



**Armor Minerals Inc.**

Management's Discussion and Analysis

For the three and nine months ended December 31, 2023 and 2022

## 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, 2023, with comparative information for the three and nine months ended December 31, 2022. This MD&A is dated February 28, 2024, and takes into account information available up to and including such date. 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, 2023, and the audited consolidated financial statements of the Company for the year ended March 31, 2023, which are available on the Company's website at [www.armorminerals.com](http://www.armorminerals.com) and under the Company's profile on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

The Company has prepared the condensed consolidated interim financial statements in accordance with IFRS Accounting Standards 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 the risks discussed elsewhere in this MD&A and the Company's MD&A for the year ended March 31, 2023. 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, 2023, 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 NEX under the symbol "A.H".

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, 2023 but is seeking new exploration projects and properties by way of acquisition or staking new areas.

## CORPORATE MATTERS

During the three and nine months ended December 31, 2023, the Company has evaluated mineral projects for potential acquisition; however, the Company did not make any acquisitions or engage in active mineral exploration.

## COSTS EXPENSED, NET INCOME/LOSS AND COMPREHENSIVE INCOME/LOSS

For the three and nine months that ended December 31, 2023, the Company recorded a net income of \$7,313 (\$0.00 per share), and \$1,483 (\$0.00 per share), respectively, compared to a net loss of \$3,890 (\$0.00 per share), and \$143,760 (\$0.00 per share), respectively in the same period of fiscal 2023. The increase in net income for the nine months ended December 31, 2023, compared to the nine months ended December 31, 2023 is mainly attributable to a decrease in professional fees incurred for the due diligence, investigation, and analysis on strategic initiatives in potential mineral projects and an increase of interest income earned on cash and cash equivalents.

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Salaries and benefits expenses of \$10,985 for the three months ended December 31, 2023, and \$35,726 for the nine months ended December 31, 2023, compares to \$11,014 for the three months ended December 31, 2022, and \$38,684 for the nine months ended December 31, 2022. Salaries and benefits expenses represent 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 for 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 \$7,659 for the three months ended December 31, 2023, and \$22,289 for the nine months ended December 31, 2023, compares to \$7,577 for the three months ended December 31, 2022, and \$20,420 for the nine months ended December 31, 2022. General office expenses primarily represent the allocation at the cost of office expenses from the related management company.

Professional fees of \$4,960 for the three months ended December 31, 2023, and \$15,620 for the nine months ended December 31, 2023, compares to a recovery of \$1,192 for the three months ended December 31, 2022, and \$102,822 for the nine months ended December 31, 2022. The decrease in professional fees for the nine months ended December 31, 2023, compared to the same period in fiscal 2023, is primarily a result of a decreased in the activities related to mineral project investigations.

Finance income of \$33,025 for the three months ended December 31, 2023, and \$92,351 for the nine months ended December 31, 2023, compares to \$18,211 for the three months ended December 31, 2022, and \$37,678 for the nine months ended December 31, 2022. The increase in finance income for the three and nine months ended December 31, 2023, compared to the same periods in fiscal 2023 is due to an increase in interest income earned on cash and cash equivalents.

### LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2023, the Company had cash and cash equivalents of \$2,720,348 compared to \$2,733,768 at March 31, 2023.

Operating activities used cash of \$13,467 and \$105,758 for the three and nine months ended December 31, 2023, respectively, compared to \$122,793 and \$183,861 for the three and nine months ended December 31, 2022, respectively. The decreased use of cash for the three months ended December 31, 2023, compared to the same period of the previous fiscal year is mainly due to the timing of payments affecting changes in non-cash working capital, primarily accounts payable and accrued liabilities. The decreased use of cash for the nine months ended December 31, 2023, compared to the same period of the previous fiscal year is mainly attributable to the decrease in the activities related to mineral project investigations.

Cash inflow from investing activities of \$33,025 and \$92,351 for the three and nine months ended December 31, 2023, respectively, and \$18,211 and \$37,678 for the three and nine months ended December 31, 2023, respectively, relates to interest income earned in the period.

At December 31, 2023, the Company had cash and cash equivalents of \$2,720,348, working capital of \$2,708,808, net income for the nine months ended December 31, 2023 of \$1,483 and a deficit of \$31,858,772. Based on anticipated cash flows, the Company is expected to have sufficient financial resources to meet its committed expenditures for the next twelve months.

### SUMMARY OF QUARTERLY FINANCIAL INFORMATION

	Net (income) loss For the year ended March 31,			Net (income) loss per share For the year ended March 31,		
	2024	2023	2022	2024	2023	2022
Q1	\$ (5,706)	\$ 23,571	\$ 18,135	\$ 0.00	\$ 0.00	\$ 0.00
Q2	11,536	116,299	34,900	0.00	0.00	0.00
Q3	(7,313)	3,890	23,016	0.00	0.00	0.00
Q4	N/A	22,041	33,679	N/A	0.00	0.00
Total	\$ (1,483)	\$ 165,801	\$ 109,730	\$ 0.00	\$ 0.00	\$ 0.00

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

- Net income in Q3 2024 and Q1 2024 and decreased quarterly losses since Q2 2023 are mainly attributable an increase in finance income each period.
- Increased quarterly loss in Q2 2024 compared to Q1 2024 is primarily attributable to the fiscal year 2023 year-end financial statement filing fees.
- Net loss in Q4 2023 is impacted by an increase in professional fees related to mineral property investigations, offset by the increase in finance income previously discussed.

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- Increased quarterly loss in Q2 2023 is mainly due to the increase of professional fees related to mineral project investigation activities.
- Increased quarterly loss in Q4 2022 is mainly due to the increase of salaries and benefits due to bonuses allocated from the related management company.
- 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, 2023, 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	\$ 13,310	\$ –	\$ –	\$ –	\$ 13,310
Office lease obligations	7,400	4,300	–	–	11,700
	\$ 20,710	\$ 4,300	\$ –	\$ –	\$ 25,010

#### SHARE CAPITAL INFORMATION

As at February 28, 2024, 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 nine months ended December 31, 2023, the Company paid \$3,338 and \$10,014 respectively in salaries and benefits to key management personnel (December 31, 2022 – \$3,323 and \$16,389, 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, 2023, was approximately \$20,300, determined based on the Company's average share of rent paid in the immediately preceding 12 months.

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The Company was charged for the following with respect to these arrangements in the three and nine months ended December 31, 2023, and 2022:

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Salaries and benefits	\$ 10,985	\$ 11,014	\$ 35,726	\$ 38,684
General office expenses	7,675	7,609	20,981	20,410
Listing and filing fees	90	45	5,334	5,288
Professional fees	871	–	892	1,295
	\$ 19,621	\$ 18,668	\$ 62,933	\$ 65,677

At December 31, 2023, included in accounts payable and accrued liabilities is an amount due to a related party of \$1,577 (March 31, 2023 – \$2,080) with respect to these arrangements.

The amount due from a related party at December 31, 2023, of \$5,026 (March 31, 2023 – \$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 audited consolidated financial statements for the year ended March 31, 2023. The preparation of the condensed consolidated interim 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 condensed consolidated interim 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.

### 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,	
	2023		2023	
Financial assets				
Financial assets at amortized cost				
Cash and cash equivalents	\$	2,720,348	\$	2,733,768
Amounts receivable		1,770		3,208
Due from a related party		5,026		5,026
Total financial assets	\$	2,727,144	\$	2,742,002
Financial liabilities				
Financial liabilities at amortized cost				
Accounts payable and accrued liabilities	\$	13,310	\$	30,964
Total financial liabilities	\$	13,310	\$	30,964

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

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### RISKS AND UNCERTAINTIES

#### 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 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 maturities at the point of purchase of 90 days or less or are cashable after 90 days at the option of the Company, selected with regards to the expected timing of expenditures from continuing operations.

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#### **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, 2023 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.sedarplus.ca](http://www.sedarplus.ca), 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

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