Armor Minerals Inc.

Management's Discussion and Analysis

For the three and nine months ended December 31, 2020 and 2019

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, 2020, with comparative information for the three and nine months ended December 31, 2019. This MD&A takes into account information available up to and including February 26, 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 nine months ended December 31, 2020, and the audited consolidated financial statements of the Company for the year ended March 31, 2020, which are available on the Company's website at www.armorminerals.com and 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, 2020 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. Currently, Armor does not have any mineral producing properties or any revenues from operations.

In October of 2015, the Company signed a definitive Earn-in Agreement (the "Agreement") with Jack's Fork Exploration, Inc. ("Jack's Fork"), to acquire up to an 80% joint venture interest in the Warmister and Tower Hill gold properties (the "Properties") located in Virginia, USA. In February of 2017 in accordance with the Agreement, Armor gave thirty days' advance notice of termination to Jack's Fork. As of the date of termination, the Company incurred expenditures totaling US$455,040 and earned a 10% interest in the Properties.

The Company does not have any exploration projects as at December 31, 2020 but is actively seeking new exploration projects and properties by way of acquisition or staking new areas.

CORPORATE MATTERS

During the nine months ended December 31, 2020, the Company has evaluated mineral projects for potential acquisition; however, did not make any acquisitions or engage in active mineral exploration. Similarly, Armor was not engaged in active mineral exploration in the previous fiscal year.

COSTS EXPENSED, NET LOSS AND COMPREHENSIVE LOSS

During the three and nine months ended December 31, 2020, the Company recorded a net loss of $24,026 ($0.00 per share) and $81,190 ($0.00 per share), respectively, compared to $64,309 ($0.00 per share) and $214,494 ($0.00 per share), respectively in the same periods of fiscal 2020.

The decreased net loss during the three and nine months ended December 31, 2020 compared to the same periods of the previous fiscal year is mainly attributable to a decrease in corporate activities due to less evaluation of mineral projects for potential acquisition and the depreciation of right-of use assets recognized in fiscal 2020.

Salaries and benefits expense of $12,093 for the three months ended December 31, 2020 and $40,535 for the nine months ended December 31, 2020 compares to $38,478 for the three months and $105,510 for the nine months ended December 31, 2019. Salaries and benefits expense 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 on several public companies and accordingly, the cost charged to Armor will vary with the amount of time incurred on the Company's affairs. The higher salaries and benefits for the three and nine months ended December 31, 2019 is mainly due to the more time spent evaluating mineral projects for potential acquisition.

With the adoption of IFRS 16, *Leases* ("IFRS 16") on April 1, 2019, the Company recognized $7,183 and $23,580 for the three and nine months ended December 30, 2019 respectively for the depreciation of right-of-use assets. In accordance with IFRS 16, the Company also recognized interest on lease liabilities of $5,038 and $11,823 for the three and nine months ended December 31, 2019, respectively. Effective January 2, 2020, the parties to the lease contracts do not have collective control over the underlying assets. Accordingly, the Company no longer has the right to obtain substantially all the economic benefits from use of the assets throughout the period of use, resulting in the de-recognition of the right-of-use assets and lease liabilities.

After accounting for the foreign currency translation loss, there was a comprehensive loss for the three and nine months ended December 31, 2020 of $24,026 and $81,190 respectively compared to $64,309 and $214,500 for the three and nine months ended December 31, 2019. The decreased comprehensive loss for the three and nine months ended December 31, 2020 compared to the same period of fiscal 2019 mainly reflects the decrease in corporate activities and the impact of the de-recognition of the right-of-use assets and lease liabilities.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2020, the Company had cash and cash equivalents of $2,340,335 compared to $387,056 at March 31, 2020.

Operating activities used cash in the amount of $33,472 and $89,502 in the three and nine months ended December 31, 2020 respectively, compared to $49,956 and $213,591 in the three and nine months ended December 31, 2019 respectively. The decreased use of cash is primarily attributable to a decrease in corporate activities, previously discussed, and the timing of receipts and payments from non-cash working capital items.

Cash inflow from financing activities of $2,500 and $2,033,405 for the three and nine months ended December 31, 2020 relates to proceeds from exercise of share purchase warrants of the Company. Cash outflow from financing activities of $11,956 and $35,385 for the three and nine months ended December 31, 2019 respectively relates to payment of lease liabilities.

At December 31, 2020, the Company had cash and cash equivalents of $2,340,335, working capital of $2,325,562, net loss for the nine months ended December 31, 2020 of $81,190, and a deficit of $31,569,518. 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 is 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.

(Expressed in Canadian dollars, unless otherwise noted)

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

	Net loss For the year ended March 31,			Net loss per share For the year ended March 31,		
	2021	**2020**	**2019**	**2021**	**2020**	**2019**
Q1	$ 29,048	$ 36,444	$ 14,055	$ 0.00	$ 0.00	$ 0.00
Q2	28,116	113,741	25,871	0.00	0.00	0.00
Q3	24,026	64,309	34,549	0.00	0.00	0.00
Q4	N/A	28,004	62,801	N/A	0.00	0.00
Total	$ 81,190	$ 242,498	$ 137,276	$ 0.00	$ 0.01	$ 0.00

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

- Salaries and benefits of $50,389 in the second quarter and $38,478 in the third quarter of fiscal 2020 and professional fees of $25,825 in the second quarter of fiscal 2020 related to an increase in the Company's activities in evaluating mineral projects for potential acquisition.
- Professional fees of $37,492 in the fourth quarter of fiscal 2019 which primarily relate to legal fees associated with a share transfer.
- Lower net loss from Q4 2020 onwards reflects lower activities in evaluating mineral projects for potential acquisition. Lower net loss in certain quarters of fiscal 2019 are due to an absence of active mineral exploration.

COMMITMENTS

At December 31, 2020, the Company had contractual cash flow commitments as follows (see "Related Party Transactions" for the Company's 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	$ 10,274	$ –	$ –	$ –	$ 10,274
Deferred liability	14,803	–	–	–	14,803
Office lease obligations	9,900	–	–	–	9,900
	$ 34,977	$ –	$ –	$ –	$ 34,977

SHARE CAPITAL INFORMATION

As at February 26, 2021, the Company had an unlimited number of common shares authorized for issuance of which 74,943,371 are currently issued and outstanding. Also, on February 26, 2021, the Company had 2,493,750 warrants issued and outstanding with a weighted average exercise price of $0.40.

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 that 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, 2020, the Company paid salaries and benefits of $5,099 and $14,297, respectively to key management personnel (December 31, 2019 – $22,927 and $56,397, respectively).

(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 December 31,2020 was approximately $28,000, 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, 2020 and 2019:

	Three months ended December 31, 2020	Three months ended December 31, 2019	Nine months ended December 31, 2020	Nine months ended December 31, 2019
Salaries and benefits	$ 12,093	$ 38,478	$ 40,535	$ 105,510
General office expenses	1,595	5,019	19,660	21,573
Listing and filing fees	45	255	3,412	3,307
Investor relations	–	2,585	149	6,274
Travel	–	–	–	1,301
	$ 13,733	$ 46,337	$ 63,756	$ 137,965

At December 31, 2020 prepaids includes $8,180 with respect to this arrangement (March 31, 2020 – due to related party of $504).

The amount due from related party at December 31, 2020 of $5,026 (March 31, 2020 – $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, 2020. 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.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is described below.

- Functional currency – The Company and its subsidiaries have to determine their functional currencies based on the primary economic environment in which each entity operates. In order to do that, management has to analyse several factors, including which currency mainly influences the cost of undertaking the business activities, in which currency the entity has received financing, and in which currency it keeps its receipts from operating activities. Management uses its judgment to determine which factors are most important, when the above indicators are mixed and the functional currency is not obvious.
- Options and warrants – The fair value of options and warrants is determined on the grant date. In order to compute the fair value, the Company uses the Black-Scholes option pricing model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life, expected volatility, expected dividend yield and the risk-free interest rate, as well as the number of options or warrants expected to be exercised.

Refer to note 2 of the consolidated financial statements for the year ended March 31, 2020 for the significant judgments related to IFRS 16.

FINANCIAL INSTRUMENTS

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

		December 31, 2020		March 31, 2020
Financial assets				
Loans and receivables at amortized cost				
Cash and cash equivalents	$	2,340,335	$	387,056
Amounts receivable		2,043		5,456
Due from related party		5,026		5,026
Total financial assets	$	2,347,404	$	397,538
Financial liabilities				
Financial liabilities at amortized cost				
Accounts payable and accrued liabilities	$	10,274	$	13,487
Due to a related party		–		504
Deferred liability		14,803		13,458
Total financial liabilities	$	25,077	$	27,449

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 U.S. dollars. The Company is not exposed to significant foreign currency risk on fluctuations related to cash and accounts payable liabilities that are denominated in United States dollars ("US$"). 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. The Company is not materially exposed to interest rate risk at this time.

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 other mineral property interests it will 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, 2020 and the other information filed with the Canadian securities regulators, which are available 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.

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 Warke – Chief Executive Officer and President Linda Chang – Chief Financial Officer Susy Horna – Corporate Secretary
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