortized cost				
Accounts payable and accrued liabilities	$	50,091	$	57,273
Due to related party		8,659		13,932
Lease liability		71,022		–
Deferred liability		19,514		21,533
	$	149,286	$	92,738

The fair values of the Company's financial instruments in the table above approximate their carrying values.

Financial Risk Management

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and a portion of its expenses are incurred in U.S. dollars. A significant change in the currency exchange rates between the Canadian dollar relative to the U.S. dollar could have an effect on the Company's results of operations, financial position and cash flows. The Company has not hedged its exposure to currency fluctuations. As at June 30, 2019, the Company has a U.S. dollar cash balance of $1,343 (March 31, 2019 – US$254), and a 10% change in the Canadian-U.S. dollar exchange rate would have an insignificant impact on the Company's earnings.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk arises for the Company from cash held with banks and financial institutions, as well as credit exposure on outstanding amounts receivable. The Company manages its exposure to credit risk by holding its cash through Canadian chartered banks. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the investments included in cash is limited. Based on the amount of cash invested as at June 30, 2019 and assuming that all other variables remain constant, a 0.5% change in the applicable interest rate would result in an insignificant impact in the interest earned by the Company per annum.

Liquidity risk

Liquidity risk arises through excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

Risk Factors

The Company currently has no revenues from operations. Should the Company decide to explore or acquire other mineral property interests it will require additional funding, which the Company will likely seek from the equity markets. There can be no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. An investment in the Company's common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described in the Company's MD&A for the year ended March 31, 2019 and the other information filed with the Canadian securities regulators, which are available on SEDAR at www.sedar.com, before investing in the Company's common shares. The risks described in the above-noted documents are not the only ones faced. Additional risks that the Company currently believes are immaterial may become important factors that affect the Company's business. If any of these risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and investors may lose part or all of their investment.

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