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TRADE SYMBOL: ARM-Canadian Securities Exchange
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Zero Nox, Inc. Newsletter

Armada Mercantile Ltd., (Symbol: CSE: ARM and USOTC: AAMTF) wishes to provide shareholders the Zero Nox, Inc. ("Zero Nox") newsletter. Zero Nox is an affiliated (approximately 10%) ownership portfolio company. Zero Nox is headquartered in the San Joaquin Valley, California and specializes in the development, manufacture and sale of battery technology and its integration into electric vehicles and its line of utility vehicles, which includes the Tuatara expedition vehicle (Tuatara) and the EC4 (EC4) electric utility vehicle.

Please see the enclosed Zero Nox Newsletter for your review.

For more information about Zero Nox, Inc. visit: www.zeronox.com.

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.*

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Advanced Battery Technology

ZERONOX INVESTOR NEWSLETTER SUMMER 2020 EDITION

VONN CHRISTENSON

CEO'S MESSAGE

2020 is proving to be a real watershed year for ZeroNox, as our prior years of groundwork and preparation are now bearing fruit in an exciting and accelerating way. We have moved into a new spacious location which allows us to bring our sales, operations and assembly all under one roof; we have been expanding our sales and service team to better meet the increasing demand for ZeroNox products and services; we have entered into new relationships with manufacturers and suppliers to more effectively and efficiently bring our battery technology to the marketplace; we have secured patent protection for an innovative home-based power management system; and we continue to explore ways to improve our current products and develop new products as we stay at the forefront of the green tech revolution and clean energy movement.

We look forward to hosting an open house at our ZeroNox building once the current pandemic conditions allow, and welcome the opportunity to discuss current developments in more detail with our shareholders, so please do not hesitate to contact any of our team for updates or feedback. We are excited to see how our vision for ZeroNox is now becoming reality, and we are grateful for the team and shareholders that have rallied around that vision. 2020 has certainly been a year filled with change, and so here's to continued positive changes for not only ZeroNox, but also each of you and our community throughout the remainder of this year!

SALES EVER GROWING

The first half of 2020 has been a whirlwind for most businesses around the globe and ZeroNox has not been isolated from the effects of the global pandemic. However, we have been able to weather the 2020 storm in no small part due to the strong focus in 2019 on taking advantage of a public agency grant available through the local air district to sell our electric utility vehicles to public agencies throughout the San Joaquin Valley. Our focused sales efforts in 2019 to build a strong pipeline of over $4 million in pre-orders that were mostly tied to government grant contracts has allowed our revenue pipeline to remain relatively unaffected by the changing landscape in the marketplace.

The San Joaquin Valley Air Pollution Control District continues to service grant applications in 2020, and many of our customers that applied for this funding last year and early this year are starting to receive executed contracts for their grant funding. This has allowed these customers to start paying deposits for their vehicles while they are manufactured. Earlier this spring, we were also able to deliver 11 of our first ION EC4 vehicles to customers, and as of July 1 customers throughout the San Joaquin Valley have applied for grant funding for over 250 of our electric utility vehicles since the spring of 2019. Over half of these vehicle applications have now been approved, and we will be fulfilling those orders starting this fall and into next year.

As the company grows we will continue to build this revenue channel with public agencies across the San Joaquin Valley while also expanding our focus to include other target customers across California and the rest of the United States.

NATE OSBORN

BOLSTERING THE TEAM

In January, **Nate Osborn** joined our team as the company's manager of warehouse operations, assembly and quality control. Nate is focused on driving success for our vehicle assembly and assuring the highest level of quality for our products from initial assembly through final delivery to customers. In addition to creating customer-focused products, Nate is also focused on driving efficiencies in the warehouse and creating an environment to scale our fulfillment processes as the company grows.

Nate joins us with a vast amount of experience in this space having worked for 12 years in the aerospace industry for Vector Aerospace and Helitech Corporation in British Columbia. Nate held many roles in manufacturing, repair and maintenance for both of these companies and has built several different types of aircraft where accuracy, quality, and efficiency were paramount to the success of the operation. Nate is a California native, and when he is not at work he can be found guiding hunters in the Sierra Nevada Mountains, shooting his bow, or raising cattle on his ranch with his wife and their three children.

THE ION EV BRAND

We are excited to announce the launch of our ION EV Brand of Utility Vehicles (www.ionevs.com). This brand is completely owned by ZeroNox and focuses on our less rugged and more hospitality-oriented vehicles, including the EC4 and the Caesar. All these vehicles are, of course, powered by our superior ZeroNox battery technology. We already delivered our first 11 EC4 vehicles to customers this summer, and we have many more pre-orders for the EC4 that will be delivered starting this fall. We are also beginning to take orders on the Caesar, which is a 14-seat Shuttle. We have already done demos for the Ritz Carlton and the Porterville Developmental Center with the Caesar, and both gave great reviews with expectations to order multiple units. We currently have 2 Caesars at our warehouse that we use for demos if you would ever like to take a test drive.

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THE TUATARA BRAND

We officially launched the Tuatara electric vehicle powered by ZeroNox battery technology in February 2020 at the World Ag Expo. It was a great success and a huge effort by the team to get the first vehicle here in time for the launch.

The Tuatara was definitely the star of the show for us at the expo and has caused a lot of interest and orders since the launch. Many of our public agency customers who had applied for grant funding for this vehicle last year had their first chance to see the vehicle in person at the expo, and they went away even more excited after seeing what they would be getting later this year. Many other potential customers from all over the United States expressed their interest in getting this vehicle when it becomes more widely available.

We are currently gearing up to deliver nearly 150 units to customers across the San Joaquin Valley this fall and into the new year. The future is bright for the Tuatara brand, and we have many great things to come!

Also worth noting, you can find the Tuatara on the front page of our Air Resource Board's Ag UTV Grant Page: http://valleyair.org/grants/utv.htm So if you know anyone wanting to trade up and utilize this grant please send them our way.

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THE PEAK FORKLIFT BRAND

The first four prototypes for our new Lithium-Iron Forklifts have arrived. Two have 3300 lbs lift capacity, and two have 4400 lbs lift capacity. We have begun our testing phase with them. These Forklifts are the beginning of a new brand, owned by ZeroNox, of Lithium Powered Forklifts that will go to market at the comparable price of a lead-acid battery powered forklift, which would make them the first Lithium Battery Powered Forklifts to do this. We hope to have these forklifts available to the public by the end of the year.

LAMBORGHINI UPDATE

Lamborghini's opposition to our Ox logo trademark registration, claiming that it is confusingly similar to Lamborghini's trademarked Bull design, is still pending before the U.S. Patent and Trademark Office ("USPTO"). Negotiations for a possible resolution of this dispute remain ongoing, although no resolution has yet been reached. We will continue to update you in future shareholder reports regarding the status of this pending dispute.

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