

## FORM 7

### MONTHLY PROGRESS REPORT

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

Trading Symbol: AARM

Number of Outstanding Quoted Securities: 17,252,031

Date: November 5, 05

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 is a financial services company that focuses on merchant banking primarily through its wholly-owned subsidiary Armada Group USA, Inc. ("ArmadaUSA") ArmadaUSA, is a direct funding venture lender in the venture-lending and asset-backed financing marketplace.**

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

**Management, through ArmadaUSA, focused its efforts on generating new venture lending clients while seeking to make loans to emerging-growth publicly traded and private companies. Management is working with several client companies and continues to receive leads from its network of Broker/Dealers, accountants, loan originators, merchant banking affiliates, and in-house company contacts. The Issuer provides advisory services while participating with management as a merchant banker. The Issuer continues to make new venture lending loan agreements with clients that will increase revenue and bolster assets. The Issuer will disseminate to the public any news related to the above undertakings when available.**

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.

**No new products were provided by the Issuer.**

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.

**No products or services were discontinued by the Issuer.**

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.

**The Issuer increased its ongoing venture lending business with existing client companies and provided advisory services. The issuer initiated new business relationships with the following companies:**

1. ViaClix, Inc. [www.viaclix.com](http://www.viaclix.com)
2. Gandinnovations Corp. [www.gandinnovations.com](http://www.gandinnovations.com)
3. Raheel Foods
4. Vocalscape Networks, Inc. [www.vocalscape.com](http://www.vocalscape.com) and Azatel, Inc. [www.azatel.com](http://www.azatel.com).
5. Sequest Corporation and/or Harris Brown.
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.

**Armada Mercantile Ltd. (the "Company") announces that in an effort to increase its profile and exposure within the investment community and to provide ongoing shareholder communication support, the Company has engaged 547853 BC Ltd. o/a Quinton Investment Services ("IR Firm") to conduct media awareness and investor relations services to the Company. Headed by Doren Quinton, IR Firm will seek to, among other things, initiate contact with and introduce the Company to industry analysts, institutional and retail investors throughout North America and Europe for a fee of \$2,500 (plus GST) per month. The term of the agreement is for a period of 6 months commencing on October 1, 2005 and may be terminated by either party upon 14 days written notice.**

**As further consideration for IR Firm services, the Company has agreed to grant to Doren Quinton of the IR Firm an incentive stock option to purchase up to 50,000 common shares of the Company for a period two years at a price of \$0.25 per share.**

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.

**The Issuer repaid certain promissory notes in the amount of US\$309,000.00**

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

**None**

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds<sup>(1)</sup></b>
Stock option	50,000	Doren Quinten	\$12,500.00

(1) State aggregate proceeds and intended allocation of proceeds.

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 November 5, 05

Patrick Cole  
Name of Director or Senior  
Officer

*Is/Patrick Cole*  
Signature

President  
Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer  Armada Mercantile Ltd.	For Month End  October 05	Date of Report YY/MM/D November 5, 2005
Issuer Address 301-455 Granville Street		
City/Province/Postal Code Vancouver, BC V6C 1T1	Issuer Fax No. (866) 775-7765	Issuer Telephone No. (916) 746-0029
Contact Name  Patrick Cole	Contact Position  President	Contact Telephone No.  916-746-0029
Contact Email Address patrickdcole@comcast.net	Web Site Address www.armadamerchantile.com	