

FORM 7

MONTHLY PROGRESS REPORT

Name of CNQ Issuer: Armada Mercantile Ltd. (the "Issuer").

Trading Symbol: ARM

Number of Outstanding Quoted Securities: 19,129,409

Date: January 1, 2024

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNQ Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNQ.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNQ Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

- 1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

During the period, the Issuer continued the growth and development of its accounts receivable "factoring" and trade finance business, ice cream business and electric vehicle portfolio company. Additionally, the Issuer worked on behalf

of consulting clients providing advisory services in conjunction with each clients needs including structuring transactions, assisting with documentation, strategizing on business development, which includes M&A work. Additionally, the issuer continued to develop its portfolio companies with enunciated goals to develop or grow their businesses some of which are operating companies that trade publicly.

2. Provide a general overview and discussion of the activities of management.

Management attended to business related to its portfolio ownership position companies. The Issuer's current ownership portfolio includes: Oxygen Funding www.oxygenfunding.com Inc., Zero Nox, Inc. (www.zeronox.com), Empire Factors, LLC (www.empirefactors.com), Aquaborne LLC (www.theaquaborne.com), RichGrandDad Ltd. (www.richgranddad.com), Ace Foods (www.ace-foods.com)

News Posts:

https://webfiles.thecse.com/AAR_NR_Zero_Nox_GFGD_Termination_Sep_14_23.pdf?SOU3FniHTOwwX43UNskEmpPu0YgIIUzi

<https://armadamercentile.com/zeronox-spac-registration-statement-declared-effective-by-sec/>

<https://armadamercentile.com/ace-foods-adds-distributor-in-utah-idaho-and-nevada/>

<https://armadamercentile.com/zeronox-announces-product-development-agreement-with-kubota-corporation/>

<https://armadamercentile.com/ace-foods-london-dairy-adds-distributors-in-north-carolina-and-georgia/>

<https://armadamercentile.com/zeronox-ceo-vonn-christenson-interview-with-cnn-business-news/>

<https://armadamercentile.com/zeronox-and-jospong-group-launch-worlds-largest-fleet-retrofit-electrification-project/>

<https://armadamercentile.com/zero-nox-spac/>

<https://armadamercentile.com/ace-foods-adds-bristol-farms-gourmet-grocery-stores-in-los-angeles-california/>

<https://armadamercentile.com/ace-foods-adds-schnucks-markets-in-saint-louis-missouri/>

<https://armadamercentile.com/ace-foods-starts-selling-london-dairy-in-supermarket-chain-in-los-angeles-california/>

<https://armadamercentile.com/ace-foods-adds-supermarket-chain-in-california/>

<https://armadamercentile.com/ace-foods-receives-first-purchase-order-from-ice-cream-distributor/>

<https://armadamercentile.com/armada-receives-ownership-in-ace-foods-ice-cream-company-in-the-usa/>

<https://armadamercentile.com/commercial-finance-business-growth-and-key-statistics/>

<https://armadamercentile.com/zero-nox-inc-customer-testimonial-videos/>

<https://armadamercentile.com/zero-nox-completes-important-piece-of-capital-raise/>

<https://armadamercentile.com/2021-beats-2020-in-finance-business-and-portfolio-company-capital-gains/>

Update on the Issuer's Factoring Business:

Approximate Monthly Collections: During the month invoice collections reached approximately US\$6MM and total paid discount fee income was approximately US\$210,000. As of today, total purchased invoices in the portfolio are approximately US\$22.8MM.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

https://webfiles.thecse.com/AAR_NR_Zero_Nox_GFGD_Termination_Sep_14_23.pdf?SOU3FniHTOwwX43UNskEmpPu0YgIIUZi

<https://armadamercentile.com/zeronox-spac-registration-statement-declared-effective-by-sec/>

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<https://armadamercentile.com/ace-foods-london-dairy-adds-distributors-in-north-carolina-and-georgia/>

<https://armadamercentile.com/zeronox-and-jospong-group-launch-worlds-largest-fleet-retrofit-electrification-project/>

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<https://armadamercentile.com/ace-foods-starts-selling-london-dairy-in-supermarket-chain-in-los-angeles-california/>

<https://armadamercentile.com/ace-foods-adds-supermarket-chain-in-california/>

<https://armadamercentile.com/ace-foods-receives-first-purchase-order-from-ice-cream-distributor/>

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None

8. Describe the acquisition of new customers or loss of customers.

None

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None

10. Report on any employee hiring's, terminations or lay-offs with details of anticipated length of lay-offs.

None

11. Report on any labour disputes and resolutions of those disputes if applicable.

There were no labour disputes for the Issuer during the period.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None

14. Provide details of any securities issued and options or warrants granted.

Security	Stock Option	Details of Issuance	Use of Proceeds ⁽¹⁾
Common		Conversion	

15. Provide details of any loans to or by Related Persons.

None

16. Provide details of any changes in directors, officers or committee members.

None

17. Discuss any trends, which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

None

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer, which has not been publicly disclosed.
3. The undersigned hereby certifies to CNQ that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNQ Requirements (as defined in CNQ Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated January 1, 2024

Name of Director or Senior Officer:

Is/Patrick Cole
Signature
President
Official Capacity

Issuer Details		For Month	Date of Report
Name of Issuer Armada Mercantile Ltd.		End of Dec 2023	YY/MM/D Jan 1, 2024
Issuer Address 9575 Pinehurst Drive			
City/Province/Postal Code Roseville, CA 95747	Issuer Fax No. (800) 704-1964	Issuer Telephone No. (916) 746-0029	
Contact Name Patrick Cole	Contact Position President	Contact Telephone No. 916-746-0029	
Contact Email Address cole@armadamercantile.com	Web Site Address www.armadamercantile.com		