

ARMADA MERCANTILE LTD.
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TRADE SYMBOL: AARM -Canadian Trading and Quotation System Inc.
US TRADE SYMBOL: AAMTF.PK

Merchant Banking and Consulting Agreement with XSLENT, LLC.

NEWS RELEASE

Armada Mercantile Ltd. (the Company), through its wholly-owned subsidiary Armada Group USA, Inc. (ArmadaUSA), has signed a merchant banking and consulting agreement with XSLENT, LLC. (the Client) of Los Gatos, California. This agreement calls for ArmadaUSA, through its advisory services, to assume a leadership role on behalf of the Client as it enters an important phase of its agenda of initiatives. These advisory services will include merchant banking services and seeking to provide US\$2.5 million in investment funding to the Client through the public market facilities of Armada Mercantile Ltd.

About the Client:

XSLENT LLC. (XSLENT) brings a unique perspective to the problem of information aggregation and presentation. With expertise ranging from multimedia interactivity and presentation to providing flexible tools for developing Enterprise Resource Planning (ERP) applications and integrations, XSLENT has designed an intelligent network architecture, which is based on the principal of separation of data from form. By entering into a partnership with the United States Naval Post Graduate School, XSLENT is working to solve complex issues of interoperability within The United States Department of Defense and United States Federal Government.

For more information pertaining to the Client, please visit www.xslent.net.

In separate news, the Company announces that it will issue 850,000 incentive stock options to key Consultants for ArmadaUSA. The Consultants will advise ArmadaUSA on important business issues related to legal, technology, Government and military, and engineering. The Consultants are Larry Matheny (engineering), Marty Lettunich (legal, Government and military), David Tinsley (strategic development), and Frank Busalaacchi (technology).

For more information pertaining to the Company, visit www.cnq.ca (symbol: AARM) or contact Patrick Cole at 916-446-1585.

“Patrick Cole”

President

Certain statements included herein are "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. Management cautions that forward-looking statements are not guarantees and that actual results could differ

materially from those expressed or implied in the forward-looking statements. Important factors that could cause the actual results of operations or financial condition of the Company to differ include, but are not necessarily limited to, the risks and uncertainties discussed in documents filed by the Company with the British Columbia and Ontario Securities Commissions.