Armor Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended December 31, 2021 and 2020

INTRODUCTION

This management's discussion and analysis ("MD&A") of Armor Minerals Inc. (the "*Company*", "*Armor*", "*we*", "*us*", or "*our*") covers the three and nine months ended December 31, 2021, with comparative information for the three and nine months ended December 31, 2020. This MD&A takes into account information available up to and including February 25, 2022. This MD&A should be read in conjunction with the accompanying condensed consolidated interim financial statements and notes ("financial statements") for the three and nine months ended December 31, 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 December 31, 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 December 31, 2021 but is seeking new exploration projects and properties by way of acquisition or staking new areas.

COSTS EXPENSED, LOSS AND COMPREHENSIVE LOSS

During the three and nine months ended December 31, 2021, the Company recorded a loss of $23,016 ($0.00 per share) and $76,051 ($0.00 per share), compared to a loss of $24,026 ($0.00 per share) and $81,190 ($0.00 per share), respectively in the same periods of fiscal 2021. The decrease in loss for the three and nine months ended December 31, 2021, compared to the same periods of the previous fiscal year is mainly attributable to a decrease in corporate activities causing less general office expenses incurred. The decrease in general office expenses in the current periods is offset by a decrease in finance income from the same periods of fiscal 2021 due to the overall decrease in interest rates earned on the cash balances despite having a higher cash balance in the current period.

Salaries and benefits expense of $12,034 for the three months ended December 31, 2021, and $42,663 for the nine months ended December 31, 2021, is comparable to $12,093 for the three months ended December 31, 2020, and $40,535 for the nine months ended December 31, 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 $5,219 for the three months ended December 31, 2021, and $9,852 for the nine months ended December 31, 2021, compare to $5,844 for the three months ended December 31, 2020, and $20,412 for the nine months ended December 31, 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 decrease in corporate activities.

(Expressed in Canadian dollars, unless otherwise noted)

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2021, the Company had cash and cash equivalents of $2,933,290 compared to $2,312,778 at March 31, 2021.

Operating activities provided cash of $30 and used cash of $51,990 for the three and nine months ended December 31, 2021, respectively, compared to use of cash of $33,472 and $89,502 for the three and nine months ended December 31, 2020, respectively. The decreased use of cash for the three and nine months ended December 31, 2021, compared to the same periods of the previous fiscal year is mainly attributable to the timing of payments affecting changes in non-cash working capital items such as prepaid expenses and amounts due to related party.

Cash inflow from financing activities of $672,500 for the nine months ended December 31, 2021, relates to proceeds from exercise of share purchase warrants of the Company. Cash inflow from financing activities of $2,500 and $2,033,405 for the three and nine months ended December 31, 2020, also relates to proceeds from exercise of share purchase warrants of the Company.

At December 31, 2021, the Company had cash and cash equivalents of $2,933,290, working capital of $2,906,805, loss for the nine months ended December 31, 2021 of $76,051 and a deficit of $31,660,775. 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 and continues to be 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.

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

	Loss For the year ended March 31,			Loss per share 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	23,016	24,026	64,309	0.00	0.00	0.00
Q4	N/A	15,206	28,004	N/A	0.00	0.00
Total	$ 76,051	$ 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..
- 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 December 31, 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	$ 10,452	$ –	$ –	$ –	$ 10,452
Due to a related party	18,862	–	–	–	18,862
Office lease obligations	12,500	20,100	–	–	32,600
	$ 41,814	$ 20,100	$ –	$ –	$ 61,914

SHARE CAPITAL INFORMATION

As at February 25, 2022, the Company had an unlimited number of common shares authorized for issuance of which 76,624,621 are currently issued and outstanding.

(Expressed in Canadian dollars, unless otherwise noted)

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 nine months ended December 31, 2021, the Company paid salaries and benefits of $4,881 and $17,800, respectively to key management personnel (December 31, 2020 – $5,099 and $14,297, 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, 2021 was approximately $48,000,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 nine months ended December 31, 2021 and 2020:

	Three months ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
Salaries and benefits	$ 12,034	$ 12,093	$ 42,663	$ 40,535
General office expenses	5,151	1,595	9,784	19,660
Listing and filing fees	45	45	5,288	3,412
Professional fees	–	–	17	–
Investor relations	2	–	2	149
	17,232	$ 13,733	$ 57,754	$ 63,756

At December 31, 2021 the amount due to related party of $18,862 (March 31, 2021 – amount included in prepaids of $12,013) is related to these arrangements. The amount due from related party at December 31, 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.

(Expressed in Canadian dollars, unless otherwise noted)

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, 2021		March 31, 2021
Financial assets				
Loans and receivables at amortized cost				
Cash and cash equivalents	$	2,933,290	$	2,312,778
Amounts receivable		1,372		736
Due from a related party		5,026		5,026
Total financial assets	$	2,939,688	$	2,318,540
Financial liabilities				
Financial liabilities at amortized cost				
Accounts payable and accrued liabilities	$	10,452	$	12,360
Due to a related party		18,862		–
Deferred liability		–		10,766
Total financial liabilities	$	29,314	$	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 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.

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