



# Quarterly Report

for the Quarter ended June 2023

Armada Metals Limited (ACN 649 292 080) (ASX: AMM) ('Armada' or the 'Company') is pleased to provide a summary of activities for the Quarter ended 30 June 2023.

## HIGHLIGHTS

- Armada continued to advance exploration on its Nyanga magmatic nickel-copper (Ni-Cu) project in Gabon.
- The company held its Annual General Meeting ('AGM') for shareholders on 31 May 2023 where all resolutions, including the special resolution 3, were successfully passed with all votes in favour, demonstrating the strong support and approval of our shareholders.
- Dr. Ross McGowan, Armada's Managing Director and CEO, participated in the Future Facing Commodities Conference held in Singapore from April 4th to 6th.
- Subsequent to the end of the quarter, in July, Armada announced the acquisition of an 80% controlling interest in the Bend Nickel Project, located in Zimbabwe. Through a two-stage earn-in process, Armada aims to initially secure a 50% interest, potentially increasing to 80%, by meeting exploration expenditure requirements, with drilling expected to start in Q3 2023.

**Commenting on the Company's progress across the quarter, Armada's Managing Director and CEO, Dr Ross McGowan, commented:**

*"We have made significant strides in advancing our exploration efforts at the Nyanga Magmatic Ni-Cu project in Gabon. With the use of ground geophysics we aim to further define drill targets for the next drilling campaign to properly test the Nyanga Project's true potential.*

*I am also thrilled to announce that subsequent to the end of the quarter, Armada has signed an agreement to earn a controlling interest in the Bend Nickel Project located in Zimbabwe. This strategic move aligns with our vision to expand and strengthen our nickel exploration portfolio and capitalise on the growing demand for critical metals. Through a two-stage earn-in process, we can secure an initial 50% interest in the project, with the potential to increase our stake to 80% by meeting exploration expenditure requirements. We are eager to commence drilling at the Bend Nickel Project during Q3 2023.*

*We would like to thank our shareholders for their continued support and confidence in Armada. Together, we will continue to pursue new opportunities and drive growth. We look forward to updating shareholders with our developments on both the Nyanga and Bend Nickel Projects in due course."*



## NYANGA PROJECT, GABON

### Exploration Update

In the March quarter, Armada announced that preliminary modelling of MobileMT datasets has identified seventeen (17) preliminary targets which are consistent with the Company's regional mapping of the Nyanga Project intrusions (*refer Figs, 1-4*). These new targets have been integrated into the Company's nickel system architecture framework (see below) to aid in the design of further ground-based Natural Source Audio-Magnetotelluric ('**NSAMT**') surveys at the Nyanga Project. In addition, the Company reported there is a satisfactory correlation between the Mobile MT and NSAMT data sets (*refer Figure 5 Company Quarterly Report – March 2023*).

The Company has also commenced the development of a structural architecture framework. This will assist with the interpretation regarding possible pathways for intrusions, the migration of mineralising fluids, trap-site creation and enrichment controls. Work is being completed in a 3D environment using Micromine software and is considering a series of attributed lines and domains defining key structural features, boundaries and domain blocks.

Adding to the work that was completed in the first quarter of 2023, further ground based NSAMT surveys have been planned to follow up on the highest priority targets in advance of further drilling at the Project. A total of 50-line kilometres of NSAMT survey have been planned for Q3-2023.

### Environment

During the quarter meetings have been held with the Direction Générale de l'Environnement et de la Protection de la Nature ('**DGEPN**', a department of the Ministry of Water, Forests, Sea, Environment, Climate Change and Land Allocation) with the purpose of extending the regulatory Notice d'Impact Environnemental et Social (environmental and social impact study) for proposed future exploration programs.

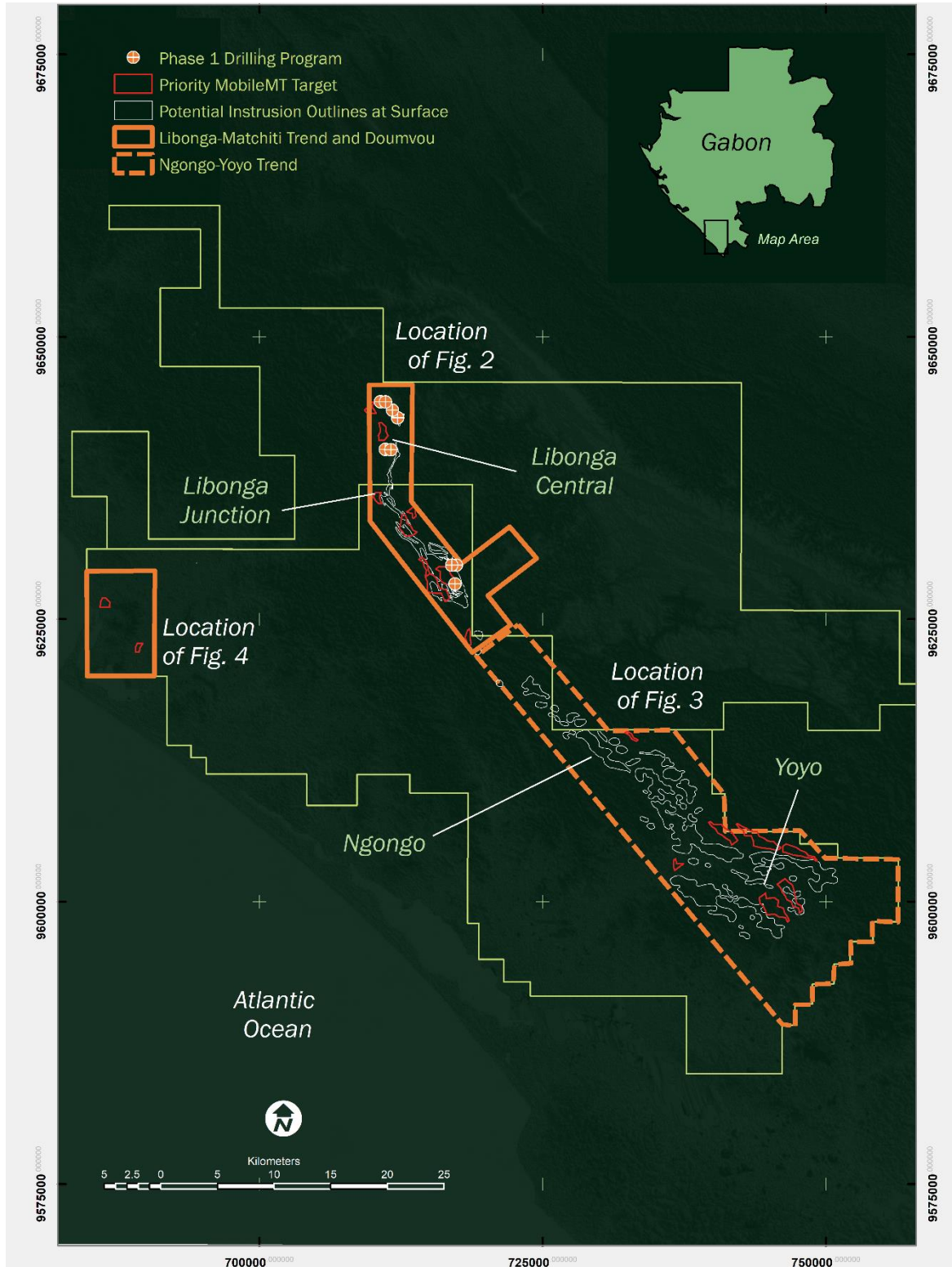
### Planned Activities for Q3 2023

Ground based NSAMT geophysical survey grids are planned for the emerging Libonga Junction target and the established Libonga Central targets to map the potential for magmatic sulphide accumulations and de-risk future drilling programs.

Armada will host a site visit by the DGEPN. The representatives from the DGEPN will visit the Nyanga Project operations as part of the process to review the Company's environmental management plan.

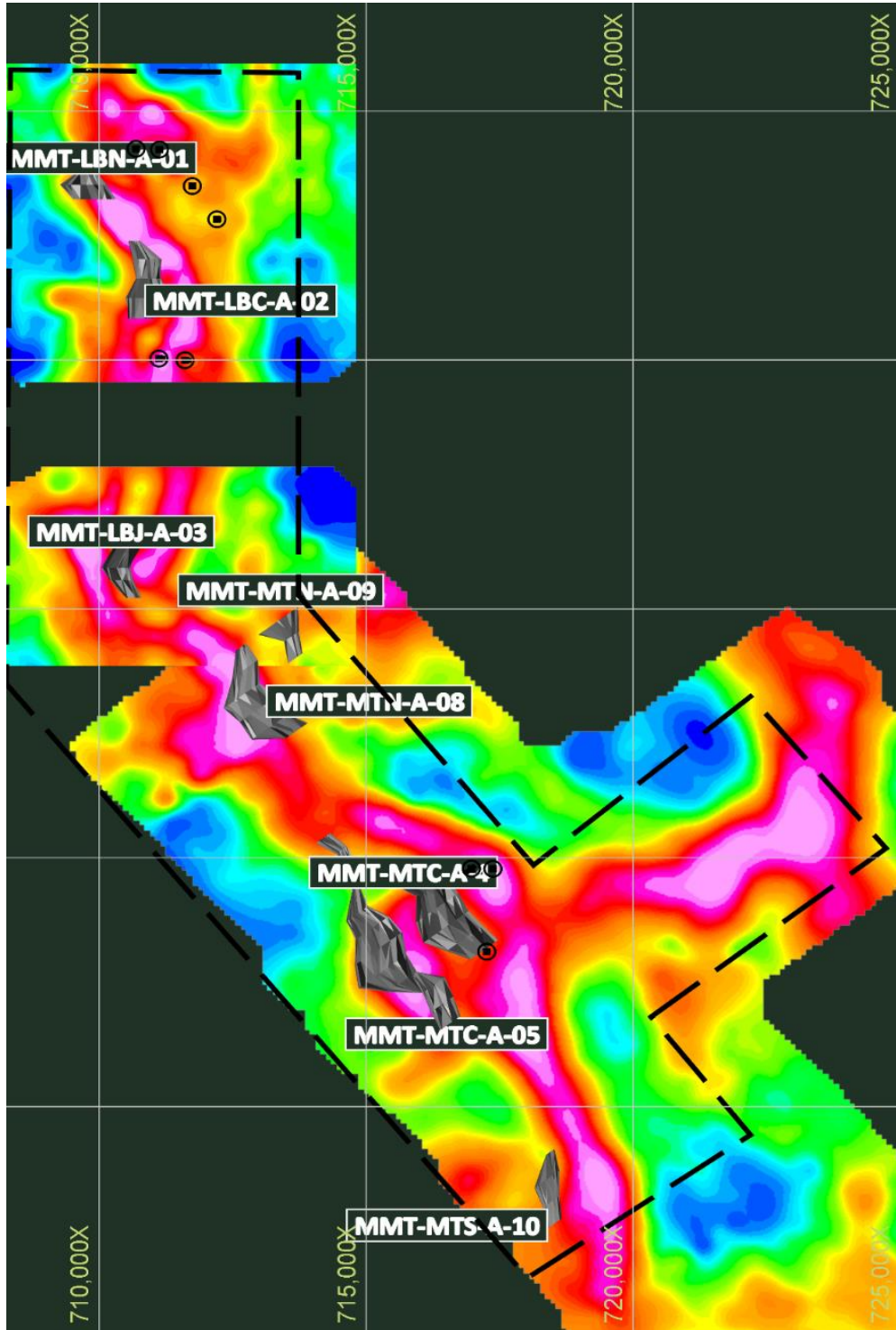


**Figure 1:** Nyanga magmatic nickel-copper (Ni-Cu) project map with priority MobileMT targets (refer Company Quarterly Report March 2023).





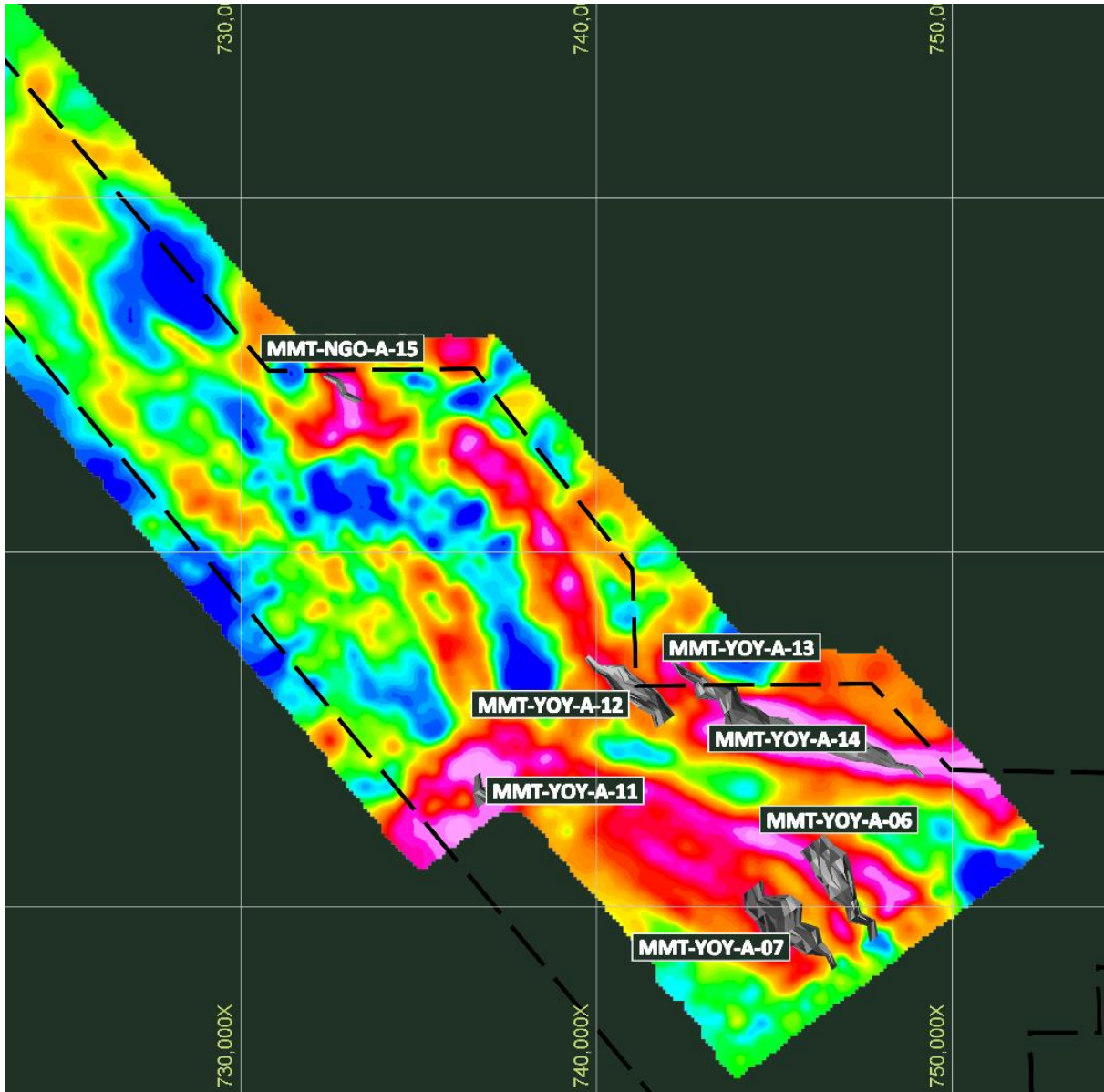
**Figure 2:** Nyanga Project MobileMT priority targets (dark grey isoshells) along the Libonga-Matchiti Trend. NSAMT survey lines have been planned across targets MMT-LBJ-A-03 (Libonga Junction) and MMT-LBC-A-02 (Libonga Central). Black circles with filled squares represent the location of the 2022 Phase 1 drilling program. Background image - apparent conductivity at 892Hz.





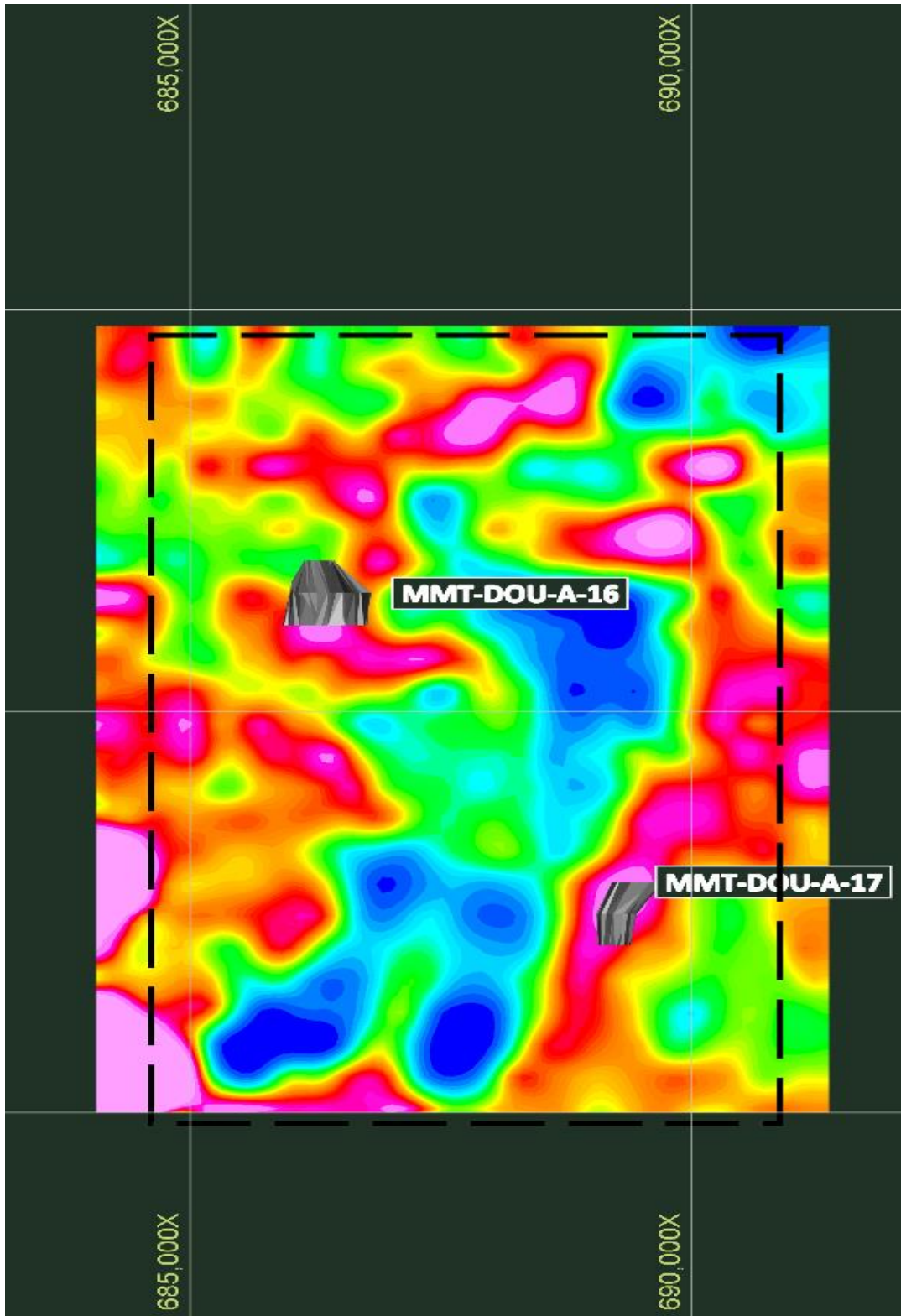


**Figure 3:** Nyanga Project MobileMT priority targets (dark grey isoshells) along the Ngongo-Yoyo Trend. Background image - apparent conductivity at 892Hz.





**Figure 4:** Nyanga Project MobileMT priority targets (dark grey isoshells) along the Doumvou Trend. Background image - apparent conductivity at 354Hz.





## ENVIRONMENTAL, SOCIAL & GOVERNANCE

Armada intends to set goals, meet targets and devote time to Environmental, Social and Governance ('ESG'). During the quarter, Armada commenced creating a baseline ESG disclosure report using the globally recognised World Economic Forum stakeholder capitalism metrics ESG framework on the Socialsuite platform. The Socialsuite platform will assist Armada to coordinate an appropriate framework and standard for the Company.

## CORPORATE

### Conferences

In early April, Managing Director and CEO Ross McGowan, attended The Future Facing Commodities Conference in Singapore, which took place from April 4 to 6 at the Raffles City Convention Centre. This event provided valuable insights and networking opportunities, further enhancing our understanding of emerging trends in the battery metals sector.

### Annual Report

Armada released its annual report to shareholders on the 17th of April 2023.

### Annual General Meeting

Armada held its 2023 AGM on Wednesday 31 May 2023. We are delighted to report that all resolutions, including the special resolution 3, were successfully passed with all votes in favour, demonstrating the strong support and approval of our shareholders.

Specifically, the Remuneration Report (Item 2) was presented and received positive feedback from our shareholders. We also had the re-election of Mr. Martin Holland (Item 3) as Director, ensuring continuity and the invaluable expertise he brings to our team. Additionally, Item 4 was approved, granting an additional 10% Placement Capacity to further support our strategic growth plans.

- Item 1. Financial Reports and Statements
- Item 2. Remuneration Report
- Item 3. re-election of Director - Mr Martin Holland
- Item 4. Additional 10% Placement Capacity

## FINANCIAL

In accordance with AS Listing Rule 5.3.5 and as noted in section 6.1 of the Appendix 5B, payments of \$107,000 were made during the quarter comprising \$90,000 for salaries and fees for the Company's executive and non-executive directors and payment of \$17,000 to a related party of a director for investor relations. In addition, as noted in section 6.2 of the Appendix 5B, an amount of \$61,000 was paid for exploration consulting services to a related party of a director. No other payments were made to any related parties of the entity or their associates.



## USE OF FUNDS

**Table 1:** Use of Funds Table pursuant to ASX Listing Rules 5.3.1 and 5.3.4.

	Prospectus	Dec-21	Mar- 22	Jun- 22	Sep-22	Dec-22	Mar-23	Jun-23	Total
Exploration	7,890,000	576,000	892,000	1,267,000	2,041,000	879,000	256,000	229,000	6,140,000
Working Capital	1,990,836	627,000	199,000	311,000	372,000	329,000	271,000	397,000	2,506,000
Expenses per offer	1,168,952	1,131,000	-	11,000	-	-	-	-	1,142,000
	11,049,788	2,334,000	1,091,000	1,589,000	2,413,000	1,208,000	527,000	626,000	9,788,000

## ASX RELEASES

**Table 2:** Summary of ASX Announcements released on the Armada Metals' ASX Platform during and subsequent to the end of the June 2023 quarter.

Date	Price Sensitive	Title
20 July	Yes	Bend Nickel Project - Zimbabwe - Addendum
20 July	Yes	Controlling Interest Acquired - Bend Nick Project - Zimbabwe
31 May	No	Results of Meeting
28 April	Yes	Quarterly Activities/Appendix 5B Cashflow Report
20 April	No	Notice of Annual General Meeting/Proxy Form
17 April	No	Annual Report to shareholders Updated
14 April	No	Appendix 4G
14 April	No	Corporate Governance Statement
14 April	No	Annual Report to shareholders
4 April	No	Future Facing Commodities Conference Presentation

## TENEMENT SCHEDULE

In accordance with AS Listing Rule 5.3.3, Armada Metals advises that it held licenses for the following tenements during the quarter. No tenements were acquired or disposed during the quarter, and no new farm-in or farm-out agreements were entered into during the quarter. Each of the tenements listed in the table below are 100% owned by the Company's wholly owned subsidiary, Armada Exploration Gabon SARL.

**Table 3:** Tenement Schedule pursuant to ASX Listing Rule 5.3.3.

Permit <sup>1</sup>	Area size km <sup>2</sup>	Granted	Term	End date	Registered Holder	Interest
G5-150	1,230	29 November 2022	3 yrs	29 November 2025	Armada Exploration Gabon Sarl	100%
G5-555	1,495	14 February 2022	3 yrs	13 February 2025	Armada Exploration Gabon Sarl	100%

<sup>1</sup> Exploration permit translates from French 'Permis de Recherche Minière'





## EVENTS SUBSEQUENT TO THE QUARTER END

### Nyanga Project

Field crews have begun mobilisation for the planned NSAMT surveys. Camp re-opening and maintenance is required after the prolonged wet season.

### Bend Nickel Project

On 20 July 2023, Armada Metals announced the signing of a binding term sheet to acquire an 80% controlling interest in the Bend Nickel Project located in Zimbabwe. The project, currently held by Reliant Nickel Limited, encompasses the historically drilled Bend Nickel Deposit within an area of approximately 12km<sup>2</sup> (refer ASX announcement on 20 July 2023).

Through the agreement, Armada will initially earn a 50% interest in the project, with the potential to increase its stake to 80% through a two-stage earn-in process, subject to meeting specific exploration expenditure requirements. Drilling activities are set to commence in Q3 2023.

Armada has the right to earn into up to 80% of the Project, and consideration for the earn-in is comprised of a two-stage earn-in process as follows:

#### 1. Stage 1 Earn-In:

- Armada to fund 2,500 meters (m) of drilling on the Project, within the first six months [RM1] ("Stage 1 Works").
- Upon completion of Stage 1 Works, Armada can elect to take a 50% interest in the Project ("Stage 1 Earn-In").

#### 2. Stage 2 Earn-In:

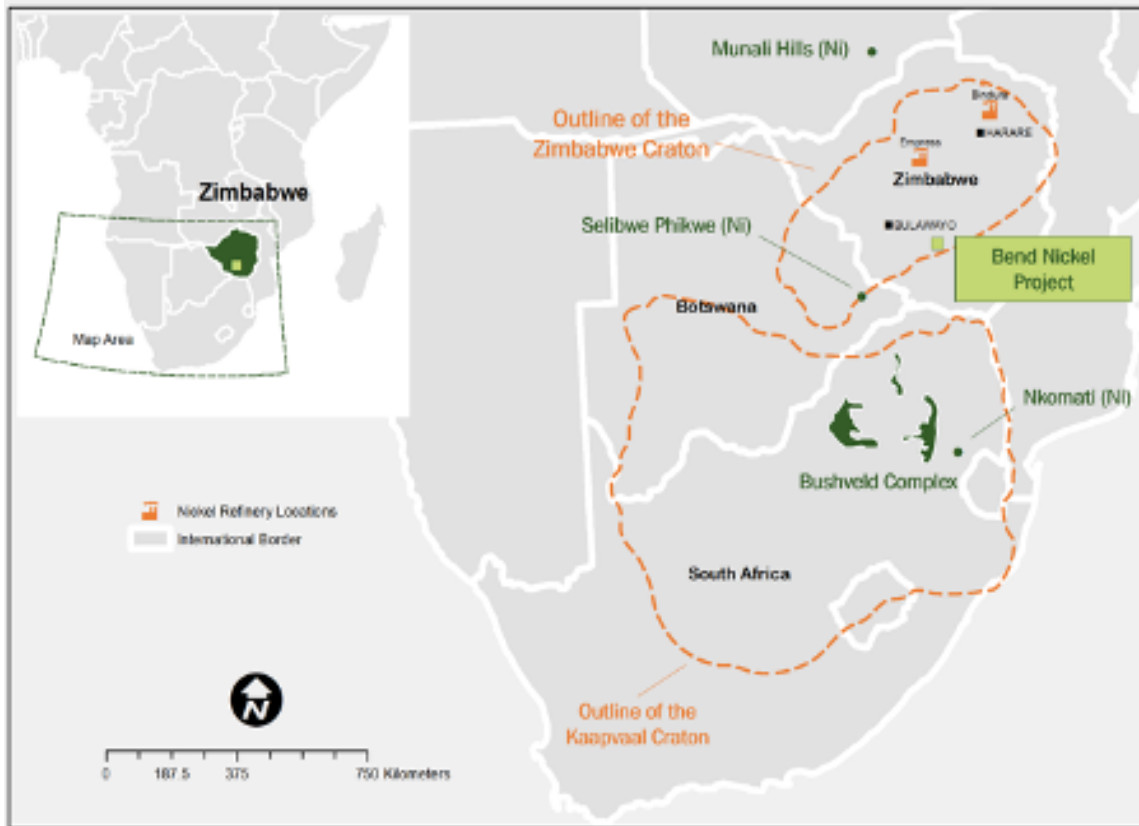
- Following the creation of the Joint Venture ("JV"), Armada has the exclusive right to earn up to an additional 30% interest in the Project, resulting in an 80% Armada and 20% Reliant JV ("Stage 2 Earn-In").
- To satisfy Stage 2, Armada must, within a period of three years of the JV Commencement Date, contribute at least A\$3 million towards exploration and related expenditure on the Project, and pay Reliant A\$300,000.
- Armada will earn, and be issued with, three pro rata tranches of 10% interest in the Project during the Stage 2 Earn-In via expenditure payments A\$1M (10%), A\$1M (10%), and A\$1M (10%) and making three payments of A\$100,000, with each payment being made at the time that notice of expenditure is made and accepted.
- If Armada does not reach the 80% interest within the three years, its interest will revert to 50% and any project expenditure to that point in time to earn the additional interest will be converted to a shareholder loan.

This acquisition reflects Armada's dedication to expanding its base metal exploration portfolio and capitalising on the rising global demand for critical metals.

The Bend Nickel Project is located approximately 150km southeast of Bulawayo in Zimbabwe. The project is centred on 805600E / 7719750N (Datum ARC1950 Zone 35S).



**Figure 5:** Location of the Bend Nickel Project in Zimbabwe, Southern Africa.



**Commenting on the acquisition, Armada’s Managing Director & CEO, Dr Ross McGowan said:**

*“We are confident in the underexplored potential of Zimbabwe and, more specifically, the Bend Nickel Project. With a skilled local team and our highly experienced technical experts, we anticipate rapid and substantial exploration success. This transaction not only grants Armada access to another drill-ready nickel project, but also expands and diversifies our base metal exploration activities beyond Gabon. While we remain focused on the ongoing exploration, and potential scale, of the Nyanga Project in Gabon, the Bend Nickel Project, and future JV partnership with Reliant presents a hugely exciting opportunity for Armada and its shareholders.”*



This Quarterly Activities Report and Appendix 5B were authorised for release to the ASX by Dr Ross McGowan on behalf of the Armada Metals Limited Board.

For further information, please contact:

**Dr Ross McGowan**  
*Managing Director & CEO*

Armada Metals Limited  
[ross@armadametals.com.au](mailto:ross@armadametals.com.au)

## BACKGROUND ON ARMADA

Armada was established to define new belt-scale discovery opportunities for key commodities (principally nickel and copper) in under-explored regions of Africa. Armada is exploring a multi-target project opportunity for magmatic Ni-Cu sulphides in the Nyanga area, southern Gabon. The Company is supported by a Board and Africa-based technical team both with a track record of successful African projects. Key members of the Armada targeting team were part of the team awarded the 2015 PDAC Thayer Lindsley Award for an International Mineral Discovery (as members of the Kamoa discovery team with Ivanhoe Mines).

## BACKGROUND ON RICHARD HORNSEY CONSULTING (PTY) LTD

Richard Hornsey Consulting (Pty) Ltd ('RHC') has been retained by the Company to support the Company's technical team and influence the exploration strategy.

Richard Hornsey Consulting (Pty) Ltd ('RHC') is an African-based consultancy that was established to provide specialist geological consulting services to the mineral exploration and resource sector. Richard Hornsey is the principal of RHC and is a globally recognised expert in Ni-sulphide and PGE exploration and mine development. Before RHC, Richard was engaged full time by MMG Ltd as the Ni Commodity Team Leader with a global exploration mandate. RHC have been retained by the Company to provide (but not limited to) to the following: 1) technical consulting in sulphide Ni and PGE metals exploration, geological field services, data compilation and three-dimensional interpretation, and on-site technical reviews and exploration staff mentoring.

## COMPETENT PERSONS STATEMENT

The information in this report relates to mineral exploration results and exploration potential based on work compiled under the supervision of Mr Thomas Rogers, a Competent Person and a member of a Recognised Professional Organisation (ROPO). Mr Rogers is contracted to the Company as Technical Manager and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Rogers is a member of the South African Council for Natural Scientific Professions, a ROPO. Mr Rogers consents to the inclusion in this report of the information in the form and context in which it appears.

## FORWARD-LOOKING STATEMENTS

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Armada Metals Limited's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential", "should," and similar expressions are forward-looking statements. Although Armada Metals Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Armada Metals Limited

ABN

75 649 292 080

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(104)	(171)
(e) administration and corporate costs	(293)	(506)
1.3 Dividends received (see note 3)		
1.4 Interest received		9
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(397)</b>	<b>(668)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation	(229)	(485)
(e) investments		
(f) other non-current assets		



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(229)</b>	<b>(485)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,256	2,785
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(397)	(668)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(229)	(485)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(2)	(4)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,628</b>	<b>1,628</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,628	2,256
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,628</b>	<b>2,256</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	107
6.2	Aggregate amount of payments to related parties and their associates included in item 2	61
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>6.1 Includes payments of directors fees totalling \$90K and \$17K for investor relations 6.2 Includes fees paid for exploration consulting services.</p>		

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(397)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(229)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(626)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,628
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	2.60
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2023

Authorised by: Dr Ross McGowan on behalf of the Armada Metals Limited Board.  
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.