



Armor Minerals Inc.

Condensed Consolidated Interim Financial Statements

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

Notice to Reader

These unaudited condensed consolidated interim financial statements have been prepared by management and have not been reviewed by the Company's auditor.

Armor Minerals Inc.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited – Expressed in Canadian dollars)

	Note	December 31, 2023	March 31, 2023
Assets			
Current assets			
Cash and cash equivalents	\$	2,720,348	\$ 2,733,768
Amounts receivable		1,770	3,208
Prepaid expenses		–	1,313
		2,722,118	2,738,289
Due from a related party	6	5,026	5,026
Total assets	\$	2,727,144	\$ 2,743,315
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	4 \$	13,310	\$ 30,964
		13,310	30,964
Shareholders' equity			
Share capital	5	31,720,376	31,720,376
Reserves		2,852,230	2,852,230
Deficit		(31,858,772)	(31,860,255)
Total shareholders' equity		2,713,834	2,712,351
Total liabilities and shareholders' equity	\$	2,727,144	\$ 2,743,315

Nature of operations (Note 1)

Commitments (Note 8)

APPROVED BY THE DIRECTORS

"Richard W. Warke"

Richard W. Warke – Director

February 28, 2024

"Purni Parikh"

Purni Parikh – Director

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Armor Minerals Inc.

Condensed Consolidated Interim Statements of Net (Income) Loss and Comprehensive (Income) Loss
(Unaudited – Expressed in Canadian dollars, except share and per share amount)

	Note	Three months ended December 31,		Nine months ended December 31,	
		2023	2022	2023	2022
Expenses:					
Salaries and benefits	6	\$ 10,985	\$ 11,014	\$ 35,726	\$ 38,684
General office expenses	6	7,659	7,577	22,289	20,420
Listing and filing fees	6	1,912	4,477	16,612	18,893
Professional fees	6	4,960	(1,192)	15,620	102,822
Investor relations		196	224	565	630
		25,712	22,100	90,812	181,449
Finance income		(33,025)	(18,211)	(92,351)	(37,678)
Foreign exchange loss (income)		–	1	56	(11)
Net (income) loss and comprehensive (income) loss		\$ (7,313)	\$ 3,890	\$ (1,483)	\$ 143,760
Basic and diluted net (income) loss per share attributable to shareholders of the Company					
		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Weighted average number of shares outstanding – basic and diluted					
		76,624,621	76,624,621	76,624,621	76,624,621

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Armor Minerals Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited – Expressed in Canadian dollars)

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	2023	2022
Cash provided by (used in):				
Operations				
Net income (loss) for the period	\$ 7,313	\$ (3,890)	\$ 1,483	\$ (143,760)
Adjustments for the following items:				
Foreign exchange loss (gain)	–	1	13	(11)
Finance income, net	(33,025)	(18,211)	(92,351)	(37,678)
Net changes in non-cash working capital items:				
Amounts receivable	81	(1,939)	1,438	(4,483)
Prepaid expenses	9,948	(3,967)	1,313	5,654
Accounts payable and accrued liabilities	2,216	(94,787)	(17,654)	(3,583)
	(13,467)	(122,793)	(105,758)	(183,861)
Investing				
Finance income received, net	33,025	18,211	92,351	37,678
Effect of exchange rate changes on cash and cash equivalents	–	(1)	(13)	11
Increase (decrease) in cash and cash equivalents	19,558	(104,583)	(13,420)	(146,172)
Cash and cash equivalents, beginning of the period	2,700,790	2,832,804	2,733,768	2,874,393
Cash and cash equivalents, end of the period	\$ 2,720,348	\$ 2,728,221	\$ 2,720,348	\$ 2,728,221
Supplementary information:				
Cash and cash equivalents, end of period comprise:				
Cash balances with banks	\$ 623,194	\$ 2,728,221	\$ 623,194	\$ 2,728,221
Guaranteed investment certificate	2,097,154	–	2,097,154	–
	\$ 2,720,348	\$ 2,728,221	\$ 2,720,348	\$ 2,728,221

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Armor Minerals Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars, except number of shares)

	Share capital		Reserves			Deficit	Shareholders' equity
	Number of Shares	Amount	Foreign currency translation	Options and warrants	Total		
Balance, March 31, 2023	76,624,621	\$ 31,720,376	\$ 832	2,851,398	\$ 2,852,230	\$ (31,860,255)	\$ 2,712,351
Net income and comprehensive income	–	–	–	–	–	1,483	1,483
Balance, December 31, 2023	76,624,621	\$ 31,720,376	\$ 832	2,851,398	\$ 2,852,230	\$ (31,858,772)	\$ 2,713,834
Balance, March 31, 2022	76,624,621	\$ 31,720,376	\$ 832	\$ 2,851,398	\$ 2,852,230	\$ (31,694,454)	\$ 2,878,152
Net loss and comprehensive loss	–	–	–	–	–	(143,760)	(143,760)
Balance, December 31, 2022	76,624,621	\$ 31,720,376	\$ 832	\$ 2,851,398	\$ 2,852,230	\$ (31,838,214)	\$ 2,734,392

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Armor Minerals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

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

(Unaudited – Expressed in Canadian dollars, unless otherwise noted)

1. NATURE OF OPERATIONS

Armor Minerals Inc. (the “Company” or “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. Effective on December 9, 2022, Armor’s common shares were transferred from the TSX Venture Exchange to the NEX. Armor’s share symbol was changed from A to A.H on such date.

The Company is engaged in the acquisition and exploration of mineral property interests. The business of mining and the exploration for minerals involves a high degree of risk and there can be no assurance that such activities will result in profitable mining operations.

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.

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared 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* (“IAS 34”). Accordingly, they do not include all of the information and notes to the consolidated financial statements required by IFRS Accounting Standards for complete financial statements and should be read in conjunction with the Company’s most recent audited consolidated financial statements for the year ended March 31, 2023.

These unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application used in the Company’s audited consolidated financial statements as at and for the year ended March 31, 2023. The Board of Directors authorized these condensed consolidated interim financial statements for issuance on February 28, 2024.

b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit and loss which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company’s presentation currency.

c) Use of judgement and estimates

In preparing these condensed consolidated interim financial statements, management has made judgment, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expense. Actual amounts incurred by the Company may differ from these values.

The significant judgment and estimates made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended March 31, 2023.

d) Changes in accounting standards

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB (International Accounting Standards Board) or IFRS Interpretations Committee. However, these updates either are not applicable to the Company or are not material to the condensed consolidated interim financial statements.

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Notes to the Condensed Consolidated Interim Financial Statements

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

(Unaudited – Expressed in Canadian dollars, unless otherwise noted)

3. LEASES

The Company shares office space with other companies related to it by virtue of certain directors and management in common (Note 6).

During the three and nine months ended December 31, 2023, the Company recognized \$3,148 and \$11,827, respectively (three and nine months ended December 31, 2022 – \$2,806 and \$11,373, respectively) of general office expenses for the two leased premises that do not meet the definition of a lease (Note 8). The Company is jointly liable for rent payments and uses the assets jointly.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31,		March 31,	
	2023		2023	
Accounts payable	\$	483	\$	13,884
Accrued liabilities		11,250		15,000
Due to a related party (Note 6)		1,577		2,080
	\$	13,310	\$	30,964

5. SHARE CAPITAL

The authorized capital stock of the Company is comprised of an unlimited number of common shares without par value.

As of December 31, 2023, the Company had 76,624,621 (March 31, 2023 – 76,624,621) common shares outstanding.

6. 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.

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

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(Unaudited – Expressed in Canadian dollars, unless otherwise noted)

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.

7. 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, 2023		March 31, 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.

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.

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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.

8. COMMITMENTS

At December 31, 2023, based on the Company's share of rent, the Company is committed to payments for office leased premises through 2027. Payments by fiscal year are:

2024	\$	1,900
2025	\$	6,000
2026	\$	2,300
2027	\$	1,500

9. SEGMENT INFORMATION

The Company operates in one industry segment, being mineral exploration. Geographic information is as follows:

		Canada		United States		Total
Total assets as at:						
December 31, 2023	\$	2,727,144	\$	–	\$	2,727,144
March 31, 2023	\$	2,743,315	\$	–	\$	2,743,315
Net (income) loss for the nine months ended:						
December 31, 2023	\$	(1,483)	\$	–	\$	(1,483)
December 31, 2022	\$	143,760	\$	–	\$	143,760