



Quarterly Report

for the Quarter ended **September 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 September 2023.

HIGHLIGHTS

- **Bend Nickel Project:** In July 2023, Armada announced the signing of a binding term sheet to acquire an 80% controlling interest in the Bend Nickel Project located in Zimbabwe. This transaction reflects Armada's dedication to expanding its base metal exploration portfolio and capitalising on the rising global demand for critical metals.
- **New Drill Targets:** In September 2023, the Company announced that a 12.95-line kilometre ('km') Natural Source Audio Magnetotellurics ('NSAMT') survey has successfully defined three new drill targets (apparent conductive bodies) at the Bend Nickel Project, which are considered significant and may represent potential magmatic sulphide accumulations (*refer to ASX announcement on 19 September 2023*).
- **Corporate:** Armada announced the successful completion of the institutional component of the Company's accelerated 1 for 1 Non-Renounceable Entitlement Offer (**Entitlement Offer**), raising A\$1.2M before costs at A\$0.02 per share. Subsequent to the end of the Quarter, the Company announced that it had successfully completed the Entitlement Offer, raising the full amount of A\$2.08M.



Commenting on the Company's progress during the Quarter, Armada's Managing Director & CEO, Dr Ross McGowan, commented:

"In July, Armada announced the signing of a binding term sheet to acquire an 80% controlling interest in the Bend Nickel Project located in Zimbabwe. This strategic move aligns with our vision to expand and strengthen our 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.

Subsequent to this, we have been busy in the field at the Bend Nickel Project during the Quarter. The results from the geophysical survey exceeded our expectations. It was an easy decision to make to quickly mobilise a drilling contractor to site to start a drilling program. We have now commenced drilling at the Bend Nickel Project as announced on 19 October.

The current Quarter is predicted to be busy. Shareholders can expect a number of exploration updates as we test the underexplored Bend Nickel Project. We look forward to updating shareholders with our developments on both our Zimbabwean and Gabon projects as we accelerate our exploration activities."





NYANGA PROJECT, GABON

Exploration Update

During the Quarter, the Company reported a total of 50-line kms of NSAMT survey that was planned for Q3-2023. This survey work has been re-scheduled to take place during the dry season in Q1-2024.

BEND NICKEL PROJECT, ZIMBABWE

On 20 July 2023, Armada announced the signing of a binding term sheet to acquire an 80% controlling interest in the Bend Nickel Project in Zimbabwe. The Bend Nickel Project is located approximately 150km southeast of Bulawayo (*refer to Figure 1*). The project, currently held by Reliant Nickel Limited, contains the historically drilled Bend Nickel Deposit within an area of approximately 12km² (*refer to 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 now underway.

The two-stage earn-In process is as follows:

1. Stage 1 Earn-In:

- Armada to fund 2,500 meters (m) of drilling on the Project, within the first six months (“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.

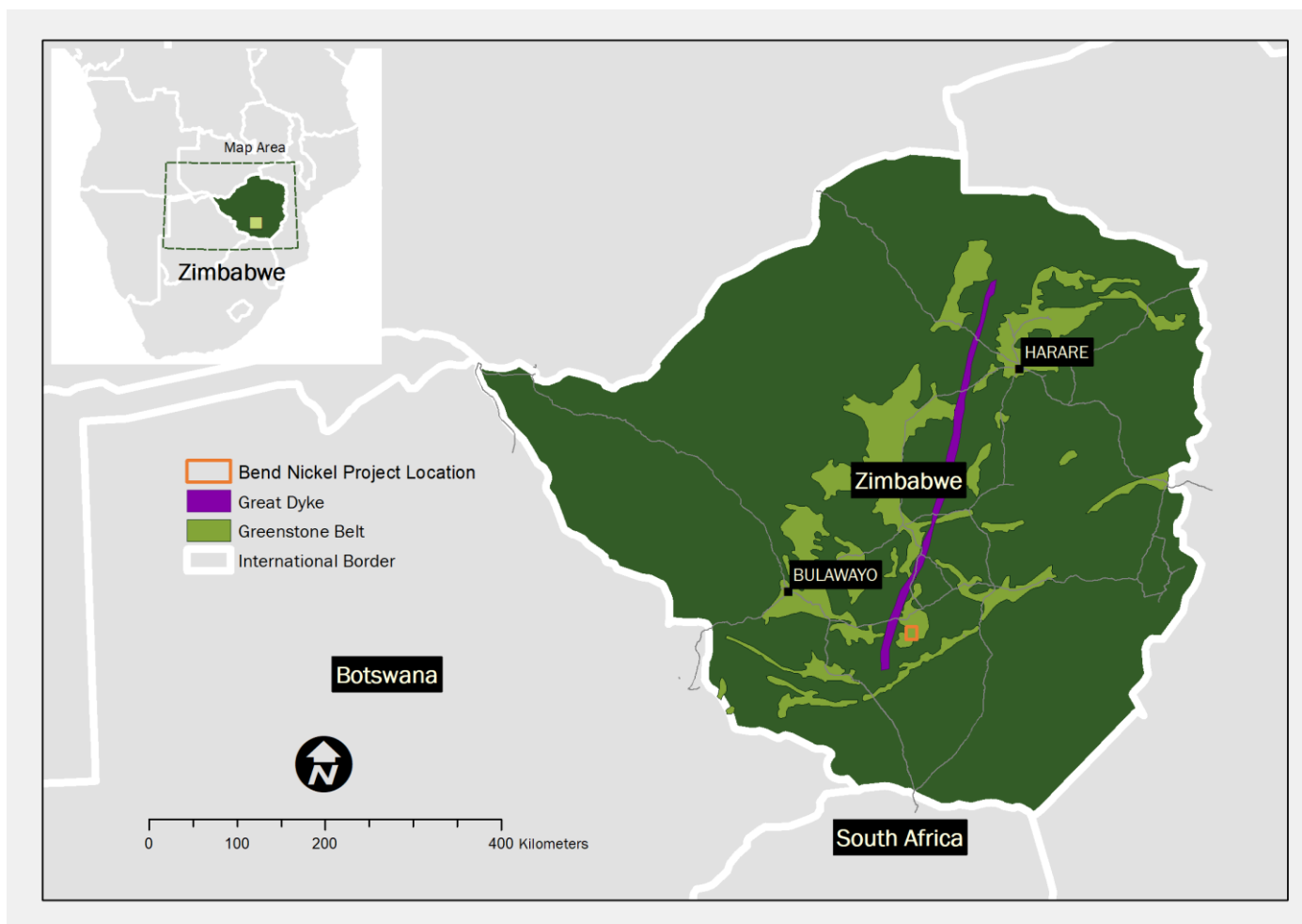


Figure 1: Location of the Bend Nickel Project in Zimbabwe, Southern Africa.

Exploration Update

A 12.95-line km trial NSAMT survey was completed. The survey was designed to detect the potential for undiscovered magmatic sulphide accumulations in and around the historically drilled Bend Nickel Deposit. Low resistivity values, ranging between $\leq 1-10$ ohm-m, are considered significant and may represent potential magmatic sulphide accumulations (NSAMT measures resistivity in the ground and, by extrapolation, low resistivities are equal to high conductivities).

The data provides strong support to the existing historical drill hole dataset that was compiled and modelled by Richard Hornsey Consulting (Pty) Ltd ('RHC') in 2022 (refer to Company announcement 20 July 2023).

Initial 2D inversion modelling of the acquired NSAMT data has led to the identification of three new apparent conductors, B1, B2 and B3 (refer to Figures 2-4).

The untested apparent conductive bodies are consistent with the anticipated komatiitic intrusion morphologies. Drilling is planned to test the modelled NSAMT apparent conductor body for the occurrence of potential accumulated magmatic sulphides, and associated nickel mineralisation.

The Company has developed a target screening toolkit to geologically assess, and rank, future targets based on size and amplitude of conductors.

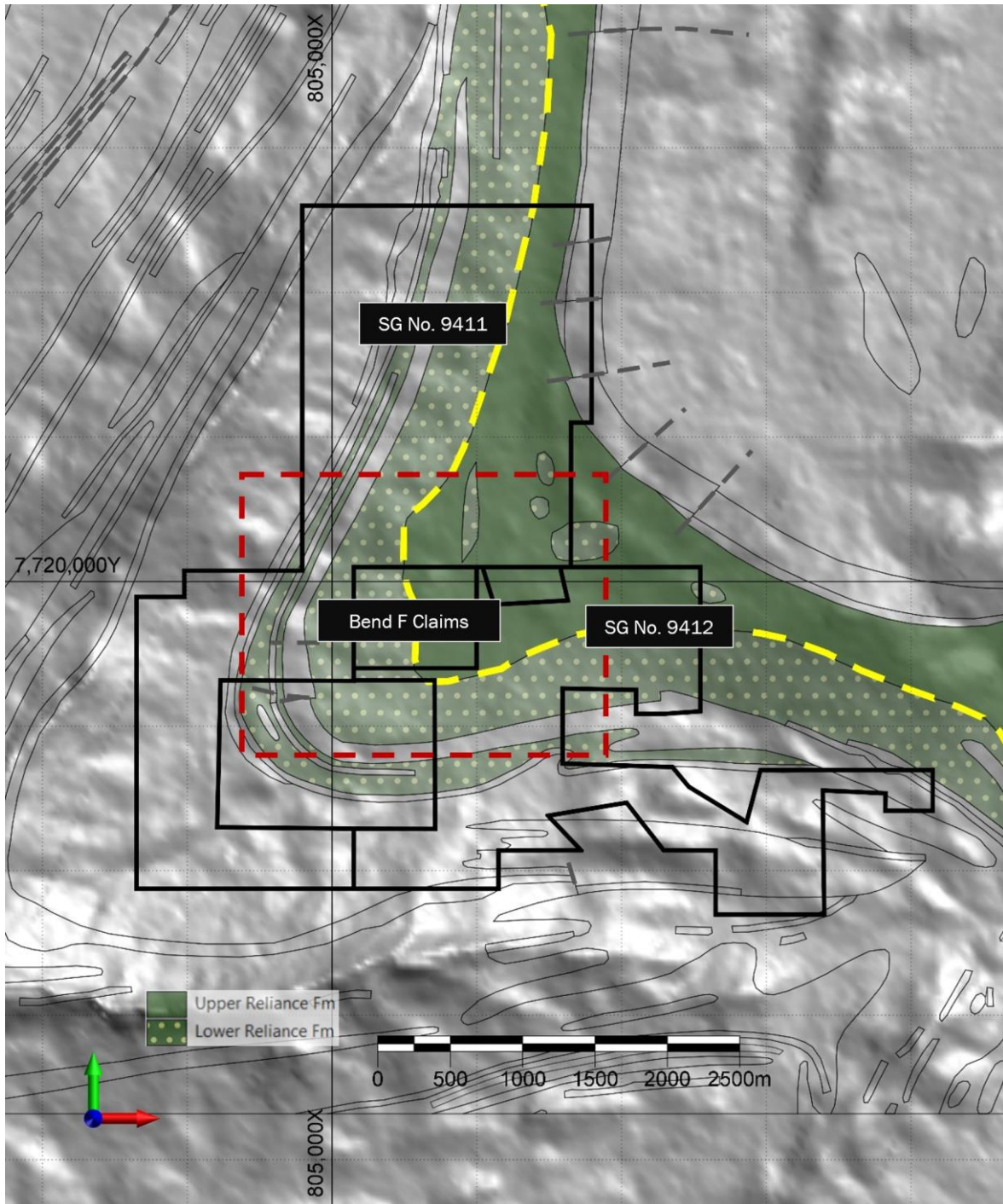


Figure 2: The Bend Nickel Project permit areas and simplified geological map displaying the interpreted principal prospective contact with a broken yellow line. Outline of the area displayed in Figure 3 is shown in a red broken line. The Lower Reliance Formation is coloured in stippled green. The Upper Reliance Formation is coloured in a solid green.

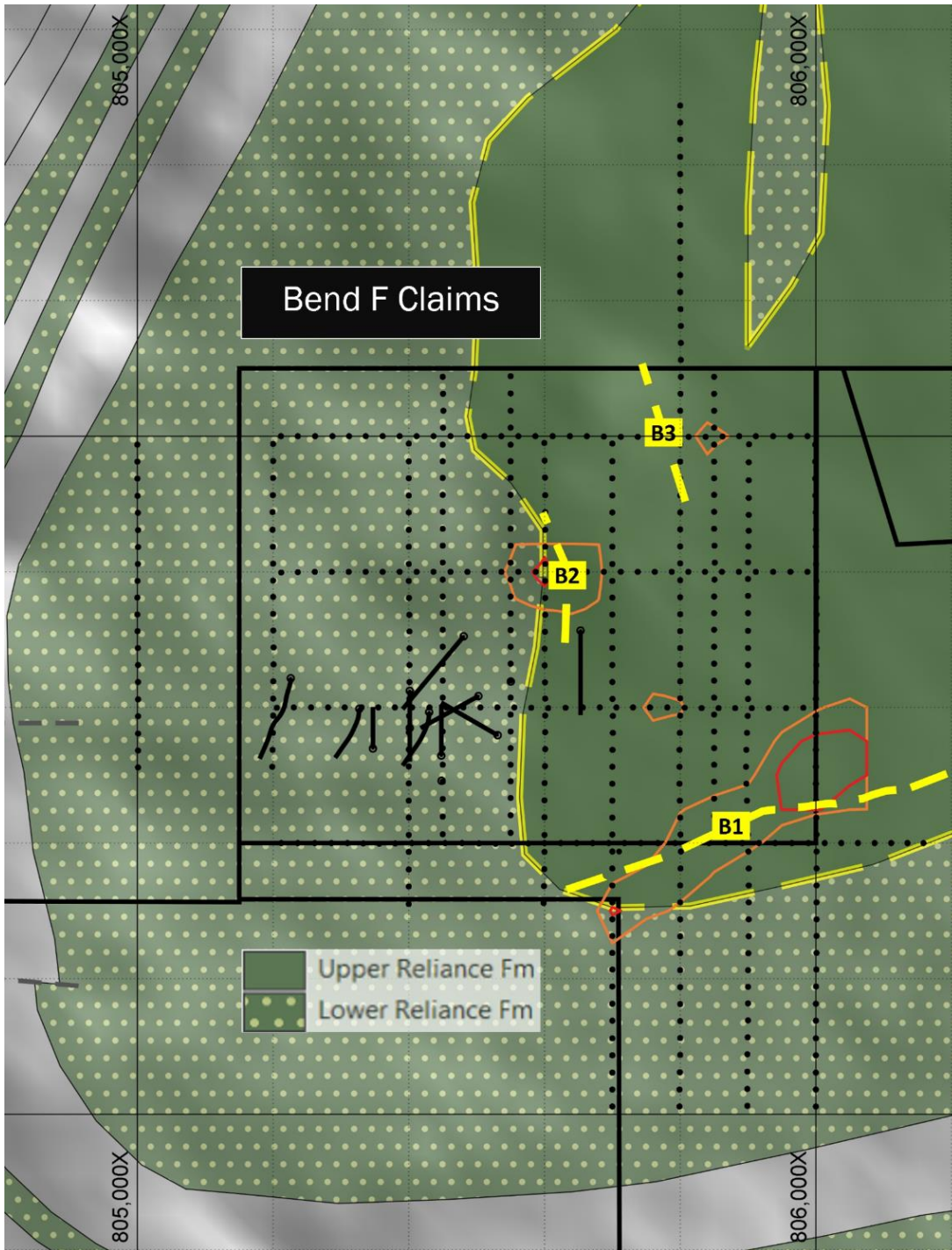


Figure 3: NSAMT survey lines are displayed by stations (small black dots, plan view). Historical drill hole collars (refer to Company announcement of 20th July 2023) are displayed by large black dots for collars and black line traces. Drill targets B1, B2 and B3, distinct from the historical drilling, are projected to surface along their principal axis. Apparent conductivity isoshells are projected to surface: 10-ohm isoshells are displayed in red. 25-ohm isoshells are displayed in orange.

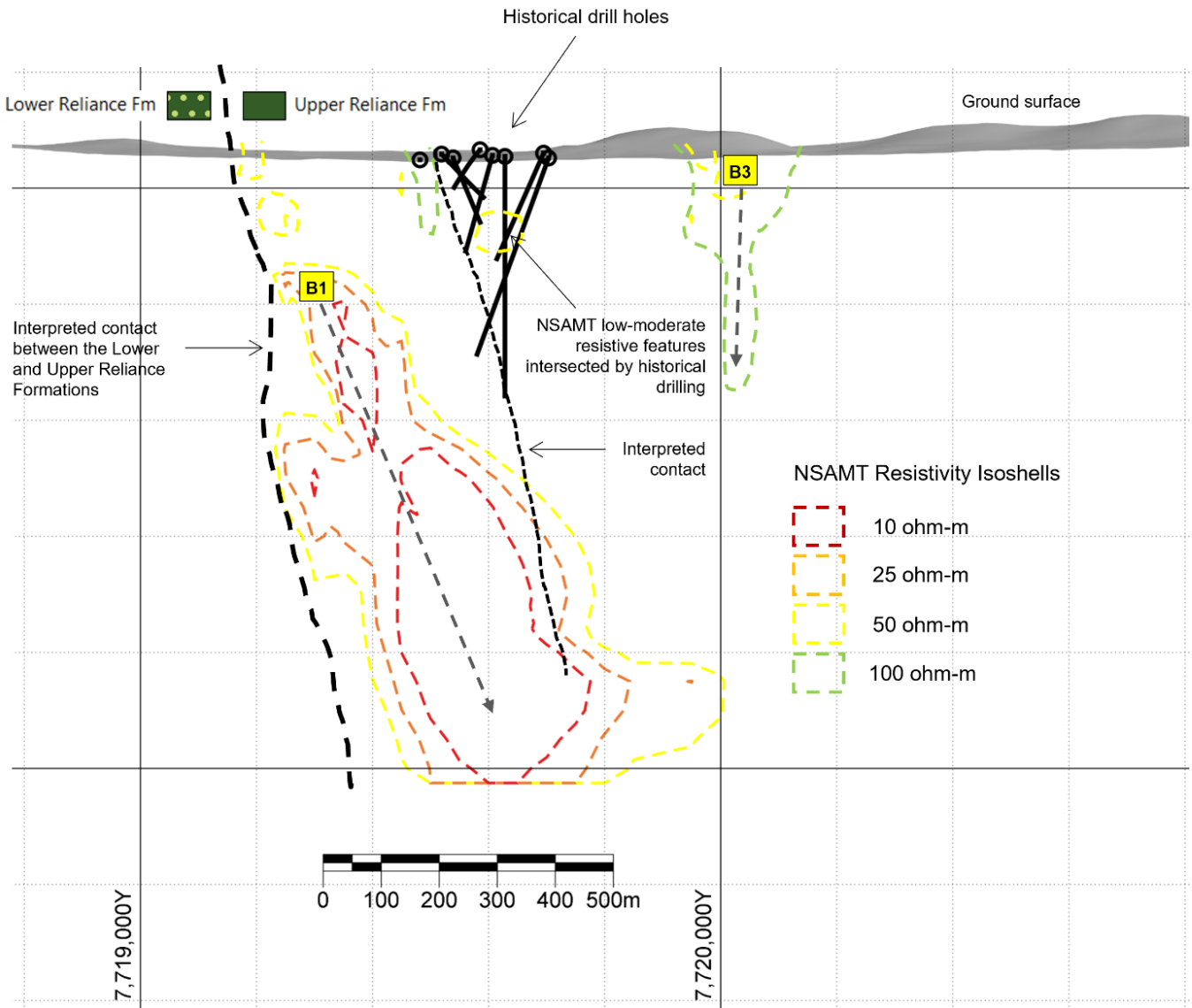


Figure 4: Schematic preliminary results interpretation for section line L5800 (looking west) (refer to Figs. 2-3). Historical drilling is projected on section. Broken lines display the trial NSAMT Te-mode 2D inversion results for the B1 drill target projected onto the section. Ovoid to lenticular geometry is apparent coincident with an interpreted steeply (northerly) dipping contact between the Lower and Upper Reliance Formations. This section demonstrates the potential for multiple lens (sills or flows) through the stratigraphy, as is typical for this type of deposit.



PLANNED ACTIVITIES FOR Q4 2023

Nyanga Project

- No activities are planned during Q4-2023 due to the commencement of the principal wet season.

Bend Nickel Project

- Further ground based NSAMT geophysical survey grids are planned to define the extents of apparent conductors, infill areas of encouraging responses to a 50m line spacing and test prospective geological contacts along strike, to the north and east, of the known Bend Nickel Deposit. A further 10-line km of survey are planned.
- An eight-hole (2,500m) diamond drilling program was planned to validate historical drilling results and test priority NSAMT targets which has commenced as announced on 19 October 2023.

CORPORATE

Entitlement Offer

On 21 September 2023 the Company announced a partially underwritten accelerated one for one, non-renounceable entitlement (Entitlement Offer) offer of new ordinary shares in the Company at A\$0.02 per share. Armada successfully completed the institutional component of the entitlement offer, raising A\$1,2M before costs (*refer to announcement on 25 September 2023*).

On top of the accelerated institutional component of the Entitlement Offer, pursuant to the retail component of the Entitlement Offer, 40 valid applications were received for a total subscription amount of A\$524,212.44, representing a total of 26,210,622 new fully paid ordinary shares in the capital of the Company. This total included 16,456,436 additional Shares that Eligible Retail Shareholders subscribed for pursuant to the Top Up Facility that the Company provided, as outlined in the Retail Entitlement Offer Information Booklet, for a total subscription amount of A\$329,128.72. The under the retail component of the Entitlement Offer and a partially underwritten amount of A\$300,000, representing a further 15,000,000 Shares, were issued and allotted on Friday 27 October 2023, with quotation and trading of the Entitlement Offer Shares commencing on Monday 30 October 2023. The Company has also placed a further amount of A\$55,787.56 as a shortfall under the Entitlement Offer pursuant to with ASX Listing Rule 7.2 exception 3.

Conferences

In early September, Managing Director & CEO, Ross McGowan, attended The Africa Down Under Conference in Perth, Australia, which took place from September 4 to 6. This event provided valuable insights and networking opportunities, further enhancing the Company's understanding of emerging trends in the critical metals sector on the African continent.

Gabon

On August 31, Armada noted the developing situation surrounding the recent elections in Gabon where the Company's Nyanga Project is located. The Company advised that it was not presently undertaking any active field work in Gabon and was in touch with the teams and personnel on the ground. There have not been any further developments that have impacted the Company or its operations in Gabon.

Change of Company Address

On 5 October 2023, the Company's new registered address and principal place of business was changed to Level 10, Kyle House, 27 Macquarie Place, Sydney NSW 2000. All other details for the Company remain the same.



FINANCIAL

In accordance with AS Listing Rule 5.3.5 and as noted in section 6.1 of the Appendix 5B, payments of A\$219,000 were made during the Quarter comprising A\$161,000 for salaries and fees for the Company's executive and non-executive directors and payment of A\$14,000 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 A\$44,000 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	Sep-23	Total
Exploration	7,890,000	576,000	892,000	1,267,000	2,041,000	879,000	256,000	229,000	191,000	6,331,000
Working Capital	1,990,836	627,000	199,000	311,000	372,000	329,000	271,000	397,000	356,000	2,862,000
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	547,000	10,335,000

ASX RELEASES

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

Date	Price Sensitive	Title
25 October	Yes	Results of Entitlement Offer
19 October	Yes	Commencement of Drilling – Bend Nickel Project, Zimbabwe
9 October	No	Extension of Entitlement Offer Closing Date – Updated
9 October	No	Updated – Proposed Issue of Securities - AMM
9 October	No	Extension of Entitlement Offer Closing Date
9 October	No	Details of Company Address
28 September	No	Change of Directors' Interest Notices x 3
28 September	No	Despatch of Entitlement Offer Booklet
27 September	No	Application for quotation of securities - AMM
25 September	Yes	Institutional Component of Entitlement Offer Completed
21 September	No	Proposed issue of securities - AMM
21 September	Yes	AMM Announces Accelerated Non-Ren Entitlement Offer
21 September	Yes	Trading Halt
19 September	Yes	New Drill Targets Identified at Bend Nick Project Zimbabwe
13 September	No	Half Yearly Report and Accounts



Date	Price Sensitive	Title
5 September	No	Africa Down Under Conference Presentation
31 August	No	Gabon Update
21 August	No	Change of Director's Interest Notice - Dr R McGowan
31 July	Yes	Quarterly Activities/Appendix 5B Cash Flow Report
28 July	No	Securities Trading Policy - Updated July 2023
20 July	Yes	Bend Nickel Project - Zimbabwe - Addendum
20 July	Yes	Controlling Interest Acquired - Bend Nick Project - Zimbabwe

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 with respect to these tenements. Each of the tenements listed in the table below are 100% owned by the Company's wholly owned subsidiary, Armada Exploration Gabon SARL.

Permit ¹	Area size km ²	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%

EVENTS SUBSEQUENT TO THE QUARTER END

Drilling – Bend Nickel Project

On 19 October 2023, Armada announced the commencement of drilling at the Bend Nickel Project in Zimbabwe. A minimum of 2,500m of diamond drilling will be completed in this Phase 1 drilling program, which will target historically intersected nickel mineralisation, interpreted prospective geological contacts, and newly discovered NSAMT apparent conductors (*refer to ASX announcement 19 October 2023*).

The Phase 1 program is expected to take approximately eight to ten weeks to complete with assay results expected between four to eight weeks from the completion of each drill hole.

In parallel, as the drilling program advances, a further 10-line km NSAMT survey was announced to test the potential for apparent conductors along the highly prospective geological contact within the wider licence areas, to the north and east of the current drill program.

Results of Entitlement Offer

On 25 October 2023, Armada announced that it had successfully completed the Entitlement Offer, raising the full amount of A\$2.08M. The retail component received 40 valid applications, totaling A\$524,212.44, resulting in the issuance of 26,210,622 new fully paid ordinary shares. The shares were issued on October 27, 2023, with trading commencing on October 30, 2023. The Company has also received a commitment for a shortfall amount of A\$55,787.56, which was placed at the Company's discretion.



This Quarterly Activities Report and Appendix 5B were authorised on behalf of the Armada Metals Limited Board by: Dr Ross McGowan, Managing Director & CEO.

For further information, please contact:

Dr Ross McGowan
Managing Director & CEO

Armada Metals Limited
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 September 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(96)	(267)
	(e) administration and corporate costs	(260)	(766)
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)		
1.9	Net cash from / (used in) operating activities	(356)	(1,024)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation	(400)	(885)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
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)		
2.6	Net cash from / (used in) investing activities	(400)	(885)
3. Cash flows from financing activities			
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,200	1,200
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)		
3.10	Net cash from / (used in) financing activities	1,200	1,200
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of period	1,628	2,785
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(356)	(1,023)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(400)	(885)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,200	1,200
4.5	Effect of movement in exchange rates on cash held	(3)	(8)
4.6	Cash and cash equivalents at end of period	2,069	2,069

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,069	1,628
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,069	1,628

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	175
6.2	Aggregate amount of payments to related parties and their associates included in item 2	44
<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 A\$161K and A\$14K for investor relations 6.2 Includes fees paid for exploration consulting services.</p>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(356)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(400)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(756)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,069
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 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.74
<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 October 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.