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October 23, 2018

TRADE SYMBOL: ARM-Canadian Securities Exchange
TRADE SYMBOL: AAMTF-OTC Markets United States

Oxygen Funding, Inc. launches Supply Chain Products and Services

NEWS RELEASE

Armada Mercantile Ltd., (Symbol: ARM and AAMTF) announces that Oxygen Funding, Inc. (“Oxygen”), an affiliated ownership company of Armada Group USA, Inc., has completed the infrastructure setup to begin offering supply chain products and services nationwide. Oxygen’s underwriting and servicing platform allows for a swift startup into supply chain with capital on hand and minimal staffing needs. Supply Chain Finance refers to financing the suppliers and vendors of our existing clients. This usually is accomplished by the funder, in this case Oxygen, paying the supplier directly and then repayment is made at a later date by our client. The advantage to our client is the ability to pay suppliers very quickly and qualify for early payment discounts. The additional benefit our client receives is the ability to avoid artificially limited supplier purchases caused by temporary insufficient cash conditions. Oxygen seeks to yield as high as 22% on average for supply chain transaction. (See enclosed Supply Chain Fact Sheet and Brochure).

About Oxygen Funding: Oxygen Funding is a fully licensed trade finance lender (California Finance Lenders & Brokers license #603G957) that has been funding commercial businesses since 2007. Oxygen Funding finances new clients sourced, underwritten and serviced by an in-house staff. Oxygen Funding also evaluates existing portfolios for potential purchase. As an outsourced service provider, Oxygen Funding offers underwriting and servicing services to finance companies, investors and brokers who wish to build their own factoring portfolios. For more information on Oxygen Funding, please visit: www.oxygenfunding.com.

Here are a few highlights for Armada Mercantile Ltd.’s finance business, which was zero outstanding and size as of February 2018:

1. Monthly outstanding and size, which fluctuates each month, is \$1,000,000 to \$1,500,000.
2. Total 2018 outstanding and size, based upon 12 month year to date, is projected to be \$10,971,679.
3. Cash on hand or committed capital for finance purposes has increased to approximately \$2,500,000.

For more information pertaining to Armada Mercantile Ltd., visit: www.armadamercantile.com.

“Patrick Cole”

President

Contact Telephone Number: 916-746-0029

This press release may contain forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Expressions of future goals and similar expressions reflecting something other than historical fact are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. These forward-looking statements involve a number of risks and uncertainties. The actual results that the Company achieves may differ materially from any forward-looking statements due to such risks and uncertainties. The Company undertakes no obligations to revise or update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this news release. The risks and uncertainties discussed in documents filed by the Company with the British Columbia, Alberta and Ontario Securities Commissions.



Established: **2007**
Company: **Oxygen Funding, Inc.**

California Lenders License:
#603-G957

Industry: **Commercial Finance**

Key Management:

Adam Lomax

Patrick Cole

Address: **9 Orchard Rd
#101, Lake Forest, CA
92630**

**For Information
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www.oxygenfunding.com

Who We Are

Oxygen Funding, Inc. is a fully licensed trade finance lender (California Finance Lenders & Brokers license #603G957) that has been funding commercial businesses since 2007. Oxygen is a primary provider of commercial financing solutions for all types of businesses, offering a diverse set of business financing options. As a direct funder and in conjunction with key affiliates we offer accounts receivable financing, equipment financing, merchant cash advance, purchase order financing, revenue loans and term loans.

Our Supply Chain Platform

Oxygen Funding, Inc. is providing Supply Chain Finance ("SCF") solutions. SCF refers to financing the suppliers and vendors of our existing clients. This usually is accomplished by the funder, in this case us, paying the supplier directly and then repayment is made at a later date by our client. The advantage to our client is the ability to pay suppliers very quickly and qualify for early payment discounts. The additional benefit our client receives is the ability to avoid artificially limited supplier purchases caused by temporary insufficient cash conditions.

Niche Market

We have identified a niche where we can generate income at an above average rate. Our existing clients and new clients can qualify for our supply chain services. The cost yield on the vendor procurement line is expected to be about 22% with a low of 21.5% and a high of 24.5%. The turnover of cash in this product should be about 60% at 30 days and 40% less than 60 days.

Hybrid Program for Existing Factoring Client

We offer a hybrid program with a base of factoring and supply chain finance combined. This is very beneficial to our clients because we are directly supporting their supplier purchases, which allows our clients to produce more sales. The invoices for the increased sales can then be factored and the factoring proceeds can repay most or all of the vendor procurement line. Limits in this program can be large because they are pegged to the outstanding factoring balance. Our internal goal is to have \$1.50 factoring balance for every \$1 of vendor procurement balance.

Stand-alone Program for Client not Factoring:

A stand-alone vendor procurement line can only be provided to clients with both a very high credit quality and a demonstrable ability to repay. We will do everything possible to convert prospects for stand-alone vendor procurement lines to hybrid program clients. For those we accept, the limits will be kept quite low and only increase after sufficient good experience develops.

Who We Are

What We Do



Our financial services helps your business obtain the capital it needs to improve cash flow, drive continued growth and keep you on the path to future expansion.

A/R FACTORING

Sell us your outstanding invoices or receivables in exchange for working capital for your business.

- Advances up to 90% of eligible accounts receivable
- Line amounts from \$50,000 to \$10,000,000
- No minimums / No long term contracts
- Customizable

Supply Chain Finance

- Clients are credit qualified
- Line amounts from \$30,000 to \$1,000,000
- Pay your vendors early and get discounts
- Qualifies for factoring discounts

Equipment Leasing

- Fully collateralized operating leases
- Lease amounts from \$30,000 to \$300,000
- Wide range of credit quality is acceptable

Revenue Line of Credit

- Advances on recurring revenue streams
- Licensing, royalty, and subscription
- Qualifies for factoring discounts

Purchase Order Financing

Inventory Financing

Asset Based Lending and Revolvers

Merchant Cash Advance

We understand specific industry requirements and translate our understanding into customized financing solutions. Here is a sampling of industries:

- Transportation (truckers, logistics companies, specialized carriers)
- Staffing (temporary and permanent placement)
- Professional contractors (IT, engineering, environmental)
- Construction (GC, SC, vendors)

Patrick Cole
Owner/Senior Vice President
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We customize financing solutions to meet your business needs - tailored just for you. Our team of experts assist you in this important process helping you plan and structure financing so you can compete and execute at the highest level.

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CFFL# 603G957

Personal, Reliable and Non-Traditional Financial Services. Uncompromising commitment to Vision.