



Armor Minerals Inc.

Condensed Consolidated Interim Financial Statements

For the three and nine months ended December 31, 2022 and 2021

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)

	Note	December 31, 2022	March 31, 2022
Assets			
Current assets			
Cash and cash equivalents	\$	2,728,221	\$ 2,874,393
Amounts receivable		6,731	2,248
Prepaid expenses		6,392	12,046
		2,741,344	2,888,687
Due from a related party	6	5,026	5,026
Total assets	\$	2,746,370	\$ 2,893,713
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	4 \$	11,978	\$ 15,561
		11,978	15,561
Shareholders' equity			
Share capital	5	31,720,376	31,720,376
Reserves		2,852,230	2,852,230
Deficit		(31,838,214)	(31,694,454)
Total shareholders' equity		2,734,392	2,878,152
Total liabilities and shareholders' equity	\$	2,746,370	\$ 2,893,713

Commitments (Note 8)

APPROVED BY THE DIRECTORS

"Richard W. Warke"

Richard W. Warke – Director

February 28, 2023

"Purni Parikh"

Purni Parikh – Director

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Armor Minerals Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited – Expressed in Canadian dollar, except share and per share amount)

	Note	Three months ended December 31,		Nine months ended December 31,	
		2022	2021	2022	2021
Expenses:					
Salaries and benefits	6	\$ 11,014	\$ 12,034	\$ 38,684	\$ 42,663
General office expenses	6	7,577	5,219	20,420	9,852
Listing and filing fees	6	4,477	3,492	18,893	17,721
Professional fees	6	(1,192)	4,179	102,822	10,843
Investor relations	6	224	182	630	567
Loss before other items		22,100	25,106	181,449	81,646
Finance income, net		(18,211)	(2,091)	(37,678)	(5,593)
Foreign exchange loss (gain)		1	1	(11)	(2)
Loss and comprehensive loss		\$ 3,890	\$ 23,016	\$ 143,760	\$ 76,051
Basic and diluted loss per share attributable to shareholders of the Company					
		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Weighted average number of shares outstanding – basic and diluted					
		76,624,621	76,624,621	76,624,621	75,986,030

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Armor Minerals Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited – Expressed in Canadian dollar)

	Note	Three months ended December 31,		Nine months ended December 31,	
		2022	2021	2022	2021
Cash provided by (used in):					
Operations					
Loss		\$ (3,890)	\$ (23,016)	\$ (143,760)	\$ (76,051)
Items not affecting cash:					
Foreign exchange loss (gain)		1	1	(11)	(2)
Finance income, net		(18,211)	–	(37,678)	–
Amortization of deferred liability		–	(2,691)	–	(10,766)
Net changes in non-cash working capital items:					
Amounts receivable		(1,939)	(365)	(4,483)	(636)
Prepaid expenses		(3,967)	4,051	5,654	18,511
Accounts payable and accrued liabilities		(94,787)	3,188	(3,583)	(1,908)
Due to a related party		–	18,862	–	18,862
		(122,793)	30	(183,861)	(51,990)
Financing					
Proceeds from exercise of warrants		–	–	–	672,500
Finance income received, net		18,211	–	37,678	–
		18,211	–	37,678	672,500
Effect of exchange rate changes on cash and cash equivalents					
		(1)	(1)	11	2
Increase (decrease) in cash and cash equivalents		(104,583)	29	(146,172)	620,512
Cash and cash equivalents, beginning of the period		2,832,804	2,933,261	2,874,393	2,312,778
Cash and cash equivalents, end of the period		\$ 2,728,221	\$ 2,933,290	\$ 2,728,221	\$ 2,933,290
Supplementary information:					
Cash and cash equivalents, end of period comprise:					
Cash balances with banks		\$ 2,728,221	\$ 1,417,714	\$ 2,728,221	\$ 1,417,714
Guaranteed investment certificate		–	1,515,576	–	1,515,576
		\$ 2,728,221	\$ 2,933,290	\$ 2,728,221	\$ 2,933,290

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Armor Minerals Inc.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars, except number of shares)

	Share capital		Reserves			Deficit	Shareholders' equity
	Number of Shares	Amount	Foreign currency translation	Options and warrants	Total		
Balance, March 31, 2022	76,624,621	\$ 31,720,376	\$ 832	\$ 2,851,398	\$ 2,852,230	\$ (31,694,454)	\$ 2,878,152
Loss and comprehensive loss	–	–	–	–	–	(143,760)	(143,760)
Balance, December 31, 2022	76,624,621	\$ 31,720,376	\$ 832	\$ 2,851,398	\$ 2,852,230	\$ (31,838,214)	\$ 2,734,392
Balance, March 31, 2021	74,943,371	\$ 30,834,138	\$ 832	\$ 3,065,136	\$ 3,065,968	\$ (31,584,724)	\$ 2,315,382
Shares issued on exercise of warrants	1,681,250	672,500	–	–	–	–	672,500
Fair value of warrants exercised	–	213,738	–	(213,738)	(213,738)	–	–
Loss and comprehensive loss	–	–	–	–	–	(76,051)	(76,051)
Balance, December 31, 2021	76,624,621	\$ 31,720,376	\$ 832	\$ 2,851,398	2,852,230	\$ (31,660,775)	\$ 2,911,831

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Armor Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended December 31, 2022 and 2021

(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 December 31, 2022 are comprised of Armor and its wholly owned subsidiary, Armor Minerals (US) Inc. (“Armor US”) organized under the laws of Virginia. Effective on December 9, 2022, Armor’s common shares were transferred from the TSX Venture Exchange to the NEX. Armor’s share symbol was changed from A to A.H on such date.

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 December 31, 2022, the Company had cash and cash equivalents of \$2,728,221, working capital of \$2,729,366, loss for the nine months ended December 31, 2022 of \$143,760, and a deficit of \$31,838,214. Based on anticipated cash flows, the Company is expected to have sufficient resources to meet its committed expenditures for the next twelve months.

On March 11, 2020, the novel coronavirus outbreak (“COVID-19”) was declared a pandemic by the World Health Organization. While the Company has not been significantly impacted by COVID-19 to date, any future disruptions resulting from COVID-19 and its variants including the ultimate duration and magnitude of the impact on the economy and the Company’s business are not known at this time. The Company’s ability to obtain equity financing could be impacted, as well as the Company’s ability to explore and conduct business.

In late February 2022, Russia launched a large-scale military attack on Ukraine, which amplified global geopolitical tensions. In response to the military action by Russia, various countries, including Canada, issued broad-ranging economic sanctions against Russia. Such sanctions and any future sanctions against Russia may adversely impact, among other things, the Russian economy, which directly and indirectly affect various sectors of the economy, disrupt the global supply chain, and increase inflationary pressures. Accordingly, the actions discussed above and the potential for a wider conflict could increase financial market volatility and cause severe negative effects on regional and global economic markets, and therefore have a significant negative effect on the ability of the Company to obtain equity financing to fund additional exploration activities.

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 for the year ended March 31, 2022.

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, 2022. The Board of Directors authorized these condensed consolidated interim financial statements for issuance on February 28, 2023.

b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit and loss which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company’s presentation currency.

c) Use of judgements and estimates

In preparing these condensed consolidated interim financial statements, management has made judgments and

Armor Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended December 31, 2022 and 2021

(Unaudited – Expressed in Canadian dollars, unless otherwise noted)

estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual amounts incurred by the Company may differ from these values.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended March 31, 2022.

d) Changes in accounting standards

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRS Interpretations Committee. However, these updates either are not applicable to the Company or are not material to the condensed consolidated interim financial statements.

3. LEASES

The Company shares office space with other companies related to it by virtue of certain directors and management in common (Note 6).

During the three and nine months ended December 31, 2022, the Company recognized \$2,806 and \$11,373 respectively (three and nine months ended December 31, 2021 - \$2,302 and \$3,644, respectively) of general office expenses for the two leased premises that do not meet the definition of a lease (Note 8). The Company is jointly liable for rent payments and uses the assets jointly.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31,		March 31,	
	2022		2022	
Accounts payables	\$	1,054	\$	1,286
Accrued liabilities		10,924		14,275
	\$	11,978	\$	15,561

5. SHARE CAPITAL

The authorized capital stock of the Company is comprised of an unlimited number of common shares without par value.

As of December 31, 2022 the Company had 76,624,621 (March 31, 2022 – 76,624,621) common shares outstanding.

6. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management includes the Company's directors and certain senior management. For the three and nine months ended December 31, 2022, the Company paid salaries and benefits of \$3,323 and \$16,389, respectively to key management personnel (three and nine months ended December 30, 2021 – \$4,881 and \$17,800, respectively).

Related party transactions

On March 1, 2015, the Company entered into an arrangement to share office space, equipment, personnel, consultants and various administrative services with other companies related by virtue of certain directors and management in common. These services have been provided through a management company equally owned by each company party to the arrangement. Costs incurred by the management company are allocated and funded by the shareholders of the management company based on time incurred and use of services. If the Company's participation in the arrangement is terminated, the Company will be obligated to pay its share of the rent payments for the remaining term of the office space rental agreement. The Company's obligation for future rental payments on December 31, 2022, was approximately \$37,000, determined based on the Company's average share of rent paid in the immediately preceding 12 months.

Armor Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended December 31, 2022 and 2021

(Unaudited – Expressed in Canadian dollars, unless otherwise noted)

The Company was charged for the following with respect to these arrangements in the three and nine months ended December 31, 2022 and 2021:

	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
Salaries and benefits	\$ 11,014	\$ 12,034	\$ 38,684	\$ 42,663
General office expenses	7,609	5,153	20,410	9,786
Listing and filing fees	45	45	5,288	5,288
Professional fees	–	–	1,295	17
	\$ 18,668	\$ 17,232	\$ 65,677	\$ 57,754

At December 31, 2022, included in prepaid is an amount due from a related party of \$5,082 (March 31, 2022 – \$4,771) with respect to these arrangements.

The amount due from a related party at December 31, 2022 of \$5,026 (March 31, 2022 – \$5,026) 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. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

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

	December 31,		March 31,	
	2022		2022	
Financial assets				
Financial Assets at amortized cost				
Cash and cash equivalents	\$	2,728,221	\$	2,874,393
Amounts receivable		6,731		2,248
Due from a related party		5,026		5,026
Total financial assets	\$	2,739,978	\$	2,881,667
Financial liabilities				
Financial liabilities at amortized cost				
Accounts payable and accrued liabilities	\$	11,978	\$	15,561
Total financial liabilities	\$	11,978	\$	15,561

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 small portion of its expenses are incurred in United States dollars ("US dollars"). The Company is not exposed to significant foreign currency risk on fluctuations related to cash and accounts payable liabilities that are denominated in US dollars. The Company does not use derivatives or other techniques to manage foreign currency risk.

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

Armor Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended December 31, 2022 and 2021

(Unaudited – Expressed in Canadian dollars, unless otherwise noted)

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.

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.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or obtain debt financing. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with cashable maturities 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

8. COMMITMENTS

At December 31, 2022, based on the Company's share of rent, the Company is committed to payments for office leased premises through 2027. Payments by fiscal year are:

2023	\$	4,400
2024	\$	17,500
2025	\$	12,400
2026	\$	2,300
2027	\$	1,500

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:						
December 31, 2022	\$	2,746,370	\$	–	\$	2,746,370
March 31, 2022	\$	2,893,713	\$	–	\$	2,893,713
Loss for the nine months ended:						
December 31, 2022	\$	143,760	\$	–	\$	143,760
December 31, 2021	\$	76,051	\$	–	\$	76,051