



ARMOR MINERALS INC.

Condensed Consolidated Interim Financial Statements

*For the Three Months Ended June 30, 2018*

**Notice to Reader**

These unaudited condensed consolidated interim financial statements have been prepared by management and have not been reviewed by the Company's auditor.

## Armor Minerals Inc.

### Condensed Consolidated Interim Statements of Financial Position (Unaudited – Expressed in Canadian dollars)

---

	June 30, 2018		March 31, 2018
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 764,498	\$	536,719
Amounts receivable	2,459		2,156
Prepaid expenses	3,350		5,025
	<u>770,307</u>		<u>543,900</u>
<b>Non-current assets:</b>			
Due from related party (note 6)	17,735		17,735
	<u>\$ 788,042</u>	\$	<u>561,635</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	\$ 15,000	\$	12,614
Due to related parties (note 6)	1,359		1,275
Deferred rental liability (note 4)	8,075		8,075
	<u>24,434</u>		<u>21,964</u>
<b>Non-current liabilities:</b>			
Deferred rental liability (note 4)	19,514		21,533
	<u>\$ 43,948</u>	\$	<u>43,497</u>
<b>Shareholders' equity</b>			
Share capital (note 5)	27,937,218		27,625,170
Reserves (note 5)	3,929,485		4,001,522
Deficit	(31,122,609)		(31,108,554)
	<u>744,094</u>		<u>518,138</u>
	<u>\$ 788,042</u>	\$	<u>561,635</u>

Nature of operations (note 1)  
Commitments (note 7)

---

See accompanying notes to the condensed consolidated interim financial statements.

**Armor Minerals Inc.**

## Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss

For the Three Months Ended June 30

(Unaudited – Expressed in Canadian dollars)

---

	2018		2017
Expenses:			
Salaries and benefits	\$ 5,906	\$	7,492
General office expenses	4,588		3,843
Professional fees	3,000		3,381
Listing and filing fees	2,321		2,628
Investor relations	60		330
Loss before other items	(15,875)		(17,674)
Finance income	1,813		848
Foreign exchange loss	7		(109)
Net loss	(14,055)		(16,935)
Other comprehensive loss:			
Items that may be reclassified to profit or loss:			
Foreign currency translation gain (loss)	11		(511)
Comprehensive loss	\$ (14,044)	\$	(17,446)
Basic and diluted net loss per share	\$ (0.00)	\$	(0.00)
Weighted average number of shares outstanding	43,511,323		41,319,015

See accompanying notes to the condensed consolidated interim financial statements.

## Armor Minerals Inc.

### Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Unaudited – Expressed in Canadian dollars)

	Share Capital		Reserves				Shareholders' equity
	Number of shares	Amount	Foreign currency translation reserve	Options and warrants	Total	Deficit	
Balance, March 31, 2017	41,319,015	\$ 27,625,170	\$ 1,330	\$ 4,000,699	\$ 4,002,029	\$ (31,032,955)	\$ 594,244
Comprehensive loss	-	-	(511)	-	(511)	(16,935)	(17,446)
Balance, June 30, 2017	41,319,015	\$ 27,625,170	\$ 819	\$ 4,000,699	\$ 4,001,518	\$ (31,049,890)	\$ 576,798

	Share Capital		Reserves				Shareholders' equity
	Number of shares	Amount	Foreign currency translation reserve	Options and warrants	Total	Deficit	
Balance, March 31, 2018	41,319,015	\$ 27,625,170	\$ 823	\$ 4,000,699	\$ 4,001,522	\$ (31,108,554)	\$ 518,138
Shares issued on exercise of warrants	3,000,000	240,000	-	-	-	-	240,000
Fair value of warrants exercised	-	72,048	-	(72,048)	(72,048)	-	-
Comprehensive loss	-	-	11	-	11	(14,055)	(14,044)
Balance, June 30, 2018	44,319,015	\$ 27,937,218	\$ 834	\$ 3,928,651	\$ 3,929,485	\$ (31,122,609)	\$ 744,094

See accompanying notes to the condensed consolidated interim financial statements.

**Armor Minerals Inc.**

## Condensed Consolidated Interim Statements of Cash Flows

For the Three Months Ended June 30

(Unaudited – Expressed in Canadian dollars)

	2018	2017
Cash used in:		
Operating activities:		
Net loss	\$ (14,055)	\$ (16,935)
Items not affecting cash:		
Foreign exchange loss (gain)	4	(249)
Amortization of deferred rental contribution	(2,019)	-
Net changes in non-cash working capital items:		
Amounts receivable	(303)	446
Prepaid expenses	1,675	21
Accounts payable and accrued liabilities	2,386	(45,095)
Due to related parties	84	-
	<u>(12,228)</u>	<u>(61,812)</u>
Financing activities:		
Exercise of share purchase warrants	240,000	-
	<u>240,000</u>	<u>-</u>
Effect of exchange rate changes on cash and cash equivalents	7	(262)
Increase (decrease) in cash and cash equivalents	227,779	(62,074)
Cash and cash equivalents, beginning of period	536,719	646,758
Cash and cash equivalents, end of period	<u>\$ 764,498</u>	<u>\$ 584,684</u>
Supplementary information:		
Cash and cash equivalents, end of period comprise:		
Cash and balances with banks	\$ 3,779	\$ 2,134
Cash equivalents	760,719	582,550
	<u>\$ 764,498</u>	<u>\$ 584,684</u>

See accompanying notes to the condensed consolidated interim financial statements.

## Armor Minerals Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended June 30, 2018

(Unaudited – Expressed in Canadian dollars unless otherwise noted)

---

#### 1. Nature of Operations

Armor Minerals Inc. (the “Company” or “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, 2018 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. The business of mining and the exploration for minerals involves a high degree of risk and there can be no assurance that such activities will result in profitable mining operations.

At June 30, 2018 the Company had cash and cash equivalents of \$764,498, working capital of \$745,873, net loss for the three months ended June 30, 2018 of \$14,055, and a deficit of \$31,122,609. Based on anticipated cash flows, the Company is expected to have sufficient resources to meet its committed expenditures for the next twelve months.

#### 2. Basis of Presentation

Statement of compliance

These condensed consolidated interim financial statements have been prepared 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* (“IAS 34”). Accordingly, they do not include all of the information and notes to the consolidated financial statements required by IFRS for complete financial statements and should be read in conjunction with the Company’s most recent audited consolidated financial statements.

These unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application used in the Company’s audited consolidated financial statements as at and for the year ended March 31, 2018. The Board of Directors authorized these financial statements for issuance on August 29, 2018.

#### 3. Recent Accounting Pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC. Some updates that are not applicable or are not consequential to the Company may have been excluded.

IFRS 9, *Financial Instruments* is mandatorily effective for the Company’s consolidated financial statements for the year ending March 31, 2019. IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB’s project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost; fair value through profit and loss; and fair value through other comprehensive income. IFRS 9 introduces the expected credit loss model for impairment of financial assets which replaces the incurred loss model used in IAS 39. IFRS 9 amends the rules on hedge accounting to align the accounting treatment with the risk management practices of the business. Lastly, IFRS 9 amends some of the requirements of IFRS 7, *Financial Instruments: Disclosures*, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. The Company has determined that there will not be any material changes in the classification, measurement or carrying values of the Company’s financial instruments as a result of the adoption of IFRS 9.

On January 13, 2016, the IASB issued IFRS 16 *Leases* (“IFRS 16”) in accordance with which, all leases will be recorded on the statement of financial position of lessees, except those that meet the limited exception

## Armor Minerals Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended June 30, 2018

(Unaudited – Expressed in Canadian dollars unless otherwise noted)

criteria. As a result, for the Company's office rental leases, rent expense will be removed and replaced by the recording of depreciation and finance expenses. IFRS 16 is mandatorily effective for the Company's consolidated financial statements for the year ending March 31, 2020.

#### 4. Deferred Rental Liability

Deferred rental contribution represents the unamortized balance of an amount received from a company previously related through certain common directors and management with respect to the provisions of agreements governing certain shared operating leases. The amount is being amortized to office and administrative expense over the remaining term of the leases. The following is a summary of changes in deferred rental contribution:

	June 30, 2018	March 31, 2018
Balance, start of period	\$ 29,608	\$ -
Deferred rental contribution received	-	31,627
Amortization of deferred rental contribution	(2,019)	(2,019)
Balance, end of period	<u>\$ 27,589</u>	<u>\$ 29,608</u>

Deferred rental liability is reflected in the consolidated balance sheets as follows:

	June 30, 2018	March 31, 2018
Current	\$ 8,075	\$ 8,075
Non-current	19,514	21,533
	<u>\$ 27,589</u>	<u>\$ 29,608</u>

#### 5. Share Capital and Reserves

##### a) Share capital

A total of 3,842,716 debt units were released from escrow on April 22, 2018. Each debt unit comprised of one common share and one common share purchase warrant (a "Debt Warrant"). Each Debt Warrant entitles the holder to purchase one common share at a price of \$0.05 per common share until April 22, 2020.

##### b) Warrants

The following summarizes the Company's warrants at June 30, 2018:

Date of Issue	Exercise Price	Expiry Date	March 31, 2018	Exercised	Expired	June 30, 2018
April 29, 2015	\$0.05	April 22, 2020	25,618,106	-	-	25,618,106
April 29, 2015	\$0.08	April 29, 2018	4,000,000	(3,000,000)	(1,000,000)	-
October 7, 2015	\$0.15	October 7, 2020	5,000,000	-	-	5,000,000
July 25, 2016	\$0.40	July 25, 2021	2,500,000	-	-	2,500,000
			<u>37,118,106</u>	<u>(3,000,000)</u>	<u>(1,000,000)</u>	<u>33,118,106</u>

The weighted average exercise price of the warrants outstanding at June 30, 2018 is \$0.09 (March 31, 2018 – \$0.09).

#### 6. Related Party Disclosures

Commencing March 1, 2015, the Company shares office space, equipment, personnel, consultants and various administrative services with other companies (Arizona Mining Inc. and Titan Mining Corporation) related by virtue of certain common management and a director of the Company. These services have been



## Armor Minerals Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended June 30, 2018

(Unaudited – Expressed in Canadian dollars unless otherwise noted)

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 charged for the following with respect to these arrangements in the three months ended June 30, 2018 and 2017:

	2018		2017
Office and administrative	\$ 6,932	\$	4,019
Salaries and benefits	5,906		7,492
Listing and filing fees	147		-
Investor relations	-		150
	<u>\$ 12,985</u>	<u>\$</u>	<u>11,661</u>

At June 30, 2018, due to related parties includes \$1,359 (March 31, 2018 – \$1,275) with respect to these arrangements.

The amount due from related party at June 30, 2018 of \$17,735 (March 31, 2018 - \$17,735) relates to the Company's share of jointly owned assets (primarily security deposits, leasehold improvements, and furniture and equipment) held by the management company.

#### 7. Commitments

At June 30, 2018, based on current estimated usage, the Company is committed to payments for office premises through fiscal 2022 in the total amount of approximately \$54,300. Payments by fiscal year are:

2019	\$	11,900
2020		15,900
2021		15,900
2022		10,600

#### 8. Segment Information

The Company operates in one industry segment, being mineral exploration. Geographic information is as follows:

	Canada	United States	Total
Total assets as at:			
June 30, 2018	\$ 787,522	\$ 520	\$ 788,042
March 31, 2018	\$ 561,041	\$ 594	\$ 561,635
Net loss for the three months ended:			
June 30, 2018	\$ 13,969	\$ 86	\$ 14,055
June 30, 2017	\$ 16,689	\$ 246	\$ 16,935