ARMOR

ARMOR MINERALS INC.

Management's Discussion and Analysis

For the Year Ended March 31, 2016

Introduction

This management's discussion and analysis ("MD&A") of Armor Minerals Inc. (the "*Company*", "*Armor*", "*we*", "*us*", or "*our*") covers the year ended March 31, 2016, with comparative information for the year ended March 31, 2015. This MD&A takes into account information available up to and including July 20, 2016. This MD&A should be read in conjunction with the accompanying consolidated financial statements and notes for the year ended March 31, 2016 ("financial statements"), 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 consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All dollar amounts reported herein are in Canadian dollars unless indicated otherwise.

Change in Functional and Presentation Currency

The Company changed its functional currency from the U.S. dollar ("USD") to the Canadian dollar ("CAD") as of April 1, 2015. The change in functional currency coincides with the April 2015 closing of the previously announced Canadian dollar units for debt transaction and private placement (see "Corporate Matters", subsequently in this MD&A). Considering Armor's business activities, comprised primarily of Canadian dollar expenditures as well as Canadian dollar denominated financings, management determined that the functional currency of the Company is the Canadian dollar. All assets, liabilities, share capital, and other components of shareholders' equity (deficit) were translated into Canadian dollars at the exchange rate at the date of change. These changes have been accounted for prospectively.

Concurrent with the change in functional currency, on April 1, 2015, the Company changed its presentation currency from the U.S. dollar to the Canadian dollar. This change in presentation currency is to better reflect the Company's business activities, comprised primarily of Canadian dollar transactions following the dissolution of its remaining foreign subsidiaries in the year ended March 31, 2015. The consolidated financial statements for all years presented have been translated into the new presentation currency in accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates*. The consolidated statements of loss and comprehensive loss have been translated into the presentation currency using the average exchange rates prevailing during each quarterly reporting period. All assets and liabilities previously reported in U.S. dollars have been translated into Canadian dollars as at April 1, 2014 and March 31, 2015 using the period-end noon exchange rates of 1.1053 USD/CAD and 1.2682 USD/CAD, respectively. As a practical measure, the comparative shareholders' equity (deficit) balances were translated at the April 1, 2014 exchange rate of 1.1053 USD/CAD. The comparative statements of net loss and cash flows were translated at quarterly averages between 1.0890 USD/CAD and 1.2418 USD/CAD for the year ending March 31, 2015. All resulting exchange differences have been recognized in the foreign currency translation reserve. The effect of applying different exchange rates for the change in functional currency and presentation currency have been included as a reconciling item within the statement of changes in shareholders' equity (deficit) as at April 1, 2015.

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 completing exploration expenditures within applicable timeframes. 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, risks related to the completion and integration of acquisitions and actual effects of the acquisitions; risks related to joint venture operations; uncertainties related to financings; the uncertainties of interpreting exploration results 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 and the registered and records office is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, V7X 1T2. The Company is publicly traded with shares listed on the TSX Venture Exchange (the "TSX-V") and the Bolsa de Valores de Lima (the "BVL") in Peru.

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.

On September 29, 2014, the Company's common shares were consolidated on the basis of one post-consolidated share for every ten pre-consolidated shares. All comparative common share, share option and share purchase warrant figures have been retrospectively restated to present post-consolidation amounts.

Summary, Objectives and Outlook

The Company is currently focused on exploring for Haile-style gold mineralization in altered volcanics and sediments in Central Virginia, pursuant to a joint venture earn-in agreement with Jack's Fork Exploration, Inc. ("Jack's Fork", a privately owned Company).

Agreement with Jack's Fork Exploration

On October 28, 2015, the Company signed a definitive Earn-in Agreement (the "Agreement") with Jack's Fork to joint venture the Warmister and Tower Hill gold properties (the "Properties") located in Virginia, USA. Jack's Fork is currently the holder of certain mineral leases covering the Properties. Under the terms of the Agreement, Armor will earn up to an 80% interest in the Properties by incurring exploration expenditures aggregating US$950,000 (the "Work Expenditures") over a three year period, with delivery of a preliminary economic assessment by the end of the term. Included in the Work Expenditures is a US$25,000 administration fee, the first payment of which was due upon execution of the Agreement (paid), and $25,000 annually thereafter until the earlier of when US$75,000 is paid or the delivery of a fully funded preliminary economic assessment.

As at July 20, 2016, the Company incurred Work Expenditures totaling US$251,680 and earned a 10% interest in the Properties.

Should the Company determine to advance the joint venture it will require additional funding, which the Company will likely seek from the equity markets. There can be no assurance any such funding would be available or available on acceptable terms.

Warmister Project

On June 9, 2016, results of six shallow diamond drill holes targeting high grade gold in outcrop at the Warmister Project located in Buckingham, Virginia.

The drilling program was composed of six shallow diamond drill holes targeting high grade gold in surface rock chip samples and coincident gold-in-soil anomalies covering a 300 meter long trend of anomalous gold values. All of the drill holes, with the exception of WAR16-003 were successful by intersecting gold mineralization related to late stage quartz veining over narrow thicknesses, including 24.3 g/t gold over 2.6 meters (drill thickness) in WAR16-006 and 15.6 g/t gold over 4.1 meters (drill thickness) in WAR16-005. A summary of these results are provided below:

Table 1[1,2]

DHID	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t
WAR16-001	39.93	41.15	1.22	0.27	0.10
WAR16-002	21.34	22.86	1.52	0.55	0.15
WAR16-002	110.03	111.25	1.22	0.40	0.10
WAR16-003	3.05	4.57	1.52	0.18	0.10
WAR16-004	17.50	19.80	2.30	0.65	0.50
WAR16-005	22.00	26.10	4.10	15.57	4.67
WAR16-006	0.00	3.05	3.05	0.23	0.10
WAR16-006	45.40	48.50	3.10	11.69	5.68
Including	22.00	24.59	2.59	24.28	7.21
WAR16-006	68.58	96.01	27.43	0.40	0.31

* All drill depths and assay intervals are drill hole depths and thicknesses and do not represent true widths.

Follow-up exploration will focus on testing expansions of the siliceous zones and altered volcanics through additional soil sampling and additional drilling.

Going Concern

At March 31, 2016 the Company had cash and cash equivalents of $122,367, working capital of $74,795, net income for the year ended March 31, 2016 of $89,545, and a deficit of $30,558,566. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its requirements. Based on current plans, Armor will need to raise additional funding in the first quarter of fiscal 2017. The Company has historically raised funds principally through the sale of securities and will continue to seek to obtain funding through similar or other means depending on market conditions and other relevant factors at the time. However, there can be no assurance that the Company will be able to obtain such additional funding or obtain it on acceptable terms. This material uncertainty casts significant doubt about the Company's ability to continue as a going concern.

The financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of operations. The financial statements do not reflect the adjustments to carrying values of assets and liabilities that would be necessary should the going concern assumption prove to be inappropriate, and these adjustments could be material.

Corporate Matters

Units for debt transaction

In August 2014, the liabilities of the Company were purchased by 25022011 Ltd. (formerly Augusta Investments Inc., "Augusta") and Iris Consulting Limited ("Iris", together with Augusta, the "Debt Purchasers"), directly from each of the creditors (the "Debt Transaction"). The amounts purchased by the Debt Purchasers included the loans

[1] Assays and Quality Assurance/Quality Control: To ensure reliable sample results, the Company has a rigorous QA/QC program in place; it includes the insertion of blanks and/or certified reference standards at statistical derived interval for each batch of samples. Core is photographed and split in half with one-half retained in a secured facility for verification purposes. Sample preparation (crushing and pulverizing) has been performed at ALS Minerals Laboratories, an ISO/IEC accredited lab located in Reno, Nevada. ALS Minerals Laboratories prepares a pulp of all samples and sends the pulps to their analytical laboratory in Vancouver, B.C. Canada for analysis. ALS analyzes each sample by 30 gm fire assay with an AAS finish (Au-AA23) and by ICP following a 4-acid digestion (ME-ICP61 for 33 elements) + Hg by ICPMS (HG-MS42). Any Gold values over 10 gm triggers an automatic 30 gm fire assay with gravimetric finish (Au-GRA21).

[2] Qualified Person: The results of the Armor drilling results have been reviewed, verified and compiled by Donald R. Taylor, MSc., PG, a qualified person as defined by National Instrument 43-101 (NI 43-101). Mr. Taylor has more than 25 years of mineral exploration and mining experience, and is a Registered Professional Geologist through the SME (registered member #4029597).

from former related parties of $43,634 and $544,054 (US$468,084), and accounts payables and accrued liabilities of $386,049 and $704,052 (US$605,740) (the "Purchased Debt"). In addition to the demand promissory notes issued to the Debt Purchasers, $20,000 was advanced by the Debt Purchasers in September 2014, and included in accounts payable and accrued liabilities. Taking into account the Purchased Debt, the demand promissory notes of $77,771, and the advances of $20,000, the aggregate amount owed to the Debt Purchasers at March 31, 2015 was $527,454 and $1,248,106 (US$1,073,824), totaling $1,775,560 (the "Total Debt"). Augusta and Iris each held an equal amount of the Total Debt.

On April 29, 2015, the Company issued 25,618,106 units for debt ("Debt Units") at a price of $0.05 per Debt Unit to settle $1,280,905 of the Total Debt. Each Debt Unit comprised of one common share and one common share purchase warrant (a "Debt Warrant"). Each Debt Warrant entitles the holder to purchase one common share at a price of $0.05 per common share until April 22, 2020. The Debt Units are subject to a 36-month staged release escrow commencing from April 22, 2015, released in stages with 10% of the Debt Units being released from escrow immediately and the balance being released in six equal installments every six months thereafter. The remainder of the Total Debt of $494,655 was recorded as a gain on settlement of debt.

The Debt Purchasers are both private companies which were at arm's length to the Company prior to the completion of the Debt Transaction. Augusta is indirectly 100% owned by Richard W. Warke. Iris is beneficially owned or controlled by Robert Pirooz, Q.C. Following the Debt Transaction, the Debt Purchasers became control persons of Armor each holding approximately 46.85% of the outstanding common shares on a fully-diluted basis.

Private placements

As part and parcel of the Debt Transaction, on April 29, 2015 the Company closed a non-brokered private placement for $200,000 under which the Company issued 4,000,000 units ("Private Placement Units") at a price of $0.05 per Private Placement Unit to certain directors of the Company. Each Private Placement Unit comprised of one common share and one common share purchase warrant (a "Private Placement Warrant"). Each Private Placement Warrant entitles the holder to purchase one common share at a price of $0.08 per common share until April 29, 2018. Certain directors, either directly or indirectly, participated in the Private Placement.

On October 7, 2015, the Company closed a non-brokered private placement of 5,000,000 units at a price of $0.10 per unit for gross proceeds of $500,000. Each unit comprised of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share at a price of $0.15 per common share until October 7, 2020. The private placement was equally subscribed, directly or indirectly, by Robert Pirooz Q.C. and Richard W. Warke, directors of the Company. The proceeds from the private placement are expected to be used towards the Earn-in Agreement with Jack's Fork and for general working capital purposes.

Other corporate matters

Effective October 1, 2015, Linda Chang was appointed as Chief Financial Officer of the Company.

In May 2015, the Company changed its name from Rio Cristal Resources Corporation to Armor Minerals Inc. and its trading symbol on the TSX-V to 'A'.

Exploration and Evaluation Costs

The following is a summary of exploration and evaluation costs by category for the years ended March 31, 2016 and 2015:

	2016	2015
Administration fee	$ 32,870	$ -
Option payments	53,757	-
Drilling	115,569	-
Property access	14,221	-
Assay and analysis	8,380	-
Geologic consulting and support	39,585	-
Travel, food and accommodations	16,909	-
Supplies and other	6,453	-
	$ 287,744	$ -

The exploration and evaluation costs primarily relate to the drill program on the Warmister Project which was initiated in the fourth quarter of 2016. During the year ended March 31, 2016, the Company expensed $287,744 of Work Expenditures on the Warmister Project, including a US$25,000 ($32,870) administration fee paid to Jack's Fork, and a US$38,280 ($53,757) option payment paid on behalf of Jack's Fork.

Costs Expensed, Net Loss and Comprehensive Loss

	2016	2015
Expenses:		
Exploration and evaluation costs	$ 287,744	$ -
Professional fees	76,446	150,250
Salaries, benefits and consulting	74,149	14,171
General office expenses	58,251	33,647
Listing and filing fees	16,226	21,184
Investor relations	6,011	6,506
Share-based compensation expense	-	137
Loss before other items	(518,827)	(225,895)
Gain on settlement of debt	494,655	-
Foreign exchange gain	113,386	76,520
Finance income (expense)	331	(7,449)
Change in fair market value of warrants	-	1,448
Net income (loss)	89,545	(155,376)
Other comprehensive loss:		
Items that may be reclassified to profit or loss:		
Foreign currency translation loss	-	(251,975)
Comprehensive income (loss)	$ 89,545	$ (407,351)
Basic net income (loss) per share	$ 0.003	$ (0.090)
Diluted net income (loss) per share	$ 0.002	$ (0.090)
Weighted average number of shares outstanding:		
Basic	31,401,597	1,725,913
Diluted	46,762,775	1,725,913

During the year ended March 31, 2016, the Company recorded a loss before other items of $518,827 and net income of $89,545 ($0.003 per share – basic), compared to a loss before other items of $225,895 and a net loss of $155,376 ($0.090 per share) in fiscal 2015. The increase in the loss before other items is primarily attributable to $287,744 of exploration and evaluation costs incurred during the year ended March 31, 2016 compared to $nil in fiscal 2015 (see "Exploration and Evaluation Costs", previously discussed) and salaries and rent charged from a related management company effective March 1, 2015 (see "Related Party Transactions", subsequently in this MD&A).

Professional fees expense of $76,446 in the year ended March 31, 2016 compares to $150,250 in fiscal 2015. The decrease in professional fees expense is primarily attributable to less legal services incurred in fiscal 2016. The Company also incurred less accounting fees for the year ended March 31, 2016 than for the year ended March 31, 2015 as a result of the accounting functions being performed by personnel employed by a related management company, further discussed below. Professional fees expense also decreased in fiscal 2016 as a result of the reduction in due diligence procedures and analysis on various strategic initiatives as the Company focused its efforts on the Warmister Project in the second half of fiscal 2016.

Salaries, benefits and consulting expense of $74,149 in the year ended March 31, 2016 compares to $14,171 in the year ended March 31, 2015. The fiscal 2016 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) which commenced on March 1, 2015. 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 increase in general office expenses in fiscal 2016 compared to fiscal 2015 is primarily due to increased office rent and other expenses as a result of increased time incurred on the Company's affairs.

The gain on settlement of debt of $494,655 incurred during the year ended March 31, 2016 represents the difference between the value of the Debt Units of $1,280,905 issued and the Total Debt of $1,775,560 that was settled with the Debt Units (see "Corporate Matters", earlier in this MD&A). The foreign exchange gain of $113,386 for the year ended March 31, 2016 is primarily attributable to the foreign exchange difference arising on the settlement of the Total Debt denominated in U.S. dollars.

The foreign currency translation loss of $251,975 in the year ended March 31, 2015 represents the exchange differences as a result of the Company changing its presentation currency from the U.S. dollar to the Canadian dollar (see "Change in Functional and Presentation Currency", earlier in this MD&A).

After accounting for the foreign currency translation loss, there was comprehensive income of $89,545 in the year ended March 31, 2016 compared to a comprehensive loss of $407,351 in fiscal 2015.

Liquidity and Capital Resources

As at March 31, 2016, the Company had cash and cash equivalents of $122,367 compared to $6,560 at March 31, 2015. The increase in cash results from the October 7, 2015 financing further discussed below.

For the year ended March 31, 2016 the Company used cash for operations of $544,379 compared to $82,053 in fiscal 2015. The change in the use of cash in fiscal 2016 compared to fiscal 2015 reflect the same factors impacting the corporate costs, discussed previously, as well as the impact of the timing of receipts and payments from non-cash working capital items, primarily accounts payable and accrued liabilities.

Cash flow from financing activities was $657,233 in the year ended March 31, 2016 as compared to $87,569 in fiscal 2015. Two non-brokered private placements, the first for $200,000 which closed on April 29, 2015, and the second for $500,000 which closed on October 7, 2015, net of share issue costs of $42,767 are included in the cash flow from financing activities for the year ended March 31, 2016 (see "Corporate Matters", earlier in this MD&A).

Based on current plans, the Company will need to seek additional funding in the first quarter of fiscal 2017 (see "Going Concern", earlier in the MD&A).

Contractual Obligations

At March 31, 2016 the Company had contractual cash flow commitments estimated as follows:

	< 1 Year	1-3 Years	3-5 Years	> 5 Years	Total
Operating lease obligations	$ 6,600	$ 8,800	$ -	$ -	$ 15,400
Accounts payable and accrued liabilities	76,615	-	-	-	76,615
	$ 83,215	$ 8,800	$ -	$ -	$ 92,015

Day-to-day administrative operations may give rise to contracts requiring agreed upon future minimum payments.

Selected Financial Information

Information for the three years ended March 31, 2016, as extracted from the Company's audited financial statements is presented as follows:

	March 31, 2016	March 31, 2015	March 31, 2014[3]
Net income (loss)	$ 89,545	$ (155,376)	$ (547,713)
Basic net income (loss) per share	$ 0.003	$ (0.090)	$ (0.33)
Diluted net income (loss) per share	$ 0.002	$ (0.090)	$ (0.33)
Cash and cash equivalents	$ 122,367	$ 6,560	$ 7,309
Total assets	$ 151,410	$ 11,747	$ 8,113

Quarter Ended March 31, 2016

During the three months ended March 31, 2016, the Company reported a net loss of $282,750 compared to net income of $6,056 in the comparable period of 2015. The increase in net loss is primarily attributable to $254,874 of exploration and evaluation costs incurred during the three months ended March 31, 2016 compared to $nil in the fourth quarter of fiscal 2015 (see "Exploration and Evaluation Costs", previously discussed). The Company also incurred an unrealized foreign exchange gain during the three months ended March 31, 2015 of $54,125 resulting in net income for the fourth quarter of 2015.

Summary of Quarterly Results

	Net income (loss) For the period ending March 31,		
	2016 (C$)	2015 (C$)	2014 (C$)
Q1	$ 565,182	$ (71,809)	$ (309,959)
Q2	(99,574)	(44,152)	(48,694)
Q3	(93,313)	(45,471)	(107,721)
Q4	(282,750)	6,056	(81,339)
Total	$ 89,545	$ (155,376)	$ (547,713)

	Net income (loss) per share For the period ending March 31,		
	2016 (C$)	2015 (C$)	2014 (C$)
Q1	$ 0.03	$ (0.04)	$ (0.20)
Q2	0.00	(0.03)	(0.03)
Q3	0.00	(0.03)	(0.06)
Q4	(0.01)	0.00	(0.05)
Total	$ 0.00	$ (0.09)	$ (0.33)

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

- The exploration and evaluation costs of $254,874 which primarily relate to the drill program on the Warmister Project which was initiated in the fourth quarter of 2016

[3] The net loss for the year ended March 31, 2014 was translated at the April 1, 2014 exchange rate of 1.1053 USD/CAD.

- The gain on settlement of debt of $494,655 in the first quarter of fiscal 2016 with respect to the units issued for debt settlement
- The foreign exchange gain of $114,010 in the first quarter of fiscal 2015 primarily attributable to the foreign exchange difference arising on the settlement of the US denominated debt
- The shared office space, equipment, personnel and other administrative costs which are shared with other companies through a related management company, effective March 1, 2015 (see "Related Party Transactions", subsequently in this MD&A) that increased overall corporate costs compared to fiscal 2015
- The Company's quarterly results are not generally subject to seasonal factor

Share Capital Information

On September 29, 2014, the Company's common shares were consolidated on the basis of one post-consolidated share for every ten pre-consolidated shares. All comparative common share, share option and share purchase warrant figures in this MD&A have been retrospectively restated to present post-consolidation amounts. As at July 20, 2016, the Company had an unlimited number of common shares authorized for issuance with 36,344,015 issued and outstanding. Also, at July 20, 2016, the Company had 34,618,106 warrants issued and outstanding with a weighted average exercise price of $0.07.

In connection with the units for debt transactions there are a total of 15,370,864 Debt Units remaining in escrow as at July 20, 2016. The remaining escrowed shares are to be released every six months from April 22, 2016 until April 22, 2018. There are an additional 25,000 common shares that remain in escrow from a historical transaction.

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.

Related Party Transactions

Compensation of key management

Key management includes the Company's directors and certain senior management. For the year ended March 31, 2016, the Company paid salaries and benefits of $30,051 to key management personnel (March 31, 2015 – $4,702).

The Company paid the following remuneration to former directors and certain senior management in the years ended March 31, 2016 and 2015:

	2016	2015
Salaries, benefits and consulting	$ 2,393	$ 8,179
Professional fees	9,479	-
Share-based compensation expense	-	137
	$ 11,872	$ 8,316

Related party transactions

In addition to the related party transactions or balances disclosed elsewhere in this MD&A, the Company had the following related party transactions.

Commencing March 1, 2015, the Company shares office space, equipment, personnel and various administrative services with other companies (Arizona Mining Inc. and Catalyst Copper Corp., which underwent a merger with NewCastle Gold Ltd. effective May 26, 2016) related by virtue of certain common management and a director of the Company. These services have been mainly provided through a management company equally owned by the related companies. Costs incurred by the management company are allocated between the related companies based on time incurred and use of services. The Company was charged for the following with respect to these arrangements in years ended March 31, 2016 and 2015:

		2016		2015
Salaries, benefits and consulting	$	74,149	$	5,992
Office and administrative		58,471		3,388
Listing and filing fees		3,101		-
Investor relations		1,239		521
Professional fees		-		1,142
	$	136,960	$	11,043

At March 31, 2016, prepaid expenses include $21,701 (March 31, 2015 – $nil) and due to related parties includes $nil (March 31, 2015 – $4,043) with respect to these arrangements.

Critical Accounting Policies and Estimates

The Company's accounting policies are described in its consolidated financial statements for the year ended March 31, 2016. The preparation of its consolidated financial statements requires management to make judgements, estimates and assumptions in the process of applying the Company's accounting policies 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. Estimates and assumptions are continually evaluated. However, actual outcomes could materially differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected. Information about critical judgements and estimates in applying accounting policies that have the most significant effect on amounts recognized in the consolidated financial statements are as follows:

Going concern

Significant judgements are disclosed in the discussion on going concern earlier in the MD&A.

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.

Recent Accounting Pronouncements

New accounting standards, amendments and interpretations

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

IFRS 9, *Financial Instruments: Classification and Measurement* is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is measured at fair value through profit or loss. The standard was initially effective for annual periods beginning on or after January 1, 2013, but the complete version of IFRS 9, issued in July 2014, moved the mandatory effective date to January 1, 2018. The Company expects to adopt this standard effective January 1, 2018 and has not yet assessed the impact on its financial reporting.

On January 13, 2016, the IASB issues IFRS 16, *Leases* ("IFRS 16"), according to which, all leases will be on the statement of financial position of lessees, except those that meet the limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently assessing the impact of IFRS 16 on its financial statements.

Financial Instruments

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

		March 31, 2016		March 31, 2015
Financial assets				
Loans and receivables				
Cash and cash equivalents	$	122,367	$	6,560
Amounts receivable		2,855		4,137
	$	125,222	$	10,697
Financial liabilities				
Financial liabilities at amortized cost				
Accounts payable and accrued liabilities	$	76,615	$	1,245,549
Due to related parties		-		4,043
Loans payable to related parties		-		715,043
	$	76,615	$	1,964,635

The carrying values of the Company's financial instruments in the table above approximate their fair values as a result of their short-term nature.

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 portion of its expenses are incurred in U.S. dollars. A significant change in the currency exchange rates between the Canadian dollar relative to the U.S. dollar could have an effect on the Company's results of operations, financial position and cash flows. The Company has not hedged its exposure to currency fluctuations. The Company is exposed to currency risk through the following assets and liabilities denominated in U.S. dollars at March 31, 2016 and Canadian dollars at March 31, 2015:

			March 31, 2016			March 31, 2015
Cash and cash equivalents	USD	$	163	CAD	$	3,424
Amounts receivable			-			4,137
Accounts payable and accrued liabilities			(48,799)			(471,551)
Due to related parties			-			(4,043)
Loans payable to related parties			-			(121,405)
	USD	$	(48,799)	CAD	$	(589,438)

As at March 31, 2016, based on the above net exposures a 10% change in the Canadian-U.S. dollar exchange rate would impact the Company's earnings by approximately $6,309 (March 31, 2015 – US$46,475).

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 risk that the Company will realize a loss as a result of a decline in the fair value of the investments included in cash is limited. Based on the amount of cash invested as at March 31, 2016 and assuming that all other variables remain constant, a 0.5% change in the applicable interest rate would result in an insignificant impact in the interest earned by the Company per annum.

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. The Company seeks to achieve this by maintaining sufficient cash (see discussion on going concern earlier in the MD&A).

Risk Factors

The Company currently has no revenues from operations. Should the Company determine to advance the joint venture 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 below 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.

Dependence on one principal exploration stage property

At present, the Company's focus is on the Warmister Project pursuant to a joint venture earn-in agreement with Jack's Fork. As a result, any significant adverse development that impacts the progress or financial or technical characteristics of the Warmister Project may have a material adverse effect on the Company's share price, financial position, results of operations and future prospects.

Mineral exploration and development activities are speculative in nature

Mineral exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. While discovery of a gold deposit may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. There is no certainty that the expenditures made or to be made by Armor in the exploration and development of its mineral properties or properties in which it has an interest will result in the discovery of gold or other mineralized materials in commercial quantities.

The Company may be adversely affected by downward fluctuations in metal prices

The Company's future profitability is depending, to a large extent, on the market price of metals for which it is exploring. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control, including: interest rates, exchange rates, inflation or deflation, global and regional supply and demand, and the political and economic conditions of mineral producing countries throughout the world. If mineral prices decline significantly, it could affect the Company's decision to proceed with further exploration of its properties or properties in which it has an interest. As the Company is not currently in production, no sensitivity analysis for price changes has been provided or carried out.

Mineralization figures are based on interpretations and assumptions

The mineralization figures presented in this document and in Armor's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that these estimates will be accurate or this mineralization could be mined or processed profitably.

There can be no assurance that minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale.

Failure to obtain additional financing on a timely basis may delay or prevent further exploration

The Company currently has no revenues from operations and no assurances that sufficient funding will be available to conduct further exploration and development of the Properties or to fund exploration expenditures under the terms of any joint venture or option agreements after that time. If the Company's exploration and development programs are successful, additional funds will be required for development of one or more projects. Failure to obtain additional funding could result in the delay or indefinite postponement of further exploration and development or the possible loss of the Company's properties. It is expected that such funding will be obtained primarily from future equity issues. If additional funds are raised from the issuance of equity or equity-linked securities, the percentage ownership of the current shareholders of Armor will be reduced, and the newly issued securities may have rights, preferences or privileges senior to or equal to those of the holders of Armor's existing common shares. The ability of Armor to raise the additional capital and the cost of such capital will depend upon market conditions from time to time. There can be no assurance that such funds will be available at reasonable cost or at all.

Market price of Armor's common shares is subject to high volatility and could cause investor loss

The market price of a publicly traded stock, especially of a resource issuer, is affected by many variables in addition to those directly related to exploration successes or failures. These factors include macroeconomic conditions in North America and globally, and market perceptions of the attractiveness of particular industries. The effect of these and other factors on the market price of the Company's common shares suggests Armor's shares will continue to be volatile. Therefore, investors could suffer significant losses if Armor's shares are depressed or illiquid when an investor seeks to sell their shares.

Dependence on key management employees

Armor is dependent upon the personal efforts and commitments of the directors and officers, particularly Richard W. Warke, Director and Robert Pirooz, Director. If one or both of Armor's directors becomes unavailable for any reason, a significant disruption of the business and operations of Armor could result and Armor may not be able to replace them readily, if at all.

The Company has no history of developing properties into production

The Company's property is not in commercial production, and the Company has not recorded any revenues from mining operations. Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The future development of any properties found to be economically feasible will require permits, financing and the construction and operation of mines, processing plants and related infrastructure. As a result, the Company will be subject to all of the risks associated with establishing new mining operations including: the timing and cost of the construction of mining and processing facilities; the availability and cost of skilled labour and mining equipment; the availability and costs of suitable refining and smelting arrangements; the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits; the availability of funds to finance the development and construction activities; the impact of any opposition to the developmental activities from non-governmental, environmental, local or other groups that may delay or prevent development; potential increases in construction or operating costs due to changes in the cost of supplies and materials and changes in foreign exchange rates.

Conflicts of interest

Some of the directors of Armor are also directors of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. Situations may arise in connection with potential corporate opportunities where the other interests of these directors may conflict with the interests of Armor. Directors of Armor with conflicts of interest will be subject to the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

The Company does not and likely will not insure against all risks

The Company's insurance will not cover all the potential risks associated with a mining company's operations. It is not always possible to obtain insurance against these risks and Armor may decide not to insure against certain risks because of high premiums or other reasons. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to environmental liability or other hazards which may not be insured against. Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs and a decline in the value of the securities of Armor. The lack of, or insufficiency of insurance coverage could adversely affect Armor's future cash flow and overall profitability.

Inadequate infrastructure may delay or prevent the Company's operations

Exploration, development and ultimately mining and processing activities depend, to one degree or another, on the availability of adequate infrastructure. Reliable air service, roads, bridges, power sources and water supply are significant contributors in the determination of capital and operating costs. Inadequate infrastructure could significantly delay or prevent the Company exploring and developing its project and could result in higher costs.

Internal controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

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