ARMOR MINERALS INC.

Management's Discussion and Analysis

For the Three Months Ended June 30, 2018

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, 2018. This MD&A takes into account information available up to and including August 29, 2018. 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, 2018, and MD&A for the year ended March 31, 2018, 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, 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. Currently, Armor does not have any mineral producing properties or any revenues from operations.

Corporate Matters

Warrant exercises

During the three months ended June 30, 2018, 3,000,000 share purchase warrants were exercised at a price of $0.08 with an expiry date of April 29, 2018 for total proceeds of $240,000.

Costs Expensed, Net Loss and Comprehensive Loss

During the three months ended June 30, 2018, the Company recorded a loss before other items of $15,875 and a net loss of $14,055 ($0.00 per share), compared to a loss before other items of $17,674 and net loss of $16,935 ($0.00 per share) in the same period of fiscal 2018. The decreased loss during the three months ended June 30, 2018 reflects a decrease in salaries and benefits expense and higher finance income earned during the first quarter of fiscal 2019.

Salaries and benefits expense of $5,906 for the three months ended June 30, 2018 compares to $7,492 for the three months ended June 30, 2017. Salaries and benefits expense represents 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.

General office expenses, professional fees and listing fees and filing fees for the three months ended June 30, 2018 were all comparable to the three months ended June 30, 2017. For both the first quarter of 2019 and 2018, the Company had very limited activity other than ordinary corporate matters associated with its listing on the TSX-V.

After accounting for the foreign currency translation loss, there was a comprehensive loss of $14,044 for the three months ended June 30, 2018 compared to a comprehensive loss of $17,446 for the same period of fiscal 2018.

Liquidity and Capital Resources

As at June 30, 2018, the Company had cash and cash equivalents of $764,498 compared to $536,719 at March 31, 2018.

For the three months ended June 30, 2018 the Company used cash for operations of $12,228 compared to $61,812 in fiscal 2018. The decreased use of cash is primarily attributable to the impact of the timing of receipts and payments from non-cash working capital items, primarily accounts payable and accrued liabilities.

Cash flow from financing activities of $240,000 for the three months ended June 30, 2018 relates to the exercise of 3,000,000 share purchase warrants of the Company at an exercise price of $0.08.

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.

Contractual Obligations

At June 30, 2018 the Company had contractual cash flow commitments estimated as follows:

	< 1 Year	1-3 Years	3-5 Years	> 5 Years	Total
Operating lease obligations	$ 15,900	$ 31,800	$ 6,600	$ -	$ 54,300
Accounts payable and accrued liabilities	15,000	-	-	-	15,000
Due to related parties	1,359	-	-	-	1,359
Deferred rental liability	8,075	16,150	3,364	-	27,589
	$ 40,334	$ 47,950	$ 9,964	$ -	$ 98,248

Summary of Quarterly Results

	Net loss For the year ended March 31, 2019	2018	2017
Q1	$ (14,055)	$ (16,935)	$ (118,909)
Q2	N/A	(29,423)	(62,514)
Q3	N/A	(13,060)	(252,982)
Q4	N/A	(16,181)	(39,984)
Total	$ (14,055)	$ (75,599)	$ (474,389)

Net loss per share For the year ended March 31, 2019	2018	2017
$ 0.00	$ 0.00	$ 0.00
N/A	0.00	0.00
N/A	0.00	(0.01)
N/A	0.00	0.00
$ 0.00	$ 0.00	$ (0.01)

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

- The exploration and evaluation costs of $201,272 in the third quarter of 2017 which relate to the follow-up soil sampling and drill program on the Warmister Project, which commenced in the third quarter of fiscal 2017.
- The exploration and evaluation costs of $88,317 in the first quarter of 2017 which primarily relate to the drill program on the Warmister Project which was initiated in the fourth quarter of 2016.
- The Company's quarterly results are not generally subject to seasonal factor.

Share Capital Information

As at August 29, 2018, the Company had an unlimited number of common shares authorized for issuance with 44,319,015 issued and outstanding. Also, at August 29, 2018, 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

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 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
	$ 12,985	$ 11,661

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.

Critical Accounting Policies and Estimates

The Company's accounting policies are described in its consolidated financial statements for the year ended March 31, 2018. 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.

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 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.

Financial Instruments

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

		June 30, 2018		March 31, 2018
Financial assets				
Loans and receivables				
Cash and cash equivalents	$	764,498	$	536,719
Amounts receivable		2,459		2,156
Due from related party		17,735		17,735
	$	784,692	$	556,610
Financial liabilities				
Financial liabilities at amortized cost				
Accounts payable and accrued liabilities	$	15,000	$	12,614
Due to related parties		1,359		1,275
Deferred rental liability – current		8,075		8,075
Deferred rental liability – non-current		19,514		21,533
	$	43,948	$	43,497

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. Based on the assets and liabilities denominated in U.S. dollars held by the Canadian parent company, a 10% change in the Canadian-U.S. dollar exchange rate would result in 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, 2018 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, 2018 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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