



ARMOR MINERALS INC.

Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended September 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)

	September 30, 2018	March 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 736,794	\$ 536,719
Amounts receivable	1,587	2,156
Prepaid expenses	1,675	5,025
	<u>740,056</u>	<u>543,900</u>
Non-current assets:		
Due from related party (note 7)	17,735	17,735
	<u>\$ 757,791</u>	<u>\$ 561,635</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 8,905	\$ 12,614
Due to related parties (note 7)	5,101	1,275
Deferred rental liability (note 5)	8,075	8,075
	<u>22,081</u>	<u>21,964</u>
Non-current liabilities:		
Deferred rental liability (note 5)	17,495	21,533
	<u>\$ 39,576</u>	<u>\$ 43,497</u>
Shareholders' equity		
Share capital (note 6)	27,937,218	27,625,170
Reserves (note 6)	3,929,477	4,001,522
Deficit	(31,148,480)	(31,108,554)
	<u>718,215</u>	<u>518,138</u>
	<u>\$ 757,791</u>	<u>\$ 561,635</u>

Nature of operations (note 1)
Commitments (note 8)

See accompanying notes to the condensed consolidated interim financial statements.

Armor Minerals Inc.**Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss**
(Unaudited – Expressed in Canadian dollars)

	Three months ended September 30,		Six months ended September 30,	
	2018	2017	2018	2017
Expenses:				
Listing and filing fees	\$ 11,028	\$ 9,314	\$ 13,349	\$ 11,942
General office expenses	7,430	7,243	12,018	11,086
Salaries and benefits	5,489	9,110	11,395	16,602
Professional fees	3,624	4,254	6,624	7,635
Investor relations	240	505	300	835
Loss before other items	(27,811)	(30,426)	(43,686)	(48,100)
Finance income	1,954	1,024	3,767	1,872
Foreign exchange loss	(14)	(21)	(7)	(130)
Net loss	(25,871)	(29,423)	(39,926)	(46,358)
Other comprehensive loss:				
Items that may be reclassified to profit or loss:				
Foreign currency translation gain (loss)	(8)	29	3	(482)
Comprehensive loss	\$ (25,879)	\$ (29,394)	\$ (39,923)	\$ (46,840)
Basic and diluted net loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding	43,511,323	41,319,015	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	-	-	(482)	-	(482)	(46,358)	(46,840)
Balance, September 30, 2017	41,319,015	\$ 27,625,170	\$ 848	\$ 4,000,699	\$ 4,001,547	\$ (31,079,313)	\$ 547,404

	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	-	-	3	-	3	(39,926)	(39,923)
Balance, September 30, 2018	44,319,015	\$ 27,937,218	\$ 826	\$ 3,928,651	\$ 3,929,477	\$ (31,148,480)	\$ 718,215

See accompanying notes to the condensed consolidated interim financial statements.

Armor Minerals Inc.

Condensed Consolidated Interim Statements of Cash Flows (Unaudited – Expressed in Canadian dollars)

	Three months ended September 30,		Six months ended September 30,	
	2018	2017	2018	2017
Cash provided by (used in):				
Operating activities:				
Net loss	\$ (25,871)	\$ (29,423)	\$ (39,926)	\$ (46,358)
Items not affecting cash:				
Foreign exchange loss (gain)	1	53	5	(196)
Amortization of deferred rental liability	(2,019)	-	(4,038)	-
Net changes in non-cash working capital items:				
Amounts receivable	872	(919)	569	(473)
Prepaid expenses	1,675	8,127	3,350	8,148
Accounts payable and accrued liabilities	(6,095)	(5,341)	(3,709)	(50,436)
Due to related parties	3,742	1,523	3,826	1,523
	<u>(27,695)</u>	<u>(25,980)</u>	<u>(39,923)</u>	<u>(87,792)</u>
Financing activities:				
Exercise of share purchase warrants	-	-	240,000	-
	<u>-</u>	<u>-</u>	<u>240,000</u>	<u>-</u>
Investing activities:				
Other assets	-	(12,935)	-	(12,935)
	<u>-</u>	<u>(12,935)</u>	<u>-</u>	<u>(12,935)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(9)</u>	<u>(24)</u>	<u>(2)</u>	<u>(286)</u>
Increase (decrease) in cash and cash equivalents	(27,704)	(38,939)	200,075	(101,013)
Cash and cash equivalents, beginning of period	<u>764,498</u>	<u>584,684</u>	<u>536,719</u>	<u>646,758</u>
Cash and cash equivalents, end of period	<u>\$ 736,794</u>	<u>\$ 545,745</u>	<u>\$ 736,794</u>	<u>\$ 545,745</u>
Supplementary information:				
Cash and cash equivalents, end of period comprise:				
Cash and balances with banks	\$ 1,747	\$ 2,798	\$ 1,747	\$ 2,798
Short-term investments	735,047	542,947	735,047	542,947
	<u>\$ 736,794</u>	<u>\$ 545,745</u>	<u>\$ 736,794</u>	<u>\$ 545,745</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 and Six Months Ended September 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 September 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”) under the symbol “A”.

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 September 30, 2018 the Company had cash and cash equivalents of \$736,794, working capital of \$717,975, net loss for the six months ended September 30, 2018 of \$39,926, and a deficit of \$31,148,480. 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

a) 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 November 26, 2018.

3. Significant Accounting Policies

During the six months ended September 30, 2018, as a result of the application of IFRS 9, *Financial Instruments*, the Company has amended the relevant accounting policy. The transition to IFRS 9 did not impact the Company’s measurement of financial assets and liabilities. These new and amended significant accounting policy is as follows:

Financial instruments

IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss (“FVTPL”). For financial liabilities, IFRS 9 retains the measurement categories of FVTPL and other financial liabilities. All financial instruments are initially recorded at fair value, less directly attributable transaction costs, and the Company determines each financial instrument’s classification upon initial recognition. Measurement in subsequent periods depends on the financial instrument’s classification:

- Cash and cash equivalents, amounts receivable and due from related party are subsequently measured at amortized cost.
- Accounts payable and accrued liabilities, due to related party and deferred rental liability are subsequently measured at amortized cost.

Armor Minerals Inc.

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4. 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.

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.

5. Deferred Rental Liability

Deferred rental liability 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 liability:

	September 30, 2018	March 31, 2018
Balance, start of period	\$ 29,608	\$ -
Deferred rental contribution received	-	31,627
Amortization of deferred rental liability	(4,038)	(2,019)
Balance, end of period	\$ 25,570	\$ 29,608

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

	September 30, 2018	March 31, 2018
Current	\$ 8,075	\$ 8,075
Non-current	17,495	21,533
	\$ 25,570	\$ 29,608

6. Share Capital and Reserves

Warrants

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

Date of Issue	Exercise Price	Expiry Date	March 31, 2018	Exercised	Expired	September 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
			37,118,106	(3,000,000)	(1,000,000)	33,118,106

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

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(Unaudited – Expressed in Canadian dollars unless otherwise noted)

7. 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. until August 10, 2018 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 and nine months ended September 30, 2018 and 2017:

	Three months ended September 30,		Six months ended September 30,	
	2018	2017	2018	2017
General office expenses	\$ 6,932	\$ 6,413	\$ 15,604	\$ 10,432
Salaries and benefits	5,906	9,110	11,395	16,602
Listing and filing fees	147	3,761	3,670	3,761
Investor relations	-	300	-	450
	<u>\$ 12,985</u>	<u>\$ 19,584</u>	<u>\$ 30,669</u>	<u>\$ 31,245</u>

At September 30, 2018, due to related parties includes \$5,101 (March 31, 2018 – \$1,275) with respect to these arrangements.

The amount due from related party at September 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.

8. Commitments

At September 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 \$33,600. Payments by fiscal year are:

2019	\$ 5,300
2020	10,600
2021	10,600
2022	7,100

9. 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:			
September 30, 2018	\$ 757,366	\$ 425	\$ 757,791
March 31, 2018	\$ 561,041	\$ 594	\$ 561,635
Net loss for the six months ended:			
September 30, 2018	\$ 39,753	\$ 173	\$ 39,926
September 30, 2017	\$ 46,005	\$ 353	\$ 46,358