

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: October 1, 2021

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.

The Issuer's Audited Financial Statement for February 28, 2021 has been filed as of June 28, 2021. The Issuer reported earnings (gain) per share for the year – basic and diluted of 0.31 compared to 2020 earnings per share of 0.00.

During the period, the Issuer continued the growth and development of its accounts receivable “factoring” and trade finance business. 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., Life on Earth, Inc. (Symbol OTC: LFER), Zero Nox, Inc. (www.zeronox.com), Earthvision Industries, LLC (www.earthvisionbio.com), Empire Factors, LLC (www.empirefactors.com), Aquaborne LLC (www.theaquaborne.com), RichGrandDad Ltd. www.richgranddad.com

ZeroNox: Management of the Issuer is working closely with Zero Nox, Inc. (“Zero Nox”) an affiliated (approximately 8%) ownership portfolio company. Zero Nox is seeking to enter the US public markets by way of a business combination with a Special Purpose Vehicle or “SPAC” and has signed a broker dealer representation letter with Chardan Securities. Zero Nox completed a third round of funding in the amount of US\$3,000,000 through a Reg. D 506 offering and is currently raising a fourth round for a total of \$US10,000,000 at \$10.00 per share with a valuation of approximately \$182,000,000.

Aquaborne: The Issuer became the lead investor for Aquaborne LLC’s crowdfunding Reg. C on WeFunder. [WeFunder Reg. C Aquaborne capital raise](#)

Update on the Issuer’s Factoring Business:

Approximate Monthly Collections: This was a good month for invoice collections and fee income. During the month invoice collections reached US\$7,363,386.13 and total paid discount fee income was US\$223,087.10. As of today, total purchased invoices in the portfolio are US\$15,288,307.03.

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.

RichGrandDad Ltd. (“RichGrandDad”), a British Columbia commercial finance subsidiary (51%) company. RichGrandDad plans to fund opportunities prospected by its affiliated group of established brands (<https://richgranddad.com>) targeting real estate and commercial lending. The management team of RichGrandDad is comprised of individuals with solid backgrounds in prospecting businesses, capital formation to fund transactions,

underwriting transactions and on-going servicing of client accounts. RichGrandDad plans to generate income from capital returns and closing transaction fees earned. RichGrandDad plans to offer preferred stock to investors seeking collateralized dividend income and access to an alternative investment strategy.

About RichGrandDad affiliated companies:

Hardmoneymobile.com is a leader in placing real estate commercial bridge loans.

EmpireFactors.com is a commercial finance factoring and supply chain finance lender.

Lendonland.com gives you cash for your real estate property.

Quantak.com First class marketing solutions to impeccable website development and design including a complete portfolio of solutions to grow businesses.

Centurycapllc.com is a leader in boutique CRE real estate bridge lending.

Solidoakinvestments.com provides cash for real estate properties and businesses.

For more information on RichGrandDad, please visit: <https://richgranddad.com/>

The Issuer is a direct lender in the factoring, supply chain, revenue lines of credit business. Armada Group USA, Inc., the Issuer's wholly owned subsidiary, through its ownership in (1) Oxygen Funding, Inc. (www.oxygenfunding.com) holds a California Finance Lenders license (2) Empire Factors, LLC (www.empirefactors.com) is bonded in New York and New Jersey for commercial lending. Management plans to focus its efforts on trade finance operations.

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.

None

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.

Through a subsidiary of the Issuer, consulting and advisory services clients continue to be serviced with completed and pending new assignments. This month the new clients are: N/A

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 October 1, 2021

Name of Director or Senior Officer:

Is/Patrick Cole
Signature
President
Official Capacity

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|---------------------------|----------------|----------------------|----------------|
| Issuer Details | | For Month | Date of Report |
| Name of Issuer | End of Sept | YY/MM/D | |
| Armada Mercantile Ltd. | 2021 | October 1, 2021 | |
| Issuer Address | | | |
| 9575 Pinehurst Drive | | | |
| City/Province/Postal Code | Issuer Fax No. | Issuer Telephone No. | |
| Roseville, CA 95747 | (800) 704-1964 | (916) 746-0029 | |



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|---|---|-----------------------|
| Contact Name | Contact Position | Contact Telephone No. |
| Patrick Cole | President | 916-746-0029 |
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