



Armor Minerals Inc.

Management's Discussion and Analysis

For the three and six months ended September 30, 2021 and 2020

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(Expressed in Canadian dollars, unless otherwise noted)

INTRODUCTION

This management's discussion and analysis ("MD&A") of Armor Minerals Inc. (the "Company", "Armor", "we", "us", or "our") covers the three and six months ended September 30, 2021, with comparative information for the three and six months ended September 30, 2020. This MD&A takes into account information available up to and including November 25, 2021. This MD&A should be read in conjunction with the accompanying condensed consolidated interim financial statements and notes ("financial statements") for the three and six months ended September 30, 2021, and the audited consolidated financial statements of the Company for the year ended March 31, 2021, which are available on the Company's website at www.armorminerals.com and under the Company's profile 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 September 30, 2021 are comprised 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 under the symbol "A".

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.

The Company does not have any exploration projects as at September 30, 2021 but is seeking new exploration projects and properties by way of acquisition or staking new areas.

CORPORATE ACTIVITIES

Management appointments

Effective October 1, 2021, the Company appointed Ms. Sunny Lowe as Chief Financial Officer. Ms. Lowe brings over 20 years of capital markets, finance, and international accounting, tax and risk management experience. In her most recent role with an Ecuador-focused exploration and development company, Ms. Lowe went beyond the traditional duties of her role as Chief Financial Officer to become a driving force in the completion of a feasibility study, engagement with Ecuadorian government to advance project permitting, and negotiation of an Investor Protection Agreement and Exploitation Agreement, that contributed to the company's successful acquisition by an intermediate producer.

Prior to this, Ms. Lowe was Vice President, Finance for a senior precious metal producer for two years and Vice President, Internal Audit & Enterprise Risk Management for almost four years. Ms. Lowe also spent eight years at a senior base metals

Armor Minerals Inc.

Management's Discussion and Analysis

For the three and six months ended September 30, 2021 and 2020

(Expressed in Canadian dollars, unless otherwise noted)

producer where she held leadership roles of increasing responsibility across functions including Enterprise Risk Management, Global Taxation and Compliance, and Business Systems and Controls.

COSTS EXPENSED, LOSS AND COMPREHENSIVE LOSS

During the three and six months ended September 30, 2021, the Company recorded a loss of \$34,900 (\$0.00 per share) and \$53,035 (\$0.00 per share), compared to a loss of \$28,116 (\$0.00 per share) and \$57,164 (\$0.00 per share), respectively in the same periods of fiscal 2021. The increase in loss for the three months ended September 30, 2021, compared to the same period of the previous fiscal year is mainly attributable to an increase in salaries and benefits expenses. The decrease in loss for the six months ended September 30, 2021, compared to the six months ended September 30, 2020 is mainly caused by the amortization of deferred liability.

Salaries and benefits expense of \$19,130 for the three months ended September 30, 2021, and \$30,629 for the six months ended September 30, 2021, compares to \$10,675 for the three months September 30, 2020, and \$28,442 for the six months ended September 30, 2020. 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 of \$2,332 for the three months ended September 30, 2021, and \$4,633 for the six months ended September 30, 2021, compare to \$7,174 for the three months ended September 30, 2020, and \$14,568 for the six months ended September 30, 2020. General office expenses also represent the allocation at cost of office expenses from the related management company. The decrease in general office expenses allocation is primarily due to the impact of the amortization of deferred liability.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2021, the Company had cash and cash equivalents of \$2,933,261 compared to \$2,312,778 at March 31, 2021.

Operating activities used cash of \$47,122 and \$52,020 for the three and six months ended September 30, 2021, respectively, compared to \$28,933 and \$56,030 for the three and six months ended September 30, 2020, respectively. The increased use of cash for the three months ended September 30, 2021, compared to the previous fiscal year is mainly attributable to an increase in salaries and benefits expense, as previously discussed. The decreased use of cash for the six months ended September 30, 2021, compared to the previous fiscal year is mainly attributable the impact of the timing of receipts and payments from non-cash working capital items, primarily prepaid expenses.

Cash inflow from financing activities of \$652,500 and \$672,500 for the three and six months ended September 30, 2021, respectively relates to proceeds from exercise of share purchase warrants of the Company. Cash inflow from financing activities of \$750,000 for the three and six months ended September 30, 2020, relates to subscriptions received in advance, and \$1,280,905 for the six months ended September 30, 2020, relates to proceeds from exercise of share purchase warrants of the Company.

At September 30, 2021, the Company had cash and cash equivalents of \$2,933,261, working capital of \$2,929,821, loss for the six months ended September 30, 2021 of \$53,035, and a deficit of \$31,637,759. 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. The situation has been dynamic and 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.

Armor Minerals Inc.

Management's Discussion and Analysis

For the three and six months ended September 30, 2021 and 2020

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SUMMARY OF QUARTERLY FINANCIAL INFORMATION

	Loss			Loss per share		
	For the year ended March 31,			For the year ended March 31,		
	2022	2021	2020	2022	2021	2020
Q1	\$ 18,135	\$ 29,048	\$ 36,444	\$ 0.00	\$ 0.00	\$ 0.00
Q2	34,900	28,116	113,741	0.00	0.00	0.00
Q3	N/A	24,026	64,309	N/A	0.00	0.00
Q4	N/A	15,206	28,004	N/A	0.00	0.01
Total	\$ 53,035	\$ 96,396	\$ 242,498	\$ 0.00	\$ 0.00	\$ 0.01

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

- Lower quarterly losses from Q4 2020 onwards reflects a decrease in corporate activities due to decreased evaluation of mineral projects for potential acquisition and an absence of active mineral exploration.
- Higher quarterly losses for Q2 2020 and Q3 2020 is mainly due to the increase of salaries and benefits and professional fees during those periods to support the increase of the Company's activities in evaluating mineral projects for potential acquisition.
- Increased quarterly loss in Q2 2022 is mainly due to the increase of salaries and benefits allocated from the related management company to support the exercise of share purchase warrants of the Company.

COMMITMENTS AND CONTINGENCIES

At September 30, 2021, the Company had contractual cash flow commitments as follows (see "Related Party Transactions" for the Company's contingent obligation for future rental payments subsequent to year-end):

	< 1 Year	1-3 Years	3-5 Years	> 5 Years	Total
Accounts payable and accrued liabilities	\$ 7,253	\$ –	\$ –	\$ –	\$ 7,253
Due to related party	11	–	–	–	11
Deferred liability	2,691	–	–	–	2,691
Office lease obligations	16,800	33,200	2,800	–	52,800
	\$ 26,755	\$ 33,200	\$ 2,800	\$ –	\$ 62,755

SHARE CAPITAL INFORMATION

As at November 25, 2021, the Company had an unlimited number of common shares authorized for issuance of which 76,624,621 are currently issued and outstanding.

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, other than the Company's obligation for future rental payments described in "Related Party Transactions".

RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management includes the Company's directors and certain senior management. For the three and six months ended September 30, 2021, the Company paid salaries and benefits of \$8,599 and \$12,918, respectively to key management personnel (September 30, 2020 – \$4,599 and \$9,198, respectively).

Armor Minerals Inc.

Management's Discussion and Analysis

For the three and six months ended September 30, 2021 and 2020

(Expressed in Canadian dollars, unless otherwise noted)

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 September 30, 2021 was approximately \$51,000, determined based on the Company's average share of rent paid in the immediately preceding 12 months.

The Company was charged for the following with respect to these arrangements in the three and six months ended September 30, 2021 and 2020:

	Three months ended September 30,		Six months ended September 30,	
	2021	2020	2021	2020
Salaries and benefits	\$ 19,130	\$ 10,844	\$ 30,629	\$ 28,611
Listing and filing fees	5,243	3,367	5,243	3,370
General office expenses	2,332	7,783	4,633	18,219
Investor relations	–	–	–	194
Professional fees	17	–	17	–
	\$ 26,722	\$ 21,994	\$ 40,522	\$ 50,394

At September 30, 2021 amounts in accounts payable and accrued liabilities include \$11 (March 31, 2021 – prepaids include \$12,013) with respect to these arrangements.

The amount due from related party at September 30, 2021 of \$5,026 (March 31, 2021 – \$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.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's accounting policies are described in its consolidated financial statements for the year ended March 31, 2021. The preparation of the consolidated financial statements requires management to make certain estimates, judgments and assumptions 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. Actual outcomes could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

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

Armor Minerals Inc.

Management's Discussion and Analysis

For the three and six months ended September 30, 2021 and 2020

(Expressed in Canadian dollars, unless otherwise noted)

FINANCIAL INSTRUMENTS

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

	September 30, 2021	March 31, 2021
Financial assets		
Loans and receivables at amortized cost		
Cash and cash equivalents	\$ 2,933,261	\$ 2,312,778
Amounts receivable	1,007	736
Due from a related party	5,026	5,026
Total financial assets	\$ 2,939,294	\$ 2,318,540
Financial liabilities		
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	\$ 7,264	\$ 12,360
Deferred liability	2,691	10,766
Total financial liabilities	\$ 9,955	\$ 23,126

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

RISKS AND UNCERTAINTIES

Financial statement risk exposure

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.

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.

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 maturities 90

Armor Minerals Inc.

Management's Discussion and Analysis

For the three and six months ended September 30, 2021 and 2020

(Expressed in Canadian dollars, unless otherwise noted)

days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

Risk factors

The Company currently has no revenues from operations. Should the Company decide to explore or acquire mineral property interests it may 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, 2021 and the other information filed by the Company with the Canadian securities regulators, which are available under the Company's profile 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.

Armor Minerals Inc.

Corporate Information

Head Office	Suite 555 – 999 Canada Place Vancouver, BC V6C 3E1 Telephone: (604) 687–1717 Facsimile: (604) 687–1715
Records & Registered Office	1200 Waterfront Centre 200 Burrard Street P.O. Box 48600 Vancouver, BC V7X 1T2
Directors	Purni Parikh Robert Pirooz, Q.C. Richard W. Warke
Officers	Richard W. Warke – Chief Executive Officer and President Sunny Lowe – Chief Financial Officer Tom Ladner – Vice President, Legal Susy Horna – Corporate Secretary Jacqueline Wagenaar – Vice President, Investor Relations
Registrar & Transfer Agent	Computershare Investors Services Inc. #401 – 510 Burrard Street Vancouver, BC V6C 3B9
Auditors	Davidson & Company LLP 609 Granville St Vancouver, BC V7Y 1G6
Solicitors	Borden, Ladner, Gervais LLP 1200 Waterfront Centre 200 Burrard Street P.O. Box 48600 Vancouver, BC V7X 1T2
Shares Listed	TSX Venture Exchange (TSX–V) Trading symbol: A
Investor Relations	info@armorminerals.com