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**February 2, 2021**

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

**Zero Nox, Inc. Update**

Zero Nox, Inc. (“Zero Nox”) an affiliated (approximately 10%) ownership portfolio company of Armada Mercantile Ltd., (“Armada” CSE: ARM) is seeking to enter the US public markets by way of a NASDAQ listing or merger with a Special Purpose Vehicle or “SPAC”. Management of Armada is working with Zero Nox to facilitate the going public process.

Zero Nox is headquartered in Porterville, California. They design, engineer, develop, sell and provide after-market support for Off-Highway Electric Vehicle (“OHEV”) Powertrain Systems and Microgrids\*. The Technology is currently being used in forklifts, hospitality carts, utility vehicles, and battery systems. ZeroNox plans to be a leader in OHEV Powertrains and Microgrids, due to its proprietary electric Powertrain Systems, which include ZeroNox lithium batteries, battery management systems, electric Genmotors, Thermal Energy Conversion Systems, and in-house telematics. The Zero Nox line of utility vehicles includes the Tuatara expedition vehicle ([Tuatara](#)) and the EC4 ([EC4](#)) electric utility vehicle.

Zero Nox is currently raising, prior to a public offering, a third round of funding in the amount of US\$3,000,000 through a Reg. D 506 offering. Parties interested in reviewing the Zero Nox private placement memorandum can request a copy at [cole@armadamercantile.com](mailto:cole@armadamercantile.com).

For more information about Zero Nox, Inc. visit: [www.zeronox.com](http://www.zeronox.com).

For more information pertaining to Armada Mercantile Ltd., visit: [www.armadamercantile.com](http://www.armadamercantile.com).

*“Patrick Cole”*

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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.*



# INVESTOR PRESENTATION

ZeroNox | January 2021

# About ZeroNox

**Zero Nox, Inc.** (“ZeroNox”) is headquartered in Porterville, California. We design, engineer, develop, sell and provide after-market support for Off-Highway Electric Vehicle (“OHEV”) Powertrain Systems and Microgrids\*. **Our Technology is currently being used in** forklifts, hospitality carts, utility vehicles, and battery systems.

ZeroNox plans to be a **leader in OHEV Powertrains and Microgrids**, due to its **proprietary electric Powertrain Systems**, which include ZeroNox lithium batteries, battery management systems (“BMS”), electric Genmotors, Thermal Energy Conversion Systems (“TECS”), and in-house telematics.

*\*A microgrid is a self-sufficient energy system that serves a discrete geographic footprint, like a home or business.*

## KEY INVESTOR HIGHLIGHTS

- Access To Massive Clean Energy Market That Is Growing Exponentially
- Proven And Proprietary Technology
- First Mover Advantage In The OHEV Market
- Multiple Strategic Partnerships Allow Expansive R&D At Reduced Cost
- Robust Back-log For ZeroNox Products

# Mission Statement

EMPOWERING A  
CLEAN, INNOVATIVE,  
AND HIGHER  
PERFORMING FUTURE  
WITHOUT  
COMPROMISE

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# ZERONOX-OWNED BRANDS

SECTION 1

# Tuatara Vehicles and ION EV



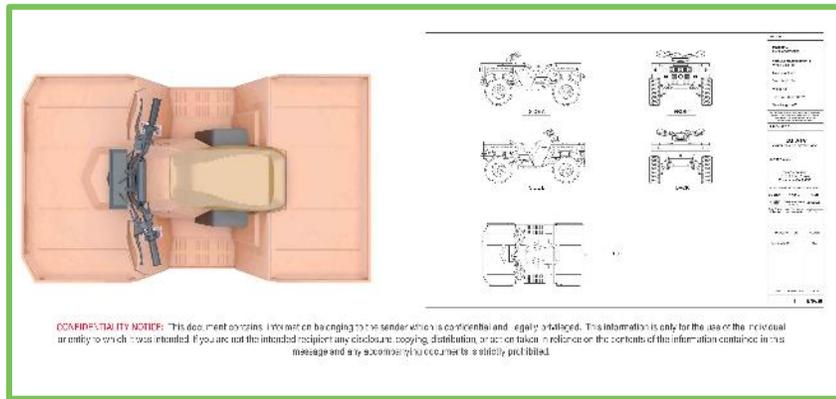
## TUATARA VEHICLES

- Tuataras are purpose-built vehicles with steel construction and boast such features as the **largest bed of any side-by-side** in the industry.
- Powered by our **ZeroNox Battery Technology** that is far superior to any competitor, this vehicle includes our battery management system and drive train designed to outperform and outdistance an internal combustion engine.
- **Reliability, range, quality, and low maintenance** come standard with Tuatara's off-road vehicles, and they are the perfect workhorses for Farmers, Hunters, and any Adventure Seekers.

## ION EV

- ION EV's are **hospitality and estate electric carts and shuttles** built for comfort, performance, range, and utility; being completely powered by ZeroNox Battery Technology.
- The ION brand brings **luxury** to the electric utility vehicle market.

# PEAK Forklifts and Tuatara EQ (Coming Soon!)



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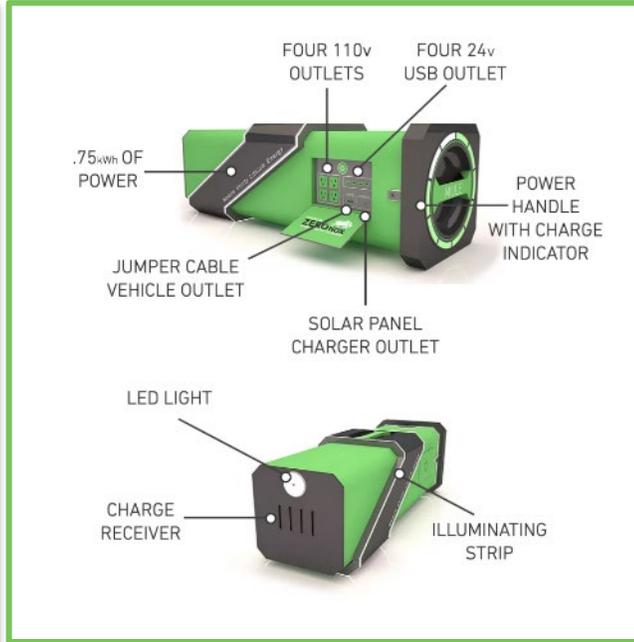
## PEAK FORKLIFTS

- The PEAK Forklift brand brings to the market the only **Lithium-Iron battery powered forklift** that will be comparable in price to current lead-acid battery powered forklifts.
- These forklifts will outperform the electric forklift industry in performance and maintenance and are powered by ZeroNox Powertrain Technology.
- The ZeroNox Lithium-Iron batteries will have the options to come in 3 different capacities in order to fit the duty cycle need of the end user. **Coming 2021.**

## Tuatara EQ

- The Tuatara EQ is a **metal-clad, all-electric, ATV** that will feature the longest range of any electric ATV on the market.
- This ATV will be equipped with the newest ZeroNox Powertrain Technology including **Lithium-Iron batteries and the GenMotor.**
- Options will include 4-wheel drive, power steering, and a winch. **Coming 2021.**

# EVAULT



## EVAULT TEC20

- The EVAULT TEC20 is a 10.75kWh, patented, rechargeable Lithium-Iron **residential microgrid system** Powered by ZeroNox Advanced Technology.
- Within the **microgrid system** is an integrated hybrid inverter, a Lithium-Iron battery system, a Thermal Energy Conversion System, and a **removable mobile generator**, the MULE (Mobile Utility Lithium Energy).
- The EVAULT can be used as a **multi-functioning home energy storage**, including for backup power, that can be tied into a combination of solar panels, wind turbines, and the power grid for efficient energy control.
- The 10.75kWh system is specifically **designed to handle the demand of 1 day of electricity** based on the average daily electricity consumption of the American standard household.

# COMPANY OVERVIEW

SECTION 2

In an inundated market of On-Road Electric Vehicles, ZeroNox is focusing on the untapped potential of OHEV's and Microgrids.

## ZeroNox Historical Sales and Future Strategy

### Inside Sales Of ZeroNox- Owned Brands

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Since 2019, ZeroNox has generated over **\$8 Million in Sales Orders** to date of ZeroNox-Powered UTV's, Forklifts, and Battery Upgrades.

### Dealership Network Of ZeroNox-Owned Brands

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In Q1 of 2021, ZeroNox plans to complete a **Dealership Network** for ZeroNox-Owned Brands, **first in California**, and then into the rest of the US and the World.

### Sales Of Powertrain Systems And Microgrids

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In Q1 of 2021, ZeroNox plans to complete **establishing relationships** with companies needing microgrids or OEMs to retrofit their OHEV's with **Advanced ZeroNox Powertrain Systems**.

# ZeroNox Technology

In collaboration with our Strategic Partners, ZeroNox is bringing to market the most advanced **Microgrids and OHEV Powertrain Systems** that are sold and branded **exclusively by ZeroNox**. We have brought together partners and industry experts to help us design, develop, and bring to market the **next generation of technology** in these sectors.

## Lithium-Iron Batteries and BMS

### Lithium-Iron Battery Benefits

- Higher Performing than industry average
- **No battery maintenance** or cleaning required
- Rapid and Opportunity Charging
- Resilient to **hot and cold temperatures**

### Battery Management System

- BMS software guards against rigorous abuse
- **4X the life span** compared to industry average batteries
- **40% more efficient** than industry average batteries

## Electric GenMotor

### Startup Power Draw

- **1/100** the startup draw of competing electric motors
- **Startup draw** is equal to the running draw
- No overheating issues
- Increase range efficiency **5X**

### Regenerative Features

- Motor acts as generator with **regenerative braking properties**
- Advanced control system allows control of individual coil modules as **independent motor generators** as required for **optimal output**

## Thermal Energy Conversion ("TEC") System

### TEC System Description

- **Stand-alone electric generator** which converts thermal energy into electrical energy
- **Harvests thermal energy** from ambient heat sources
- If the surrounding ambient heat is not sufficient, the ZeroNox TEC unit has an **onboard heating element** capable of flash heating the fluid stream to the needed temperature

### Applications

- Allows for high output amperage required to **fast charge modern EV vehicles**
- Creates generation of **100% clean green energy** for microgrids of varying sizes

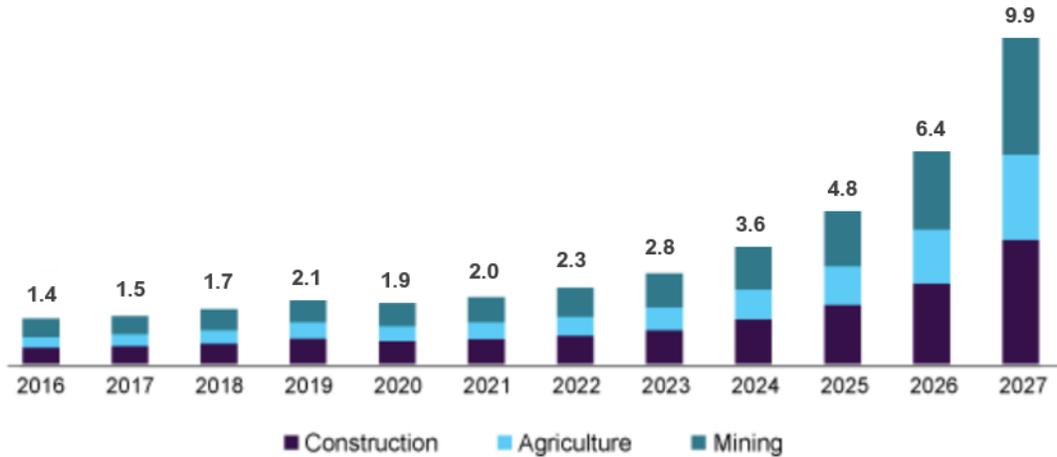
# MARKET TRENDS

SECTION 3

# OHEV Market Outlook

## US Off-Highway Electric Vehicle Market Size

by application, 2016-2027 (USD billion)\*



Source: www.grandviewresearch.com

\*Approximations

### KEY TAKEAWAYS

#### ➤ GLOBAL OHEV MARKET:

The global off-highway electric vehicle market size is projected to grow from **USD 6.3 billion** in 2020 to **USD 17.5 billion** by 2025, at a compound annual growth rate (CAGR) of **22.8%<sup>1</sup>**

#### ➤ GROWTH FACTORS:

- Improved **efficiency** of electric machinery
- Lower **noise level** and vibrations
- Lower **maintenance and repair cost**

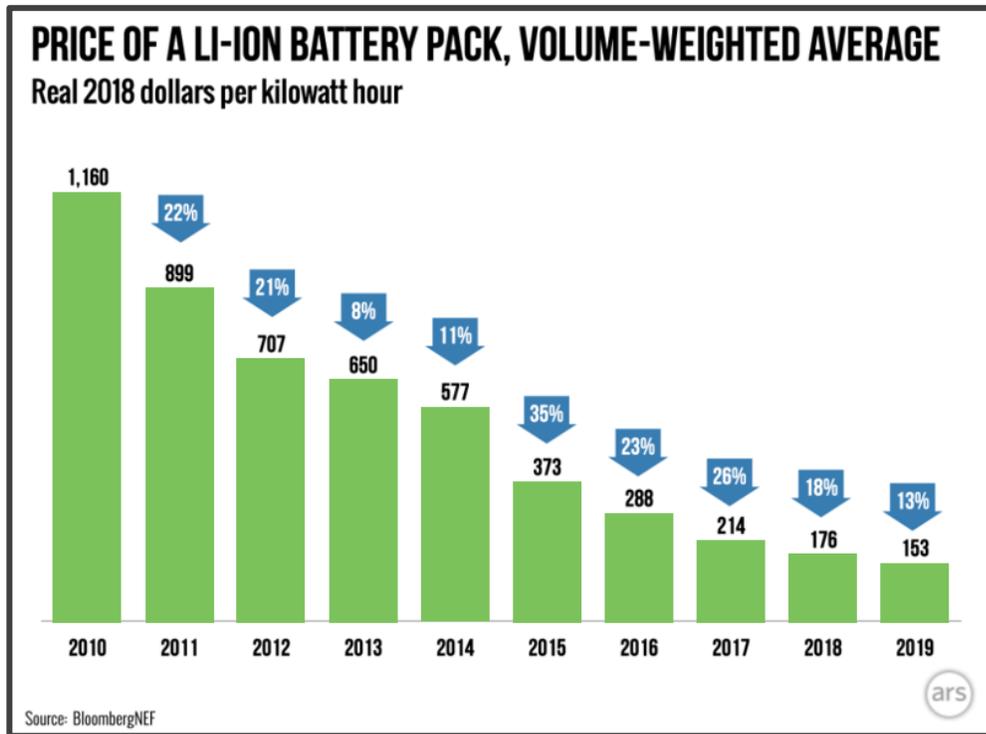
***ZeroNox Is Poised To Become A Leader In All Segments Of The OHEV Market Through Our Offerings Of Powerful And Efficient Powertrain Technology.***

Sources:

<sup>1</sup>Grand View Research: Off-highway Electric Vehicle Market Size Report, 2020-2027

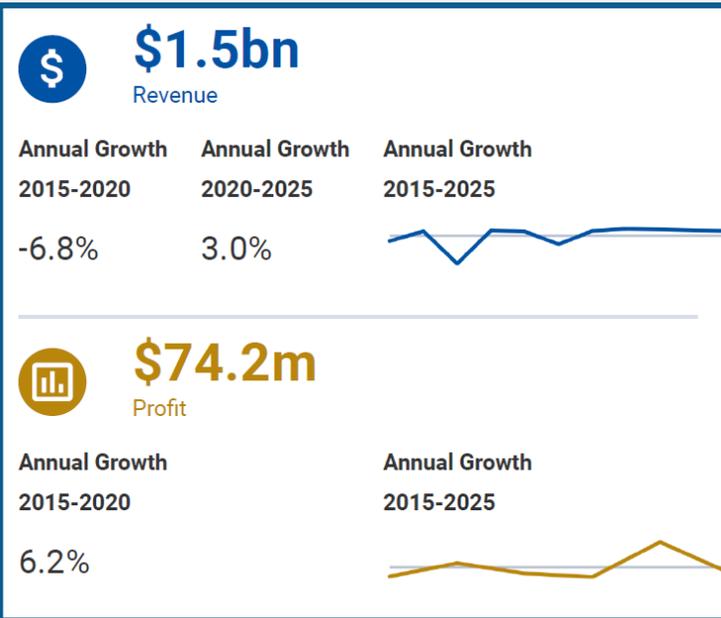
# Lithium-Ion Batteries Outlook

- Since 2010 the cost of a lithium-ion battery per kilowatt hour (kWh) has fallen **almost 90%**, from **\$1,160** in 2010 to just **\$153** in 2019.
- The average cost of a battery cell is expected to fall below **\$100** per kilowatt hour (kWh) in the next three years.<sup>2</sup>



## KEY STATISTICS

### US Lithium Battery Manufacturing



The Lithium Battery Manufacturing industry is projected to **resume growth over the next five years to 2025** as the economy normalizes in the aftermath of the COVID-19 (coronavirus) pandemic.<sup>3</sup>

Sources:

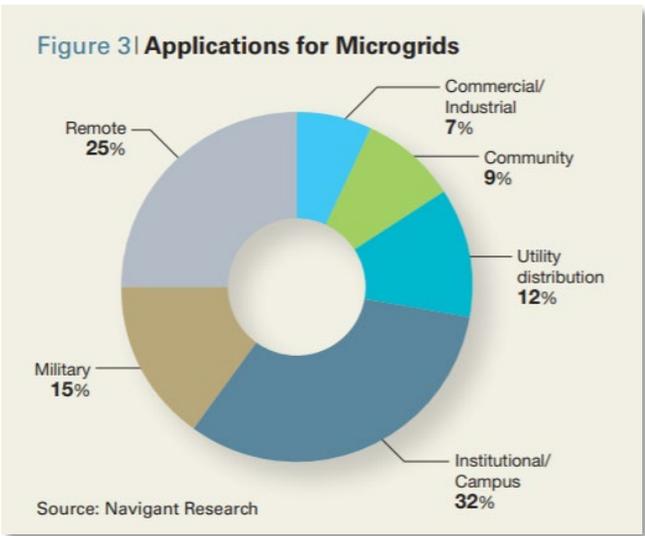
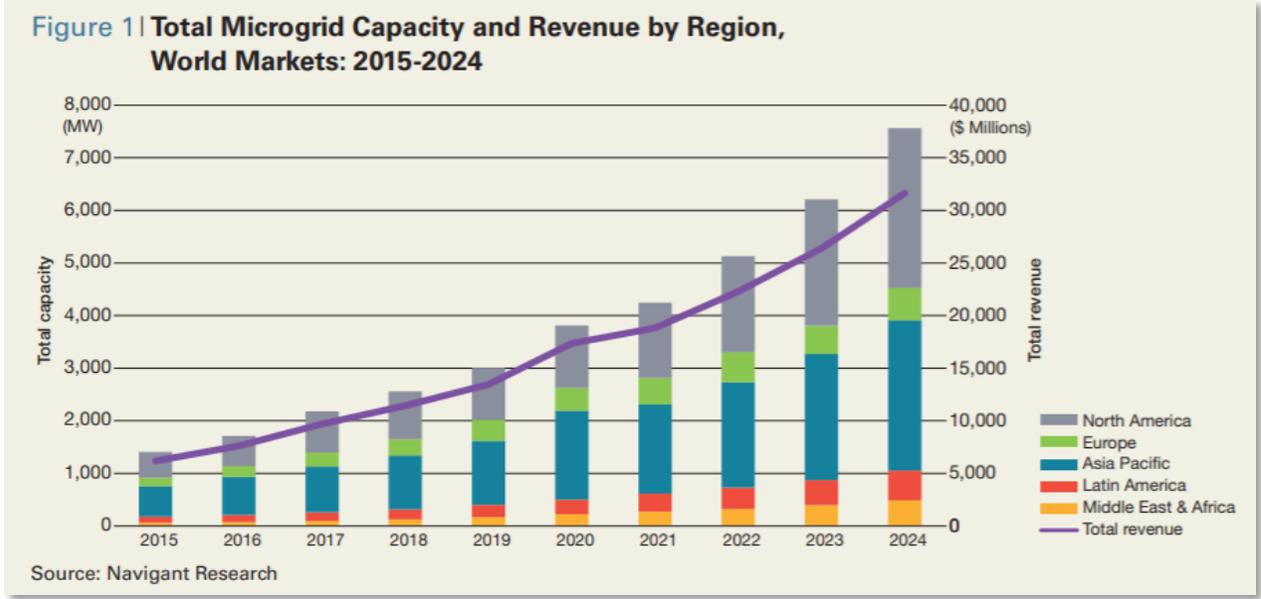
<sup>2</sup>IHS Market: Average cost of lithium-ion battery cell to fall below \$100/kWh in 2023

<sup>3</sup>IBIS World: Lithium Battery Manufacturing Industry Report, Dec 2020

# Microgrid Market Outlook

The U.S. energy storage market is expected to expand from an annual deployment of 523 MW in 2019 to 7.3 GW in 2025 — and from \$712 million in 2019 to \$4.2 billion in 2021 to reach \$7.2 billion by 2025.<sup>4</sup>

Microgrids are one of many distributed energy resource (DER) solutions that are part of a transformation occurring in the US power sector. The power sector is moving from a centralized system to a distributed system.<sup>5</sup>



New technologies, supported by regulatory changes, are giving customers more choice and flexibility about their energy supply, management, and costs and enhanced reliability.

Sources:  
<sup>4</sup>U.S Energy Storage Association: More records set for US energy storage installs in Q4, massive growth forecasted  
<sup>5</sup>Global Innovation Report: Microgrid Market in the USA



# KEY PRIORITIES

SECTION 4

# Accomplishments to Date

## ESTABLISHED BRANDS

Established **two brands of UTV's** with the electric vehicles being completely powered by our ZeroNox Battery Technology: the Tuatara Brand and the Ion Brand

## \$2.5MM IN SALES

Accomplished approximately **\$2.5 Million in delivered sales** since inception limited to the San Joaquin Valley

## MILLIONS IN SALES ORDERS

Received additional **Sales Orders of over \$5.5 Million in ZeroNox UTV's** in the San Joaquin Valley

## PRODUCT TESTING

Delivered and **successfully tested seven ZeroNox ProX forklift batteries** and **4 ZeroNox Pro forklift batteries** to two separate farming customers

## LOS ANGELES AIRPORT RETROFIT

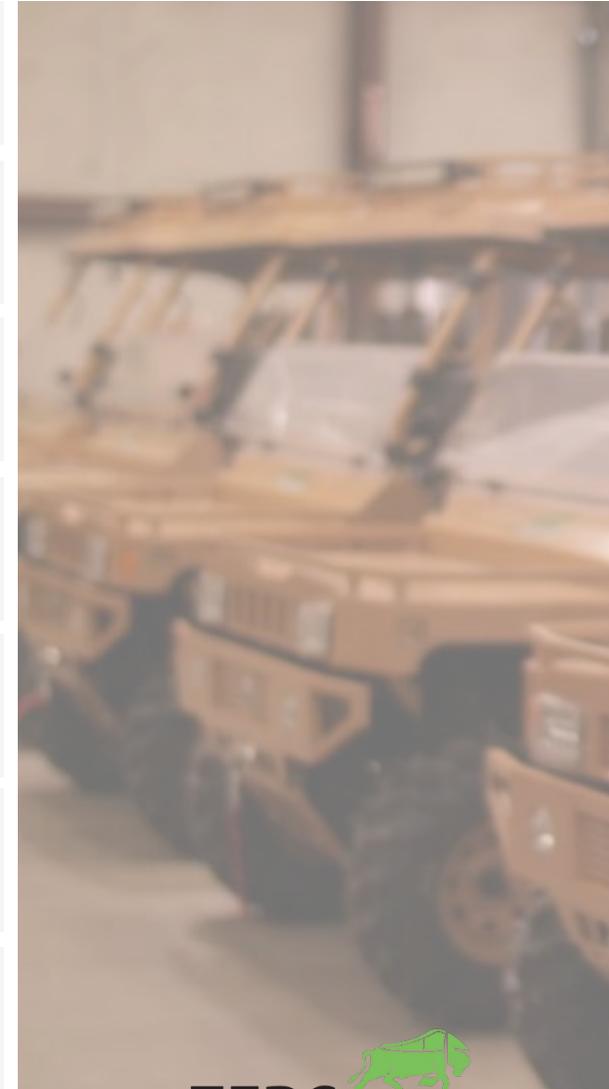
Delivered an order to LAX of 10 of their proprietary TTV's retrofitted with our **ZeroNox Battery upgrade** to finish phase one of three in our agreement

## ELECTRIC GENMOTOR

Established **Partnership with OEM** to co-design and build a new proprietary electric vehicle motor capable of increasing an EV's range 5X with our Powertrain System

## EVAULT DESIGN

Finished Design and Patent of Proprietary Home Microgrid System, the **EVAULT TEC20**



# Overarching Roadmap

**Originate sales and take pre-orders** for our ZeroNox-Owned brands of OHEV's; Forklifts, UTV's, ATV's, and Hospitality Carts.

Establish relationships with **Dealers in California and throughout the World** to sell our ZeroNox forklifts, utility vehicles, lithium iron batteries and battery systems and provide after-market support.

Finish development of **in-house telematics software** to integrate with the ZeroNox Powertrain System to create ability to remotely monitor and diagnose ZeroNox-Powered OHEVs.

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Capitalize on market demand by **fulfillment of current orders and accumulating pre-orders** of our utility vehicles that qualify for the San Joaquin Valley Air Pollution Control District **public agency grant** and other available grants.

Finish development, testing, and integration of our **proprietary ZeroNox electric motor (GenMotor)**.

Create **profitable partnerships with OEMs** to put ZeroNox Technology in other applicable vehicles, equipment, and microgrids. We are currently in talks with multiple companies to **convert their gas/diesel powered machinery** to our ZeroNox Electric Powertrain.

Finish development and begin production of ZeroNox **home microgrid system (EVAULT TEC20)**.



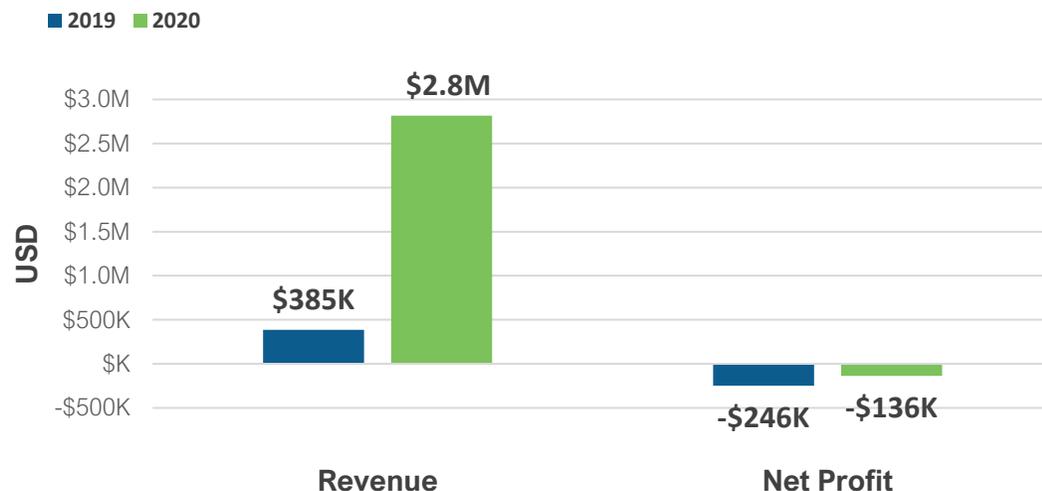
# FINANCIALS

## SECTION 5



# ZeroNox Financial Summary

## Profit and Loss (2019-2020)



Profit & Loss*	2019	2020
Revenue	\$ 384,505.98	\$ 2,815,503.71
Cost of Goods Sold	\$ 278,499.26	\$ 2,079,466.17
<b>Gross Profit</b>	<b>\$ 106,006.72</b>	<b>\$ 736,037.54</b>
Expenses	\$ 352,159.20	\$ 871,671.30
<b>Net Profit</b>	<b>\$ (246,152.48)</b>	<b>\$ (135,633.76)</b>

## Balance Sheet As of December 31, 2020\*

Total Bank Accounts	\$ 591,295.28
Inventory	\$ 1,688,258.72
Other Current Assets	\$ 1,000.00
<b>Total Current Assets</b>	<b>\$ 2,900,117.50</b>
Total Fixed Assets	\$ \$66,069.07
<b>Total Assets</b>	<b>\$ 2,966,186.57</b>
Total Current Liabilities	\$ 152,089.60
Total Long-Term Liabilities	\$ 2,096,606.94
<b>Total Liabilities</b>	<b>\$ 2,248,696.54</b>
<b>Total Equity</b>	<b>\$ 717,490.03</b>

### KEY TAKEAWAYS

- In 2020, **62%** of revenue occurred in **Q4**
- **\$8MM** in Sales Orders in FY 2020
- **600% increase** in revenue between 2019 and 2020

\*Note: All financials displayed are unaudited

# ZeroNox in EV Powertrains and Microgrids

ZeroNox is well-positioned to be an industry disruptor in the EV Powertrain and Microgrid space based on our exclusive integrated battery systems, our proprietary electric Genmotors, and our proprietary Thermal Energy Conversion Systems.

## ZeroNox Sales – All Products

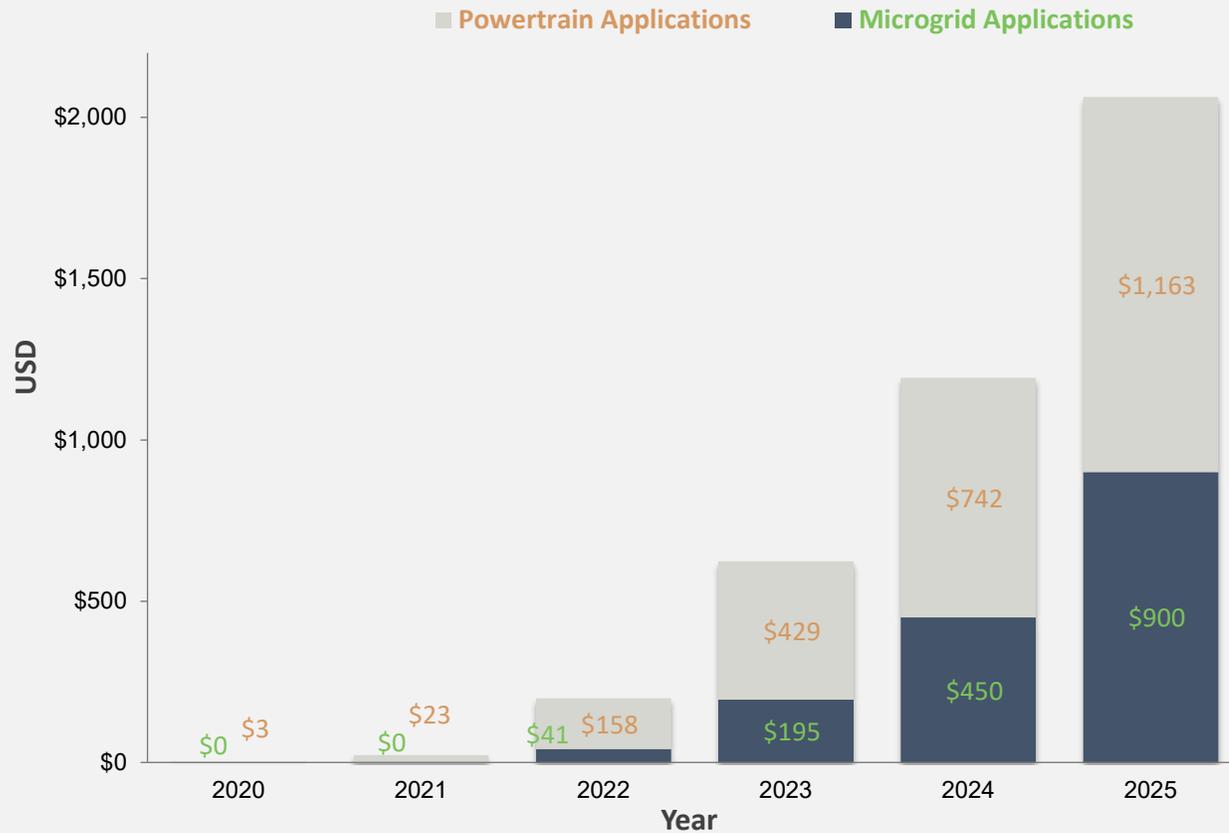
<i>(in millions)</i>	5 Year Projections*				
	2021	2022	2023	2024	2025
<b>Revenue</b>	\$22.6	\$198.8	\$623.6	\$1,192.1	\$2,063.1
<i>% Growth</i>	NA	780%	214%	91%	73%
Cost of Goods Sold	\$17.1	\$148.6	\$450.5	\$835.8	\$1,396.5
<b>Gross Profit</b>	\$5.5	\$50.2	\$173.1	\$356.3	\$666.6
<i>% Margin</i>	24%	25%	28%	30%	32%
<b>EBITDA</b>	\$0.3	\$17.6	\$111.1	\$253.5	\$506.0
<i>% Margin</i>	1%	9%	18%	21%	25%

\*Note: All financials displayed are unaudited

# Breakdown by Application

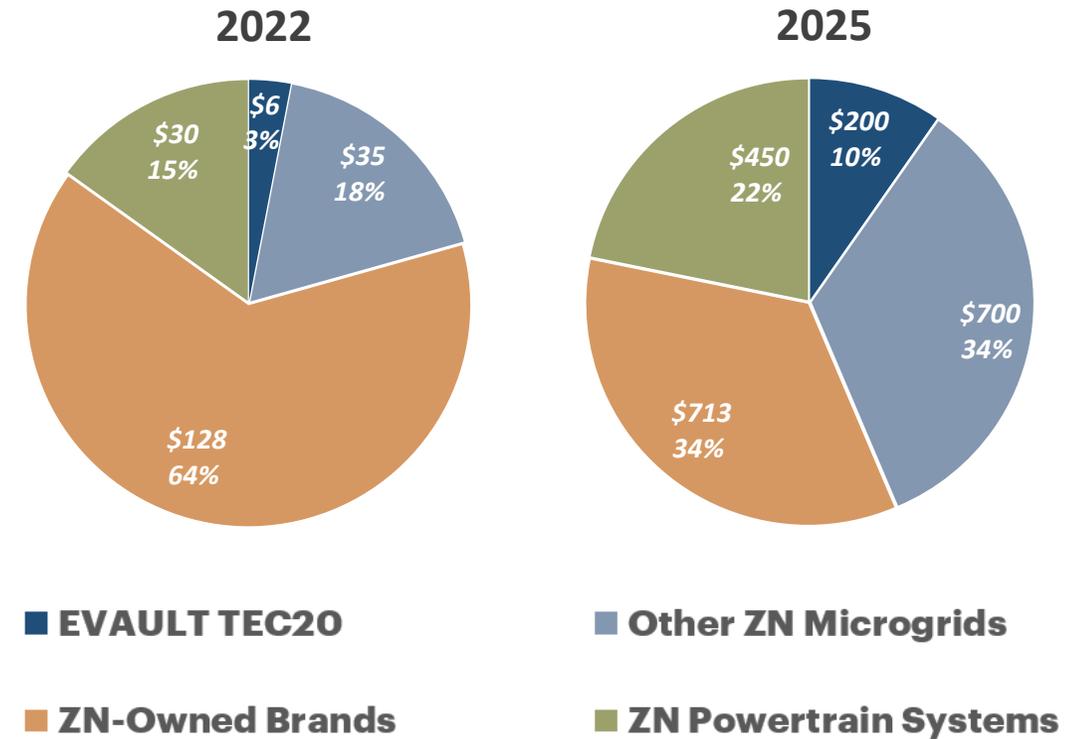
## Microgrid vs. Powertrain Applications

Revenue by year, 2020-2025 (in millions)\*



## Segment Breakdown by ZeroNox Product (Revenue)

(in millions)\*



\*Note: All financials displayed are unaudited

# ZeroNox Third Round Offering

ZeroNox is offering Common Stock to investors who satisfy the suitability standards (including qualification as an “accredited investor” under applicable securities laws)

## STRUCTURE OF THE OFFERING

- **ISSUER:** Zero Nox, Inc.
- **SECURITIES OFFERED:** 1,000,000 shares of Common Stock
- **PRICE PER SHARE:** \$3.00
- **GROSS PROCEEDS:** \$3,000,000
- **DIVIDENDS:** We anticipate paying cash dividends on our Common Stock as soon as operating income conditions permit
- **EXIT:** Investors may realize liquidity through the Company’s listing of its shares on the NASDAQ Stock Market to publicly trade its securities

Class	Before Offering		After Offering	
	Shares	%	Shares	%
Common Stock	16,968,600	100%	17,968,600	96%
Outstanding Options	750,000	4%	750,000	4%
Warrants	0	0%	0	0%
Preferred Stock	0	0%	0	0%
<b>Fully Diluted Total:</b>	<b>17,718,600</b>	<b>100%</b>	<b>18,718,600</b>	<b>100%</b>

## USE OF PROCEEDS

The Company plans to use the proceeds of our Offering for working capital to fund operations and expand in the following methods:

Sales & Marketing	\$	50,000
Order Inventory	\$	2,600,000
Working Capital	\$	300,000
After-Market Service Programs Sales Support	\$	50,000
<b>Total Use of Proceeds</b>	<b>\$</b>	<b>3,000,000</b>



THANK YOU

# APPENDIX

## SECTION 6

# Resources

## Works Cited

1. Off-highway Electric Vehicle Market Size Report. (2020). Grand View Research. <https://www.grandviewresearch.com/industry-analysis/off-highway-electric-vehicle-market#:~:text=b.-.The%20global%20off%2Dhighway%20electric%20vehicle%20market%20size%20was%20es,estimated,USD%204.5%20billion%20in%202020.&text=North%20America%20dominated%20the%20off,share%20of%2042.6%25%20in%202019.>
2. IHS Markit: Average cost of lithium-ion battery cell to fall below \$100/kWh in 2023. (2020, September 24). Retrieved from <https://www.greencarcongress.com/2020/09/20200924-ih.html>
3. Industry Market Research, Reports, and Statistics. (2020). Retrieved from <https://www.ibisworld.com/united-states/market-research-reports/lithium-battery-manufacturing-industry/>
4. Wesoff, E. (2020, March 10). ESA: More records set for US energy storage installs in Q4, massive growth forecasted. Retrieved from <https://pv-magazine-usa.com/2020/03/10/esa-power-capacity-record-for-us-energy-storage-installs-in-q4/#:~:text=Continued%20growth%20over%20the%20coming,reach%20%247.2%20billion%20by%202025.>
5. Hitachi, L. (2017). Microgrid Market in the USA. Retrieved from [https://www.hitachi.com/rev/archive/2017/r2017\\_05/Global/index.html](https://www.hitachi.com/rev/archive/2017/r2017_05/Global/index.html)

## ZeroNox Websites

**ZeroNox**

[www.zeronox.com](http://www.zeronox.com)

**Tuatara Vehicles**

[www.tuataravehicles.com](http://www.tuataravehicles.com)

**ION EV's**

[www.ionevs.com](http://www.ionevs.com)

**EVAULT**

[www.evaultpower.com](http://www.evaultpower.com)

**Port Electric**

[www.port-electric.com](http://www.port-electric.com)

**School Electric**

[www.school-electric.com](http://www.school-electric.com)