ARMADA
METALS

Armada Metals Limited
ABN 75 649 292 080

Annual Report

For the year ended 31 December 2023

Armada Metals Limited
Corporate directory
31 December 2023

Directors	Dr Ross McGowan - Managing Director & CEO Rick Anthon - Non-Executive Director & Chairman Martin Holland - Executive Director David Michael McNeilly - Non-Executive Director
Company secretary	Justin Clyne
Registered office	Level 10, Kyle House, 27 Macquarie Place, Sydney NSW 2000
Principal place of business	Level 10, Kyle House, 27 Macquarie Place, Sydney NSW 2000
Share register	Boardroom Pty Limited Level 8, 210 George Street Sydney NSW 2000
Auditor	Ernst & Young The EY Centre Level 34, 200 George Street Sydney NSW 2000
Solicitors	HWL Ebsworth Lawyers Level 14, 264-278 George Street Sydney NSW 2000
Stock exchange listing	Armada Metals Limited shares are listed on the Australian Securities Exchange (ASX code: AMM)
Website	https://armadametals.com.au
Corporate Governance Statement	The directors and management are committed to conducting the business of Armada Metals Limited in an ethical manner and in accordance with the highest standards of corporate governance. Armada Metals Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation across the 2023 financial year and identifies and explains any recommendations that have not been followed together with the Company's Appendix 4G, will be released to the ASX on the same day the Company releases its Annual Report to the ASX. The Corporate Governance Statement and corporate governance policies are set out on the Company's website at https://armadametals.com.au

Armada Metals Limited
Chairman's letter
31 December 2023

Dear Shareholders,

On behalf of the Board of Directors of Armada Metals Limited (Armada or Company) it is with great pleasure that I present to you Armada's Annual Report for the 2023 Financial Year.

This year, we've made substantial strides in our exploration activities at the Bend Nickel Project (Bend) in Zimbabwe. Concurrently, we've been pressing ahead with vital technical work at the Nyanga Project in Gabon.

In July 2023, we announced the signing of a binding term sheet to acquire an 80% controlling interest in the Bend Nickel Project. We have since commenced and completed an initial exploration program targeting high-grade nickel, copper and platinum group elements. Our initial geophysical program was followed by a diamond drill program which was completed in mid-December 2023. Our exploration efforts at Bend have resulted in the reporting of significant intercepts of nickel, copper and platinum group metals with systematic exploration now planned to assess the full resource potential and scale of this project.

In Gabon, early in the financial year, we received formal notification of the renewal of permit G5-150. This permit has been renewed for a period of three years until the end of November 2025. We made progress on the Nyanga Project by interpreting the Mobile Magnetotelluric data and identifying seventeen exploration targets. Further ground-based NSAMT surveys have been planned to follow up on the highest priority targets, adding to the ground geophysics already completed. This work has established new drill targets which we aim to test as soon as possible to demonstrate the potential and scale of this belt-scale discovery opportunity.

Looking forward, Armada Metals remains committed to advancing its exploration at the Bend Nickel and Nyanga Projects throughout 2024 and beyond. With a focused exploration strategy, a team of experienced and dedicated professionals, and supportive shareholders, Armada is well positioned to take advantage of opportunities in Africa's critical metals sector. It's important to note that only through further exploration and discovery can we define new resources of critical metals to support the global energy transition.

Lastly, I would like to express my gratitude to the Company's loyal shareholders and key stakeholders for their ongoing support. Their contributions drive our success and our ultimate goal of making a major discovery. I would also like to thank my fellow directors, technical staff, and operations teams for their exceptional efforts during this exciting and rewarding year.

Sincerely,

Rick Anthon
Chairman, Armada Metals

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the '**Consolidated Entity'**) consisting of Armada Metals Limited (referred to hereafter as the '**Company**', '**Armada**' or '**Parent Entity'**) and the entities it controlled at the end of, or during, the year ended 31 December 2023.

Directors
The following persons were directors of Armada Metals Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dr Ross McGowan - (Managing Director & CEO)
Rick Anthon - (Non-Executive Director & Chairman)
Martin Holland - (Non-Executive Director until 31 October and Executive Director from 1 November 2023)
David Michael McNeilly - (Non-Executive Director)

Principal activities
During the financial year, the main activities of the Consolidated Entity involved initiating exploration and working towards the acquisition of the Bend Nickel Project ('**Bend**') in Zimbabwe. This project covers approximately 12km^2 along the eastern margin of the Zimbabwean Craton. Additionally, the Consolidated Entity continued to advance exploration on its project Nyanga Magmatic Nickel-Copper Project (the '**Nyanga Project**') in Gabon. This project consists of two exploration licences totalling 2,725km^2.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the Consolidated Entity after providing for income tax and non-controlling interest amounted to $4,548,467 (31 December 2022: $4,791,584).

Refer to separate review of operations that directly follows this Directors' report.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Likely developments and expected results of operations
The Consolidated Entity expects to pursue exploration activities in Gabon and Zimbabwe.

Business risks
The consolidated entity's significant business risks are summarised below:

- Geological risk related to our exploration activities which are inherently high risk. The risk factor here is high for the early stage exploration targets such as the targets in Gabon and Zimbabwe which have a higher risk reward profile;
- Risk related to general market conditions which add pressure on future project value and access to capital; and
- Jurisdictional risk is considered medium given the positive mining investment environment in Gabon and Zimbabwe.

Environmental regulation
The Consolidated Entity holds two exploration licences via its subsidiary Armada Exploration Gabon SARL. There have been no known breaches of the tenement conditions and no breaches have been notified by any government agency during or subsequent to the year ended December 2023.

Information on directors

Name:	Dr Ross McGowan
Title:	Managing director & CEO
Qualifications:	MGeol, PhD and Dr McGowan is a Fellow of the Geological Society of London and a Fellow of the Society of Economic Geologists.
Experience and expertise:	Dr McGowan founded the Resource Exploration & Development Group and has over 20 years of academic, technical and corporate experience in mining exploration in Africa. Ross was a co-recipient of the 2015 PDAC Thayer Lindsley Award for an international Mineral Discovery for Kamoa.
Other current directorships:	Cobre Limited (ASX: CBE)
Former directorships (last 3 years):	Nil
Interests in shares:	45,000,000 fully paid ordinary shares
Interests in options:	2,000,000 Options exercisable at $0.334 before 15 December 2026, and which are restricted for 24 months from the date of quotation on ASX.

Name:	Rick Anthon
Title:	Non-Executive Director & Chairman
Qualifications:	BA. LLB
Experience and expertise:	Mr Anthon is a practicing lawyer with over 30 years' experience in both corporate and commercial law. Rick has extensive experience in the resource sector, as a director of a number of resource companies and as legal adviser, including project acquisition and development, capital raising and corporate governance.
Other current directorships:	Chairman of Greenwing Resources Ltd (ASX:GW1) and a Non-Executive director of Laneway Resources Ltd (ASX:LNY).
Former directorships (last 3 years):	Nil
Interests in shares:	2,750,000 fully paid ordinary shares
Interests in options:	500,000 unlisted options, exercisable at $0.334 before 15 December 2026, restricted 24 months from quotation.

Name:	Martin Holland
Title:	Non-Executive Director until 31 October and Executive Director from 1 November 2023
Experience and expertise:	Mr Holland is a known mining executive with over 12 years' experience in M&A and corporate finance. Mr Holland was the founder and CEO of Lithium Power International (ASX:LPI) from 2015 to 2018. During this period, Mr Holland raised in excess of A$70m of new equity to progress LPI's projects from acquisition and further exploration to Definitive Feasibility Study (DFS). Mr Holland is the Chairman of Sydney based investment company Holland International Pty Ltd, which has strong working relationships with leading institutions and banks across the globe.
Other current directorships:	Executive Chairman of Cobre Limited (ASX:CBE)
Former directorships (last 3 years):	Executive Director of OzAurum Resources Limited (ASX:OZM - resigned 30 December 2022)
Interests in shares:	30,000,000 fully paid ordinary shares indirectly as a director of Cobre Limited.
Interests in options:	1,300,000 options, exercisable at $0.334 before 15 December 2026 restricted for 24 months from quotation. 3,330,000 Options exercisable at $0.334 before 15 December 2026, and which are restricted for 24 months from the date of quotation on ASX. (Held indirectly as a director of Cobre Limited.)

Name:	David Michael McNeilly
Title:	Non-Executive Director
Qualifications:	Mr. McNeilly studied Biology at Imperial College London and has a BA in Economics from the American University of Paris.
Experience and expertise:	Mr McNeilly has formerly been a non-executive director of Greatland Gold plc (AIM:GGP) and a non-executive director at Arkle Resources plc (AIM:ARK). Mr McNeilly serves as director on numerous of MTR's investment and subsidiary entities. Mr McNeilly previously worked as a corporate financier with both Allenby Capital and Arden Partners Limited (AIM:ARDN) as well as a corporate executive at Coinsilium (NEX:COIN) where he worked with early stage blockchain-focussed start-ups. Mr McNeilly studied Biology at Imperial College London and has a Bachelor in Economics from the American University of Paris.
Other current directorships:	Strata Investments Holdings PLC (ASX:SRT); Cobre Limited (ASX:CBE); and Southern Gold Limited (ASX:SAU)
Former directorships (last 3 years):	Nil
Interests in shares:	30,000,000 fully paid ordinary shares held indirectly as a director of Strata Investments Holdings PLC
Interests in options:	1,300,000 options, exercisable at $0.334 before 15 December 2026 restricted for 24 months from quotation. 3,330,000 Options exercisable at $0.334 before 15 December 2026, and which are restricted for 24 months from the date of quotation on ASX. (Held indirectly as a director of Strata Investments Holdings PLC.)

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Justin Clyne is a qualified Chartered Company Secretary and Member of the Australian Institute of Company Directors. Justin Clyne was admitted as a Solicitor of the Supreme Court of New South Wales and High Court of Australia in 1996 before gaining admission as a Barrister in 1998. He had 15 years of experience in the legal profession acting for a number of the country's largest corporations, initially in the areas of corporate and commercial law before dedicating himself full-time to the provision of corporate advisory and company secretarial services. Justin has been a director and/or secretary of a number of public listed and unlisted companies. He has significant experience and knowledge in international law, the Corporations Act, the ASX Listing Rules and corporate regulatory requirements generally.

Meetings of directors
The number of meetings of the Company's Board of Directors ('the **Board**') held during the year ended 31 December 2023, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Dr Ross McGowan	5	5
Rick Anthon	5	5
Martin Holland	5	5
David Michael McNeilly	3	5

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the board. The board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. Under clause 44 of the company's constitution has been set at $1,000,000 per annum.

Executive remuneration

The Consolidated Entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has two components:

- base pay
- share-based payments

The combination of these comprises the executive's total remuneration.

Use of remuneration consultants

The Company has not made use of remuneration consultants during the current period.

Voting and comments made at the Company's 31 May 2023 Annual General Meeting ('AGM')
At the 31 May 2023 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2023	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Rick Anthon	80,000	-	-	-	-	-	80,000
Martin Holland *	50,000	-	-	-	-	-	50,000
David Michael McNeilly	60,000	-	-	-	-	-	60,000
Executive Directors:							
Dr Ross McGowan	250,000	-	-	-	-	-	250,000
Martin Holland *	20,000	-	-	-	-	-	20,000
	460,000	-	-	-	-	-	460,000

* Non-executive director until 31 October 2023 and was executive director from 1 November 2023.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2022	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Rick Anthon	80,000	-	-	-	-	-	80,000
Martin Holland	60,000	-	-	-	-	-	60,000
David Michael McNeilly	60,000	-	-	-	-	-	60,000
Executive Directors:							
Dr Ross McGowan	250,000	-	-	-	-	-	250,000
	450,000	-	-	-	-	-	450,000

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2023	2022	2023	2022	2023	2022
Non-Executive Directors:						
Rick Anthon	100%	100%	-	-	-	-
Martin Holland	100%	100%	-	-	-	-
David Michael McNeilly	100%	100%	-	-	-	-
Executive Directors:						
Dr Ross McGowan	100%	100%	-	-	-	-
Martin Holland	100%	-	-	-	-	-

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Dr Ross McGowan
Title:	Managing Director & CEO
Agreement commenced:	1 December 2021
Details:	Dr McGowan's annual remuneration package under the Employment Agreement is A$250,000.

Name:	Rick Anthon
Title:	Non-Executive Director & Chairman
Agreement commenced:	1 July 2021
Details:	An annual fee of $80,000 will be paid to Rick Anthon as the chairperson and Non-Executive Director.

Name:	Martin Holland
Title:	Executive Director
Agreement commenced:	1 November 2023
Details:	An annual fee of $120,000 is payable under the consultancy service agreement

Name:	David Michael McNeilly
Title:	Non-Executive Director
Agreement commenced:	1 July 2021
Details:	An annual fee of $60,000 will be paid to each of the other Non-Executive Directors.

Name:	Martin Holland
Title:	Non-Executive Director (agreed ended on 31 October 2023, after which time he became an Executive Director.
Agreement commenced:	1 July 2021
Details:	An annual fee of $60,000 will be paid to each of the other Non-Executive Directors.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2023.

Options
The terms and conditions of each grant of options over ordinary shares held by directors at 31 December 2023 are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Dr Ross McGowan	2,000,000	11 October 2021	15 December 2021	15 December 2026	$0.3340	$0.090
Martin Holland	1,300,000	8 June 2021	15 December 2021	15 December 2026	$0.3340	$0.090
David Michael McNeilly	1,300,000	8 June 2021	15 December 2021	15 December 2026	$0.3340	$0.090
Rick Anthon	500,000	11 October 2021	15 December 2021	15 December 2026	$0.3340	$0.090

Options granted carry no dividend or voting rights.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 31 December 2023.

Additional information
The earnings of the consolidated entity are summarised below:

	2023 $	2022 $	2021 $
Loss after income tax	(4,548,467)	(4,791,584)	(3,091,371)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021
Share price at financial year end ($)	0.03	0.06	0.14
Basic loss per share (cents per share)	(3.57)	(4.61)	(5.77)
Diluted loss per share (cents per share)	(3.57)	(4.61)	(5.77)

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Dr Ross McGowan	16,250,000	-	28,750,000	-	45,000,000
Martin Holland	15,000,000	-	15,000,000	-	30,000,000
David McNeilly	15,000,000	-	15,000,000	-	30,000,000
Rick Anthon	250,000	-	2,500,000	-	2,750,000
	46,500,000	-	61,250,000	-	107,750,000

Option holding
The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Exercised	Other	Balance at the end of the year
Options over ordinary shares					
Dr Ross McGowan *	2,000,000	-	-	-	2,000,000
Martin Holland *	4,630,000	-	-	-	4,630,000
David McNeilly *	4,630,000	-	-	-	4,630,000
Rick Anthon *	500,000	-	-	-	500,000
	11,760,000	-	-	-	11,760,000

* All options are vested and exercisable

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Armada Metals Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
8 June 2021	15 December 2026	$0.3340	10,560,000
11 October 2021	15 December 2026	$0.3340	7,580,000
			18,140,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Armada Metals Limited issued on the exercise of options during the year ended 31 December 2023 and up to the date of this report.

Indemnity and insurance of officers
The Company has not indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
During the year Ernst and Young provided non-audit services, relating to the preparation of the company's tax return.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 17 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Ernst and Young
There are no officers of the Company who are former partners of Ernst and Young.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
Ernst and Young was appointed in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Dr. Ross McGowan
Managing Director & CEO

28 March 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 Figs. 1 and 2). The project, currently held by Reliant Nickel Limited, contains the historically drilled Bend Nickel Deposit ('Bend') 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.

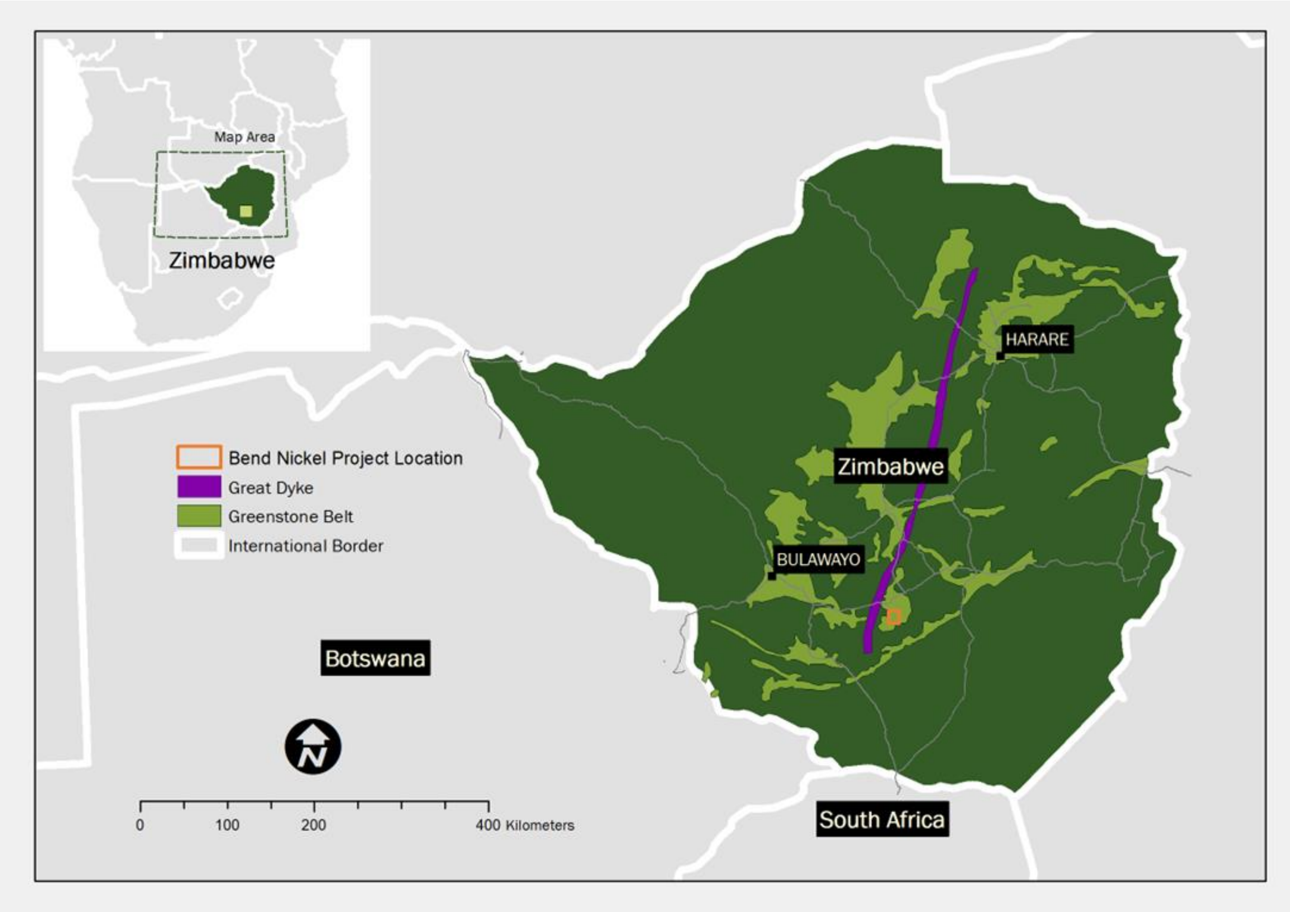

***Figure 1**: Location of the Bend Nickel Project in Zimbabwe, Southern Africa.*

Armada commenced and completed a systematic exploration program at Bend targeting high-grade nickel, copper and platinum group elements ('**PGE's**'). An initial geophysical program consisting of Natural Source Audio Magnetotellurics ('**NSAMT**') was followed by a diamond drill program and downhole and surface electromagnetic ('**EM**') programs which were completed in mid-December 2023.

A total of 2506.24m was drilled in eight drill holes at Bend and one drill hole drilled into the area of the B1 conductor on the southeastern flank of the deposit along a previously interpreted regional geological contact (Table 1, Figs. 2 - 6).

Table 1: Bend Nickel Project - Exploration Program Overview (refer to Fig. 3)

Target areas	Grid | Line	Readings	Phase 1 - 2023	Total (to-date)
NSAMT[1]	50 | 200m	50m	22,95km	22,95km
Diamond drilling	9 holes	-	2,506.24m	2,506.24m
DHEM[2]	7 holes	5m	1,970.90m	1,907.90m
FLEM[3]	3 lines	50m	1,200.00m	1,200.00m
Field Traverses	4 regional lines			

The Bend Nickel Deposit consists of massive, fine- to medium-grained dunite komatiites, overlying a komatiitic-basalt sequence. This contact is considered to represent a primary exploration target or contact (Figs. 2 and 3).

Significant intercepts (at a 0.4wt% Ni cut-off) include:

- BNDDD001 returned 16.65m @ 0.64% Ni, 0.07% Cu and 0.013% Co, 0.15g/t Pt, 0.47g/t Pd, and 0.04g/t Au from 118.4m. A lower mineralised zone returned 1.13m @ 1.86% Ni, 0.37% Cu and 0.020% Co, 0.56g/t Pt, 1.95g/t Pd, and 0.12g/t Au from 244.51m in a broader mineralised interval of 5.77m @ 0.75% Ni, 0.15% Cu and 0.013% Co, 0.20g/t Pt, 0.68g/t Pd, and 0.04g/t Au from 242.87m.

- BNDDD002 returned 0.76m @ 2.46% Ni, 1.03% Cu, 0.03% Co, 4.30g/t Pt, 11.97g/t Pd + 0.47g/t Au from 379.38m, within a broader mineralised interval of 5.45m @ 2.46% Ni, 1.03% Cu, 0.03% Co, 1.28g/t Pt, 3.22g/t Pd and 0.33g/t Au from 375.55m (refer to Fig. 6).

- BNDDD005 returned an upper mineralised zone of 10.00m @ 0.75% Ni, 0.08% Cu and 0.01% Co from 45.00m including 1.18m @ 2.49% Ni, 0.31% Cu and 0.03% Co from 51.00m.

Most recently, on 5 February 2024, Armada announced a further set of assays from the diamond drilling ('**DD**') program recently completed at Bend. Drill hole BNDDD002 has demonstrated the presence of Rhodium ('**Rh**') alongside platinum and palladium mineralisation.

Hole BNDDD002 (using a 0.4wt% Ni lower cut-off) returned:

- 5.45m @ 2.46% Ni, 1.03% Cu, 0.03% Co, 1.28g/t Pt, 3.22g/t Pd, ***0.46g/t Rh*** and 0.33g/t Au from 375.55m, including 0.78m @ 10.33% Ni, 2.24% Cu, 0.10% Co, 4.30g/t Pt, 11.97g/t Pd, ***1.48g/t Rh*** **and** 0.19g/t Au from 379.38m (*refer to ASX Announcement Quarterly Report on 31 January 2023* where Ni, Cu, Pt, Pd and Au results were previously reported) (refer to Figs. 5 and 6).

Near-surface mineralisation has been confirmed by the initial drilling program. This aligned with historical data that reported grades from surface. Mineralisation has been observed to vertical depths of up to 380m.

Assay data have demonstrated previously unreported Pt, Pd and Au endowment at Bend, from near surface to depth.

Mineralisation is open to the east, south and north of the Bend Nickel Deposit (Figs. 4 and 5). Initial geological modelling indicates a number of drill holes (e.g. BNDDD002) remain open at depth where the primary contact was not reached.

Drillhole B1DD001 (refer to Fig. 4) targeted the southeastern flank of Bend and provided an initial test of the B1 conductor. The hole revealed a stratigraphic sequence with greater lithological variation than observed at Bend. The primary contact between the komatiitic basalt and overlying dunite komatiites was not intersected with this drill hole. Further lithogeochemical characterisation is required to fully interpret this hole.

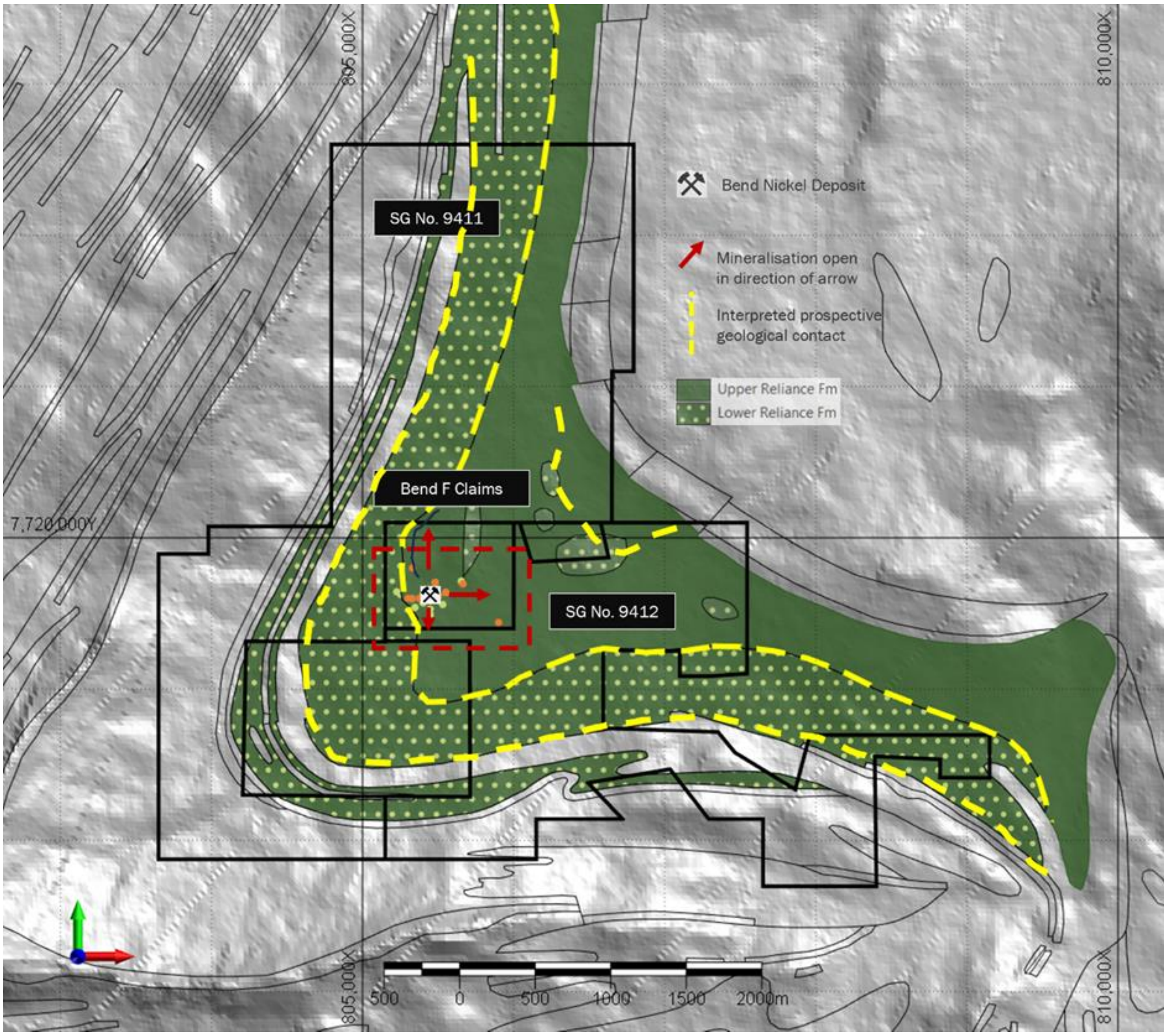

Figure 2: *The Bend Nickel Project is defined by the permit boundaries. The Bend Nickel Deposit ('Bend') is displayed in the central permit (Bend F Claims). A simplified geological map displays the position of the Bend Nickel Deposit on an interpreted prospective geological contact - broken yellow line. The potential to discover further mineralisation along the prospective geological contacts is considered high. Outline of the area displayed in Fig. 4 is shown as a red broken line polygon. The Lower Reliance Formation is coloured in stippled green colours. The Upper Reliance Formation is coloured in a solid green. Historical drill hole collars are coloured light green and Armada drill hole collars are displayed orange (refer to Fig. 4).*

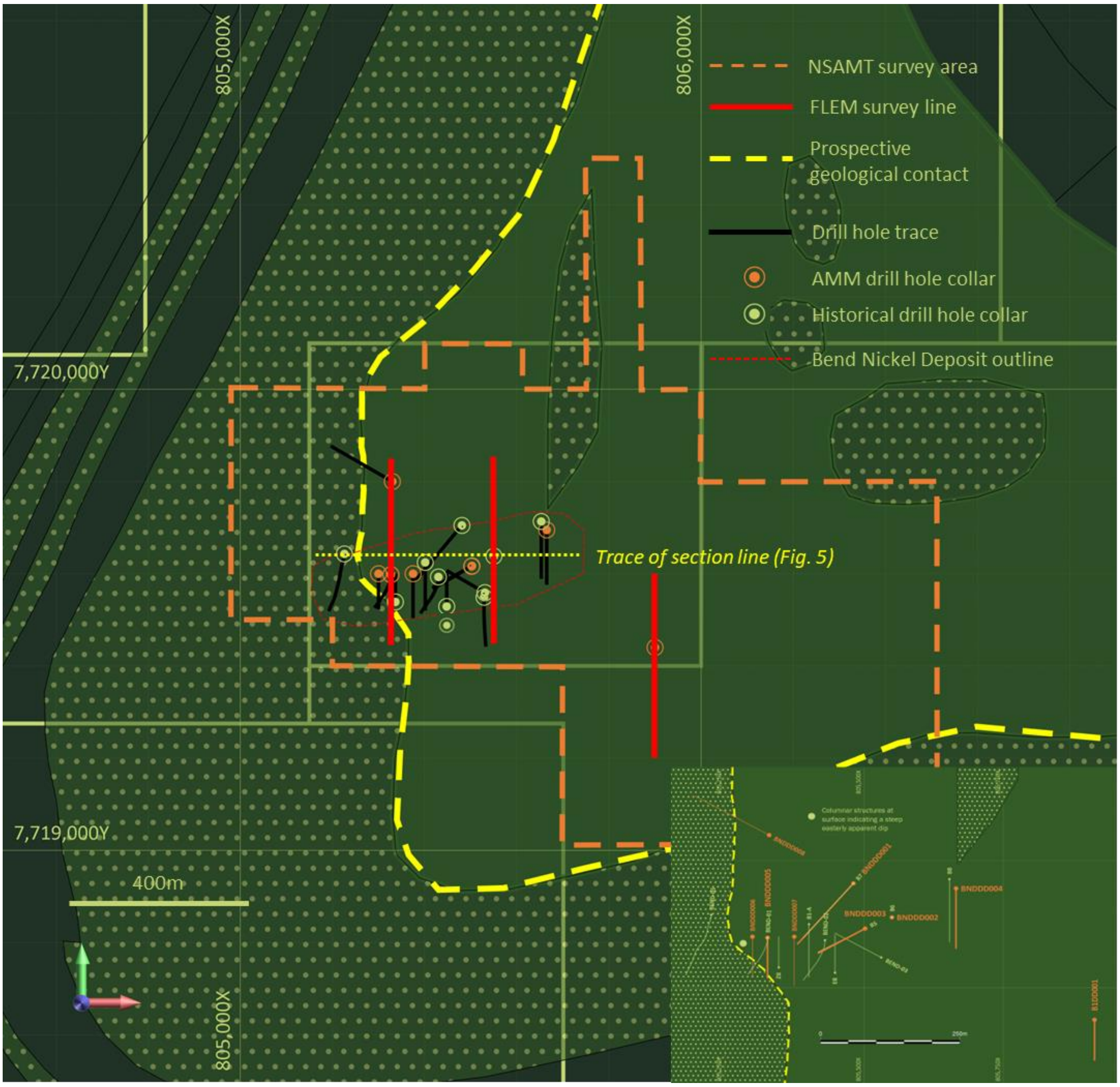

Figure 3: *Bend Nickel Deposit work programs completed (refer to Fig. 4). Historical drill hole collars are coloured light green. The drill holes completed as part of the 2023 drill program are coloured orange. Solid red lines display FLEM lines. Orange broken lines represent the area of the Bend Nickel Deposit NSAMT survey. DHEM surveys were completed on drill holes BNDDD001, BNDDD002, BNDDD004, BNDDD005, BNDDD006, BNDDD007 and B1DD001 – refer to inset map.*

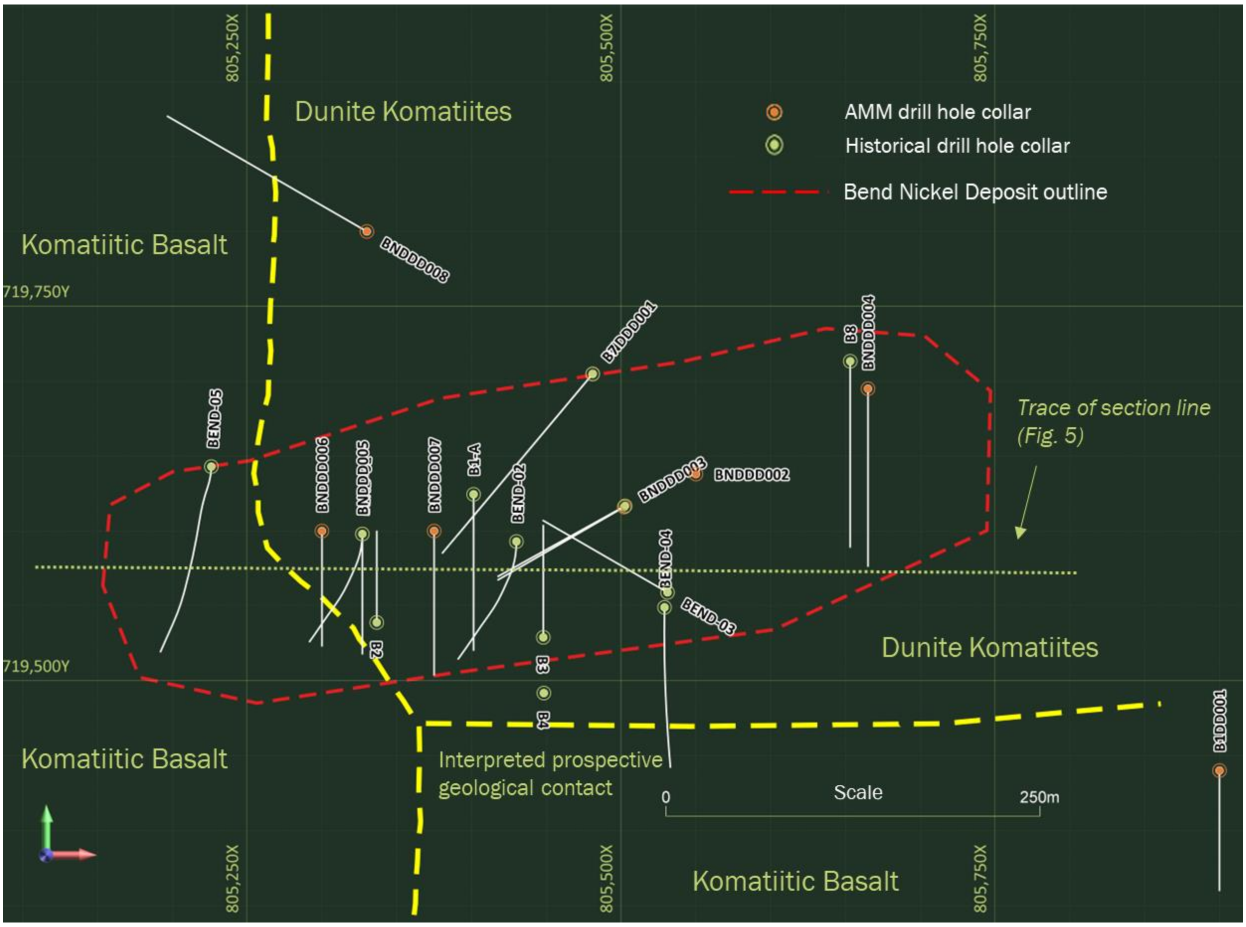

Figure 4: *The drill holes completed as part of the Bend Nickel Deposit drill program are combined with historical drill hole collars. Prospective contact between mineralised dunite komatiite flows and a komatiitic basalt displayed by an interpreted yellow broken line at surface (refer to Figs. 1 - 3). Outline of the known extents of the Bend Nickel Deposit ('Bend') at surface displayed in red broken outline.*

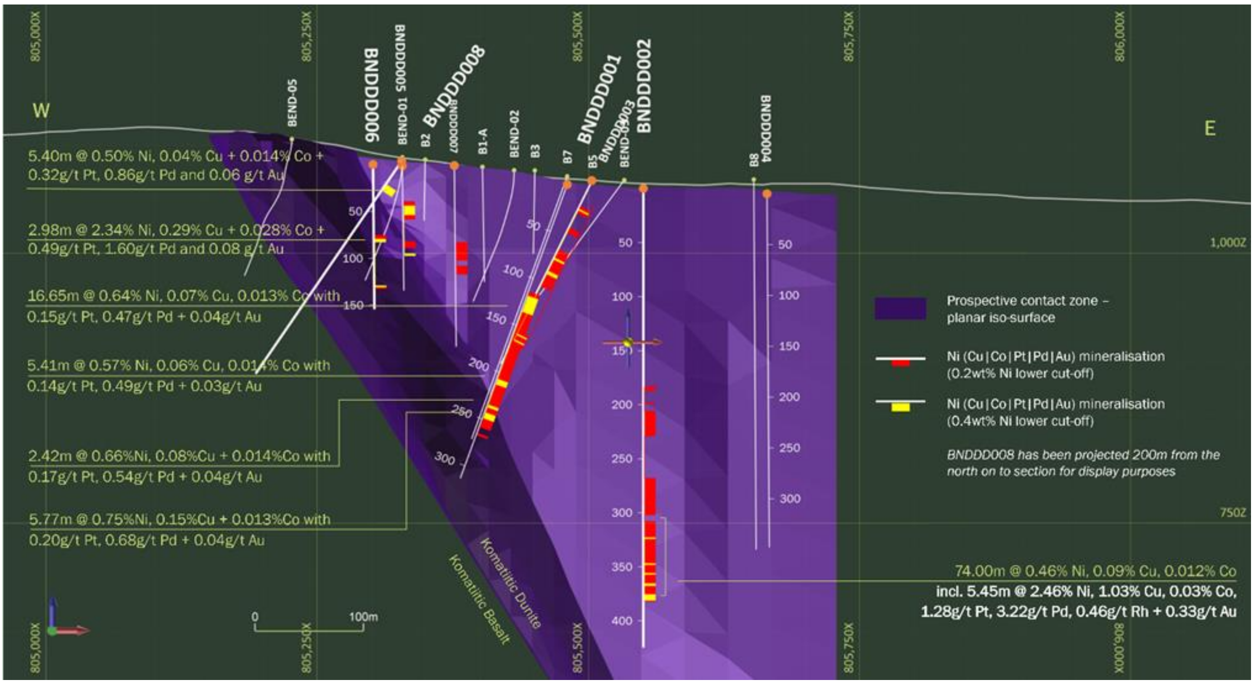

Figure 5: *Bend Nickel Deposit – long section looking north with significant drill intercepts. The section views display drill data projected to the section line for display purposes.*

Figure 6: Core photographs of typical mineralisation at the Bend Nickel Deposit ('Bend'). a) and b) BNDDD002 – 379.38m – adcumulate dunite komatiite with net-textured magmatic sulphides from within a zone where the sample returned 10.33% Ni, 2.24% Cu, 0.10% Co and 4.30g/t Pt, 11.97g/t Pd, 1.48g/t Rh and 0.4719g/t Au over 0.76m which relate to previous Company announcements (refer to Table 2). Left (a) core sample, right (b) – cut core sample, NQ core. c) BNDDD005 – 99.90m - komatiitic basalt pillow lava intruded by massive sulphide with primary pyrrhotite-pentlandite-chalcopyrite showing dynamic process of absorption and generation of xenomelts at the massive sulphide margin. The sample returned 0.59% Ni, 2.47% Cu, 0.01% Co, 0.41g/t Pt, 0.92g/t Pd and 0.03g/t Au over 1.35m (refer to Table 2). NQ core.

Table 2: Significant intercepts - diamond drill holes at the Bend Nickel Deposit (0.4wt% Ni lower cut-off) including Pt, Pd+ Au results.

Hole Id	From (m)	To (m)	Interval (m)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Au (g/t)
BNDDD001	118.40	135.05	16.65	0.64	0.07	0.013	0.15	0.47	0.04
	207.05	212.46	5.41	0.57	0.06	0.014	0.14	0.49	0.03
	234.54	236.96	2.42	0.66	0.08	0.014	0.17	0.54	0.04
	242.87	248.64	5.77	0.75	0.15	0.013	0.20	0.68	0.04
Incl.	***244.51***	***245.64***	***1.13***	***1.86***	***0.37***	***0.020***	***0.56***	***1.95***	***0.12***
BNDDD002	375.55	381.00	5.45	2.46	1.03	0.028	1.28	3.22	0.33
Incl.	***379.38***	***380.14***	***0.76***	***10.33***	***2.24***	***0.097***	***4.30***	***11.97***	***0.47***
BNDDD003	30.00	31.00	1.00	0.46	0.03	0.012	0.08	0.28	0.03
	82.00	83.55	1.55	0.45	0.04*	0.013*	0.10	0.30	0.02
	96.00	99.00	3.00	0.51	0.05	0.013	0.08	0.28	0.02
	163.00	164.00	1.00	0.49	0.03	0.014	0.11	0.35	0.02
	169.00	170.00	1.00	0.51	0.03	0.017	0.05	0.15	0.01
BNDDD004	No significant intercepts at 0.4wt% Ni cut-off								
BNDDD005	45.00	55.00	10.00	0.75*	0.08	0.014*	0.20	0.61	0.15
Incl.	***51.00***	***52.18***	***1.18***	***2.49***	***0.31***	***0.026***	***0.92***	***2.89***	***0.23***
	98.80	101.00	2.20	0.97	1.56	0.015	0.41	1.13	0.03
Incl.	***98.80***	***99.15***	***0.35***	***3.77***	***0.15***	***0.048***	***0.92***	***3.52***	***0.03***
Incl.	***99.65***	***101.00***	***1.35***	***0.59***	***2.47***	***0.010***	***0.41***	***0.92***	***0.03***
BNDDD006	79.65	82.63	2.98	2.34	0.29	0.028	0.49	1.60	0.08
Incl.	***80.20***	***80.98***	***0.78***	***6.30***	***0.81***	***0.060***	***1.21***	***4.04***	***0.19***
	130.22	130.56	0.34	0.73	0.08	0.012	0.14	0.59	0.06
BNDDD007	No significant intercepts at 0.4wt% Ni cut-off								
BNDDD008	42.00	47.40	5.40	0.50	0.04	0.014	0.32	0.86	0.06
B1DD001	No significant intercepts at 0.4wt% Ni cut-off								

Notes:
- 0.4wt% total nickel lower cut-off used to calculate significant intercepts.
- Apparent (or downhole) interval is reported.
- A maximum of 3 metres of internal dilution was used.

NYANGA PROJECT, GABON

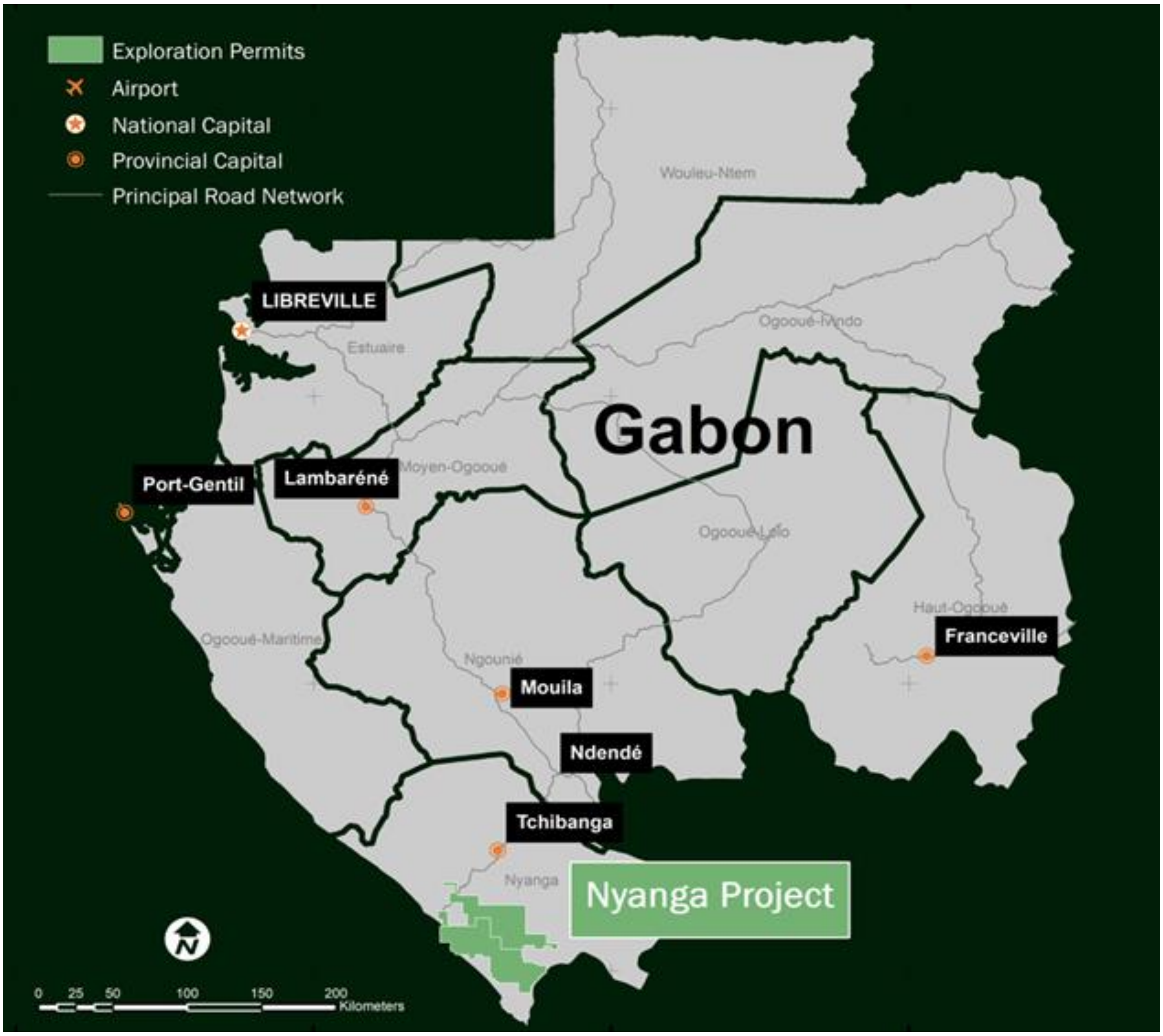

***Figure 7**: Location of the Nyanga Project, Gabon*

TENURE

Early in the year, the Company received formal notification (*refer to ASX Announcement 09 January 2023*) of the renewal of permit G5-150, granted by Minister of Mines and Geology in Gabon. The permit has been renewed for a period of three (3) years until the end of November 2025 (Fig. 7).

EXPLORATION

During the year, Armada made progress on the belt-scale Nyanga Project by interpreting the Mobile Magnetotellurics (‘**MobileMT**’) survey data along both the Libonga-Matchiti Trend (‘**LMT**’) and the Ngongo-Yoyo Trend (‘**NYT**’) (Fig. 8). The Company has identified seventeen (17) initial targets that align with the Company's regional mapping of the Nyanga Project intrusions (*refer to Fig. 9 and to the Company Quarterly Report – March 2023*). These targets have been integrated into the Company's target matrix (Figs. 9 - 11) to assist in designing further ground-based programs at the Nyanga Project. The Company reported an encouraging correlation between the Mobile MT and NSAMT data sets (*refer to Figure 5 - Company Quarterly Report – March 2023*).

A total of 10 NSAMT geophysical targets have been defined with a drill-ready status (Figs, 10 – 11 and Table 3).

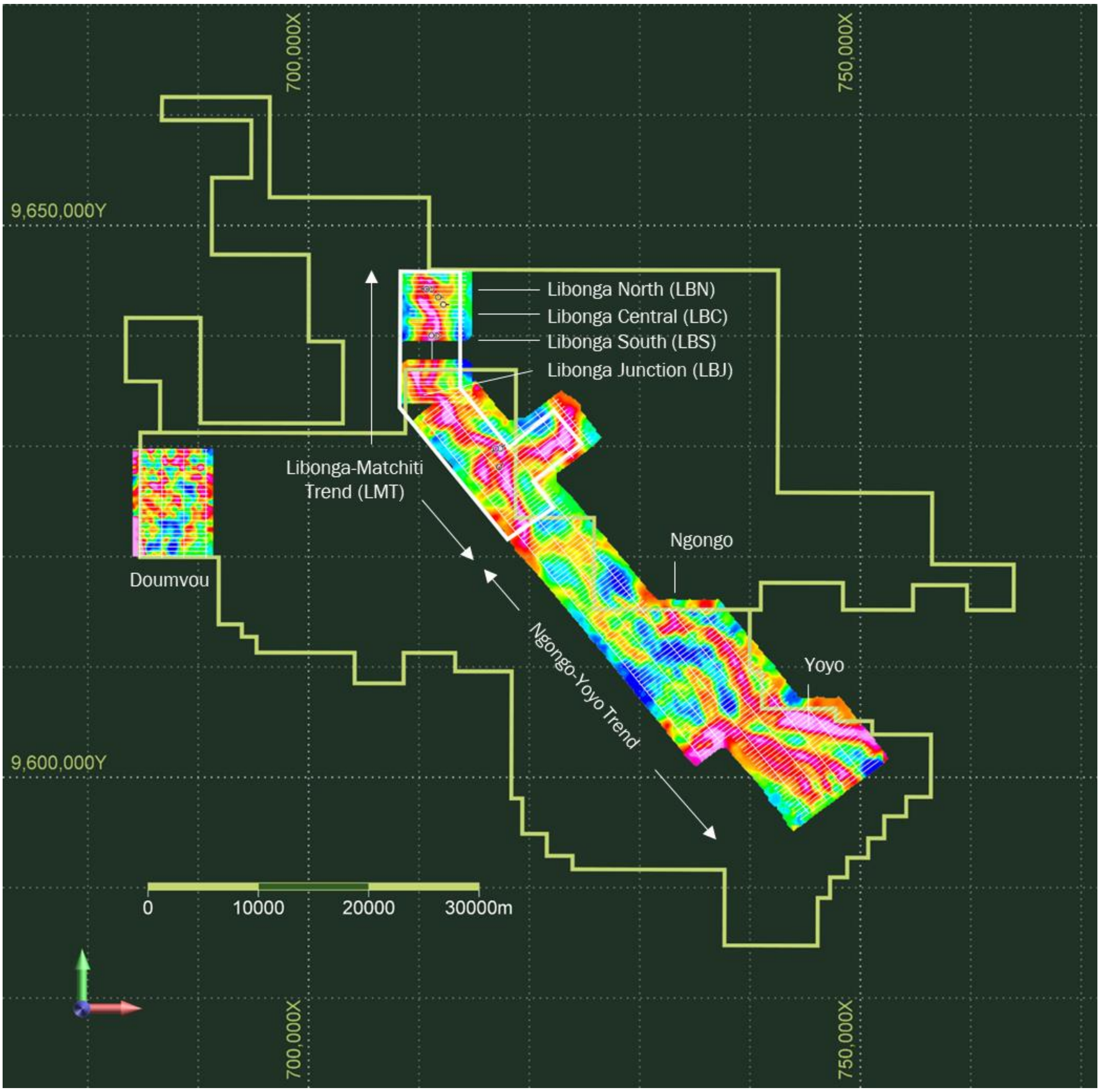

Figure 8: *Overview of the Nyanga Project area and the Libonga-Matchiti and Ngongo-Yoyo regional trends that have been the focus of exploration. Background image: Expert Geophysics MobileMT Resistivity Slice 708Hz.*

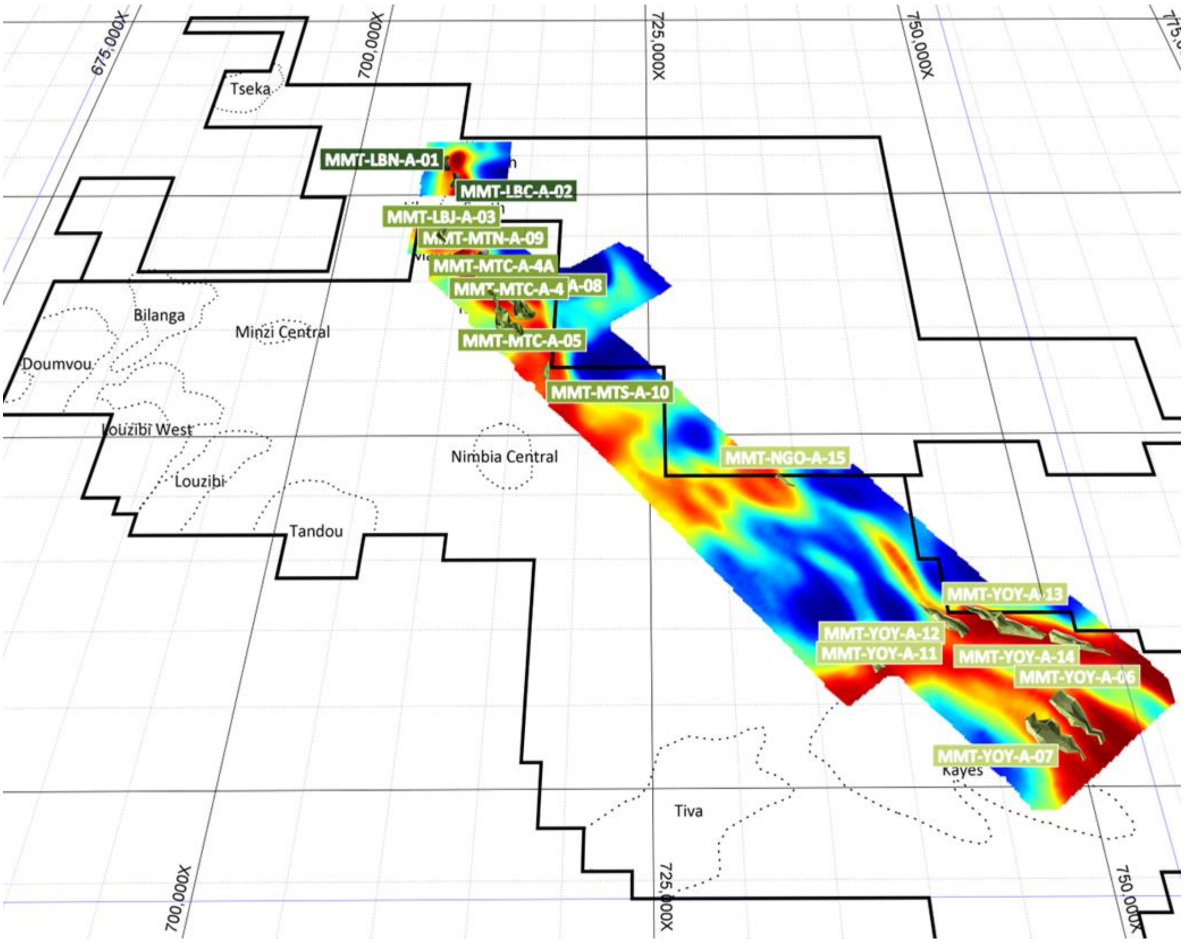

Figure 9: *Overview of the Nyanga Project MobileMT targets (green isoshells with labels – colour coded to match target type in Table 3 and Fig. 11) and advanced regional targets (black broken lines) (refer to Fig. 9 and Table 3). Background image: Expert Geophysics MobileMT Resistivity Depth Slice -200 elevation.*

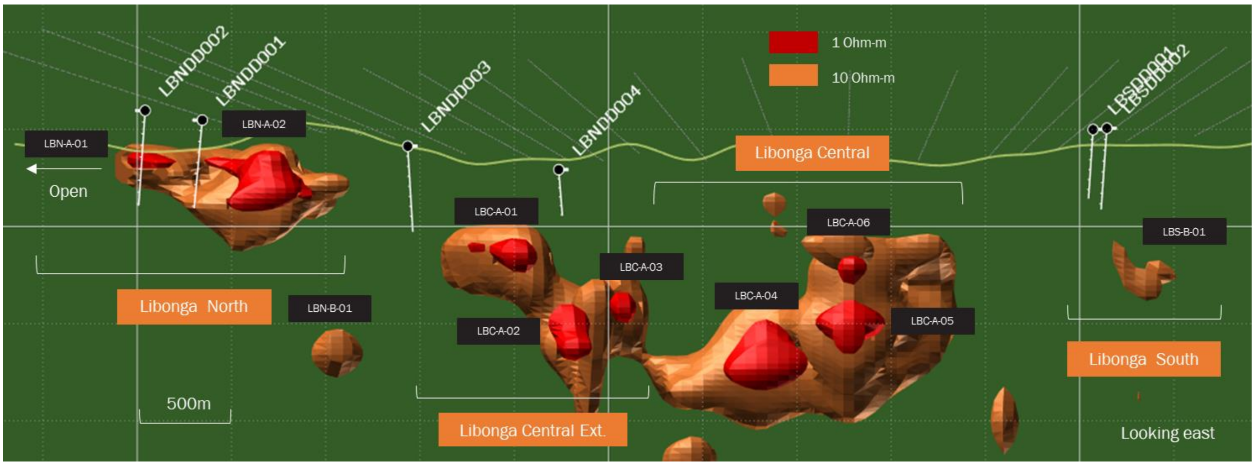

Figure 10: *Overview of the LMT NSAMT targets (red 1-Ohm-m isoshells with labels) (refer to Fig. 11 and Table 3). Historical drill holes are displayed in relation to well-defined NSAMT targets.*

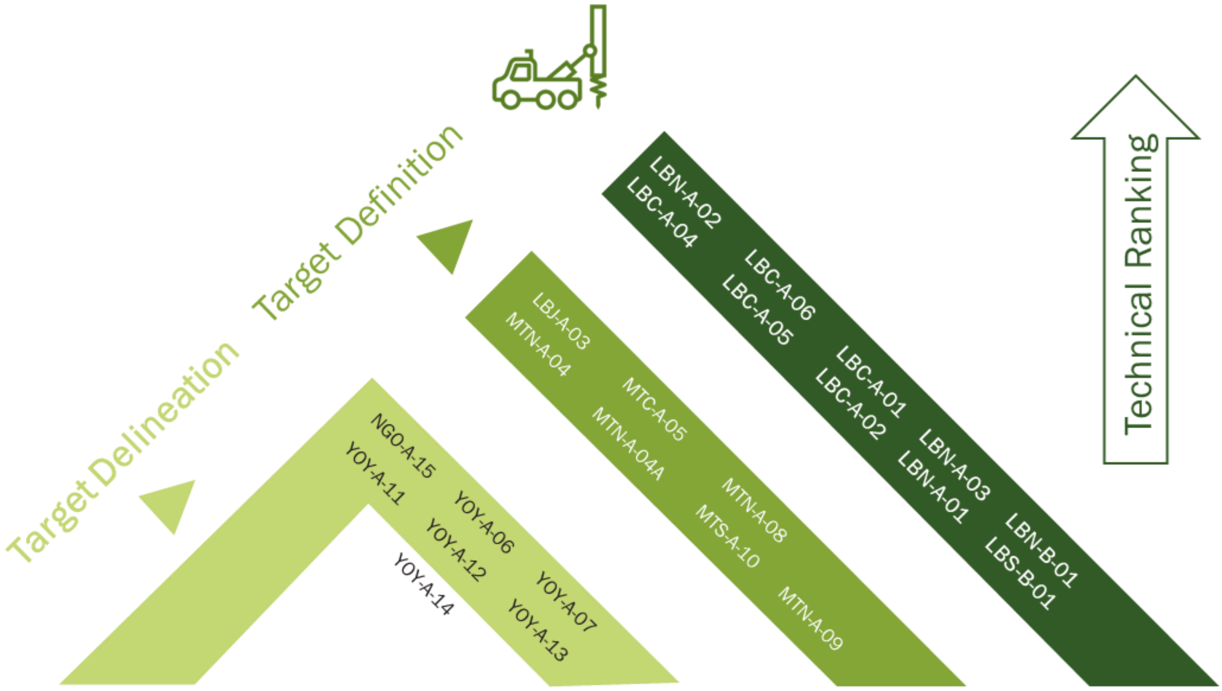

Figure 11: *Nyanga Project MobileMT and NSAMT target pipeline. Ten targets are ready for drill testing (LBN-A-02 – LBS-B-01). Future work programs will be designed to progress targets through the exploration pipeline from target delineation through to drill ready status.*

Table 3: Summary of Nyanga Project Targets - ten (10) drill ready targets have been identified from NSAMT and MobileMT datasets (refer to Figs. 9 - 11).

Target Type	Number
Drill-Ready Targets	10
Target Definition	7
Target Delineation	7
Target Generation (black outline)	10
	34

Further detailed geophysical surveys have been planned to follow up on the highest priority targets to provide further definition in advance of drill programs.

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Auditor's independence declaration to the directors of Armada Metals Limited

As lead auditor for the audit of the financial report of Armada Metals Limited for the financial year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Armada Metals Limited and the entities it controlled during the financial year.

Ernst & Young

Ryan Fisk
Partner
28 March 2024

General information

The financial statements cover Armada Metals Limited as a Consolidated Entity consisting of Armada Metals Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Armada Metals Limited 's functional and presentation currency.

Armada Metals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 10, Kyle House, 27 Macquarie Place,
Sydney NSW 2000

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 March 2024. The directors have the power to amend and reissue the financial statements.

Armada Metals Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Other income		6,605	-
Interest revenue calculated using the effective interest method		6,634	3,792
Expenses			
Administration expenses		(1,282,355)	(1,498,059)
Employee benefits expense		(574,296)	(282,220)
Depreciation and amortisation expense		(8,082)	(18,887)
Other expenses		(114,934)	(3,872)
Finance costs	4	(2,582,039)	(2,992,338)
Loss before income tax expense		(4,548,467)	(4,791,584)
Income tax expense	5	-	-
Loss after income tax expense for the year		(4,548,467)	(4,791,584)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		413,048	77,380
Other comprehensive income for the year, net of tax		413,048	77,380
Total comprehensive loss for the year		(4,135,419)	(4,714,204)
Loss for the year is attributable to:			
Non-controlling interest		-	-
Owners of Armada Metals Limited		(4,548,467)	(4,791,584)
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		-	-
Owners of Armada Metals Limited		(4,135,419)	(4,714,204)
		(4,135,419)	(4,714,204)
		Cents	**Cents**
Basic loss per share	26	(3.57)	(4.61)
Diluted loss per share	26	(3.57)	(4.61)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Armada Metals Limited
Statement of financial position
As at 31 December 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Assets			
Current assets			
Cash and cash equivalents	6	1,858,069	2,830,157
Trade and other receivables	7	14,760	481,860
Other	8	63,818	82,009
Total current assets		1,936,647	3,394,026
Non-current assets			
Property, plant and equipment		3,506	9,020
Intangibles		2,667	4,767
Exploration and evaluation	9	14,002,786	11,148,058
Other		6,057	5,873
Total non-current assets		14,015,016	11,167,718
Total assets		15,951,663	14,561,744
Liabilities			
Current liabilities			
Trade and other payables	10	741,499	792,040
Borrowings	11	9,297,006	6,854,069
Total current liabilities		10,038,505	7,646,109
Non-current liabilities			
Payables		-	5,338
Total non-current liabilities		-	5,338
Total liabilities		10,038,505	7,651,447
Net assets		5,913,158	6,910,297
Equity			
Issued capital	12	24,996,017	23,006,770
Reserves	13	2,599,004	2,185,956
Accumulated losses		(22,830,896)	(18,282,429)
Equity attributable to the owners of Armada Metals Limited		4,764,125	6,910,297
Non-controlling interest	9	1,149,033	-
Total equity		5,913,158	6,910,297

The above statement of financial position should be read in conjunction with the accompanying notes

Armada Metals Limited
Statement of changes in equity
For the year ended 31 December 2023

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 January 2022	23,006,770	2,108,576	(13,490,845)	11,624,501
Loss after income tax expense for the year	-	-	(4,791,584)	(4,791,584)
Other comprehensive income for the year, net of tax	-	77,380	-	77,380
Total comprehensive income/(loss) for the year	-	77,380	(4,791,584)	(4,714,204)
Balance at 31 December 2022	23,006,770	2,185,956	(18,282,429)	6,910,297

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Non - controlling interest $	Total equity $
Balance at 1 January 2023	23,006,770	2,185,956	(18,282,429)	-	6,910,297
Loss after income tax expense for the year	-	-	(4,548,467)	-	(4,548,467)
`Other comprehensive income for the year, net of tax	-	413,048	-	-	413,048
Total comprehensive income/(loss) for the year	-	413,048	(4,548,467)	-	(4,135,419)
Non-controlling interest recognised on acquisition of Bend Nickel project (note 9)	-	-	-	1,149,033	1,149,033
Contributions of equity, net of transaction costs (note 12)	1,989,247	-	-	-	1,989,247
Balance at 31 December 2023	24,996,017	2,599,004	(22,830,896)	1,149,033	5,913,158

The above statement of changes in equity should be read in conjunction with the accompanying notes

Armada Metals Limited
Statement of cash flows
For the year ended 31 December 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Cash flows from operating activities			
Interest received		10,333	93
Payments to suppliers and employees		(1,632,056)	(1,691,653)
Net cash used in operating activities	24	(1,621,723)	(1,691,560)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(14,773)
Payments for intangibles		-	(11,786)
Payments for exploration and evaluation		(1,338,789)	(4,338,514)
Net cash used in investing activities		(1,338,789)	(4,365,073)
Cash flows from financing activities			
Proceeds from issue of shares and options	12	2,080,000	-
Share issue transaction costs	12	(90,753)	(10,384)
Net cash from/(used in) financing activities		1,989,247	(10,384)
Net decrease in cash and cash equivalents		(971,265)	(6,067,017)
Cash and cash equivalents at the beginning of the financial year		2,830,157	8,863,201
Effects of exchange rate changes on cash and cash equivalents		(823)	33,973
Cash and cash equivalents at the end of the financial year	6	1,858,069	2,830,157

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

The accounting policies that are material to the Consolidated Entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period, namely amendments to *AASB 101 Presentation of Financial Statements*. The impact of their adoption has not been material.

Going concern
The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Consolidated Entity incurred a loss from ordinary activities of $4,548,467 for the period ended 31 December 2023 (2022: $4,791,584), had negative cash from operating activities of $1,621,723 (2022: $1,691,560), and had a net working capital deficiency of $8,101,858 (2022: $4,252,083) at that date.

The Directors, in their consideration of the appropriateness of the going concern basis for the preparation of the financial statements, have reviewed the prepared cash flow forecast through to March 2025 and believe that there are reasonable grounds to continue as a going concern due to the following;

- As an ASX listed entity, the Consolidated Entity has the ability to access equity capital markets and has a history of successful capital raisings. The Consolidated entity is in the process of organising a capital raise of up to $1,500,000. It is expected to continue to raise capital in the market based on the successful results of the Bend Nickel Project in Zimbabwe and investors continued interest in their activities, such as the planned expenditure on its existing Nyanga Project in Gabon. Any capital raising will be announced to the ASX in accordance with the Consolidated Entity’s continuous disclosure obligations;
- Current liabilities include an amount of $9,297,006 in relation to redeemable shares. As disclosed in note 11, the liability is current due to the presence of a change in control clause. Whilst management believe the likelihood of the change in control clause being triggered in the next 12 months is low, it is ultimately beyond the control of the Consolidated Entity. In the event this does occur the Consolidated Entity will be dependent on; ongoing support from the lender, ability to raise further equity from capital markets, or enter into alternative financing arrangements to repay the Redemption Amount;
- The loss from ordinary activities includes non-cash finance costs of $2,582,039; and
- The Consolidated Entity can defer discretionary operating and capital expenditures.

Accordingly, the Directors believe at the date of signing this financial report that the Consolidated Entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

In the event that the Consolidated Entity is unsuccessful in managing the above-stated matters, a material uncertainty would exist that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern and its ability to recover assets, and discharge liabilities in normal course of business and at the amounts shown in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities, that might be necessarily incurred should the Consolidated Entity not continue as a going concern.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Note 1. Material accounting policy information (continued)

Parent entity information
These financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 21.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Armada Metals Limited ('Company' or 'parent entity') as at 31 December 2023 and the results of all subsidiaries for the year then ended. Armada Metals Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the carrying value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Consolidated Entity. Losses incurred by the Consolidated Entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is the consolidated entity’s presentation currency. Armada Exploration Limited's functional currency is US dollars. Armada Exploration Gabon’s functional currency is African Franc.

Foreign currency transactions
Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of the consolidated entity are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of the consolidated entity are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Note 1. Material accounting policy information (continued)

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 1. Material accounting policy information (continued)

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

At each reporting date management review exploration assets for indicators of impairment in line with AASB 6 *Exploration for and Evaluation of Mineral Resources.*

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Employee benefits

Share-based payments
Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

Note 1. Material accounting policy information (continued)

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Armada Metals Limited , excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Indirect taxes
Revenues, expenses and assets are recognised net of the amount of associated indirect taxes, unless the indirect taxes incurred are not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of indirect taxes receivable or payable. The net amount of indirect taxes recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The indirect taxes components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of indirect taxes recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2023. Management have reviewed the accounting standards that are not yet mandatory and they are not expected to have a material impact on the financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the Consolidated Entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

At each reporting date management review exploration assets for indicators of impairment in line with AASB 6 *Exploration for and Evaluation of Mineral Resources.* Management have concluded that there were no indicators of impairment.

Redeemable shares
The subsequent measurement of the redeemable shares financial liability requires significant judgement, with key judgements being the estimation of cash outflows and the expected term. Refer to note 11 for further details.

Control of Bend Nickel Project
On 20 July 2023, the Company signed an agreement with Reliant Nickel Limited giving them the right to earn up to an 80% interest in the shares of a company that would hold the Bend Nickel project in Zimbabwe ("project company") via a two-stage earn in process. Refer to note 9 for further details of the agreement.

The Company can elect to take a 50% interest in the project company after funding 2,500 metres of drilling on the project ("stage 1 works"). In addition, the Company has the ability to:

- determine the exploration plan & carrying out exploration activities, and
- determine funding structures and sources from the commencement of the stage 1 works up to the point of completion of a draft feasibility study.

Given the above, the Company determined it has control of the project company and the project, at 31 December 2023. The transaction has been accounted for as an asset acquisition as it does not meet the criteria to be accounted for as a business combination.

Note 3. Operating segments

Identification of reportable operating segments
The Consolidated Entity is organised into one operating segment, being the exploration for metals in Africa. This is based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Note 4. Finance costs

	Consolidated	
	2023	**2022**
	$	**$**
Loss before income tax includes the following specific expenses:		
Finance costs		
Redeemable shares	2,582,039	2,992,338

Note 5. Income tax expense

	Consolidated 2023 $	Consolidated 2022 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(4,548,467)	(4,791,584)
Tax at the statutory tax rate of 30%	(1,364,540)	(1,437,475)
Tax losses and temporary differences not recognised	402,811	377,769
Non deductible expenses	961,729	1,059,706
Income tax expense	-	-

	Consolidated 2023 $	Consolidated 2022 $
Australian tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	3,761,601	2,418,897
Potential tax benefit @ 30%	1,128,480	725,669

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

At reporting date the consolidated entity had the following unused tax losses and deductible temporary differences for which no deferred tax asset is recognised in the statement of financial position:

- Unused tax losses in Gabon at 31 December 2023 $2,908,296 (2022: $5,848,453)
- Unused tax losses in Mauritius at 31 December 2023 $2,539,031 (2022:$$1,697,772)

	Consolidated 2023 $	Consolidated 2022 $
Potential benefit in Mauritius (at corporate tax rate of 15%)	380,854	254,665
Potential benefit in Gabon at (at corporate tax rate of 30%)	872,489	1,754,539
	1,253,343	2,009,204

Tax losses in both Gabon and Mauritius expire after five years if not utilised.

Note 6. Current assets - cash and cash equivalents

	Consolidated 2023 $	Consolidated 2022 $
Cash at bank and on hand	1,858,069	1,330,157
Cash on deposit	-	1,500,000
	1,858,069	2,830,157

Note 7. Current assets - trade and other receivables

	Consolidated	
	2023 $	2022 $
Other receivables (including indirect taxes)	14,760	478,161
Interest receivable	-	3,699
	14,760	481,860

Other receivables are predominantly made up of GST and VAT in Gabon.

Note 8. Current assets - other

	Consolidated	
	2023 $	2022 $
Prepayments	63,818	82,009

Note 9. Non-current assets - exploration and evaluation

	Consolidated	
	2023	**2022**
	$	**$**
Exploration and evaluation - at cost	14,002,786	11,148,058

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration & evaluation $
Balance at 1 January 2022	6,020,956
Additions	4,917,966
Exchange differences	209,136
Balance at 31 December 2022	11,148,058
Additions	153,013
Earn-in/acquisition costs for the Bend Nickel project (note 2)	2,331,954
Exchange differences	369,761
Balance at 31 December 2023	14,002,786

During the year, the Consolidated Entity has incurred exploration expenditure of $153,013 on the Nyanga project in Gabon. During the year, the Company signed a binding agreement to earn up to an 80% interest in the shares of a company that would hold the Bend Nickel project in Zimbabwe ("project company") via a two-stage earn in process. The key terms are outlined below:

- The Company can elect to take a 50% interest in the project company after funding 2,500 meters of drilling on the project. This was achieved in December 2023. It has been determined that the Company had control at 31 December 2023.
- After this the Company has the exclusive right to earn an additional 30% of the project company by spending a further $3,000,000 within 3 years on exploration and paying the vendor $300,000.

Note 10. Current liabilities - trade and other payables

	Consolidated	
	2023	**2022**
	$	**$**
Trade payables	461,884	511,107
Other payables	279,615	280,933
	741,499	792,040

Refer to note 15 for further information on financial instruments.

Note 11. Current liabilities - borrowings

	Consolidated	
	2023	**2022**
	$	**$**
Redeemable shares	9,297,006	6,854,069

Note 11. Current liabilities - borrowings (continued)

In 2019, 1,158 Class A ordinary shares held by Tremont Master Holdings (‘Tremont’) were exchanged for a number of Class A redeemable shares (‘redeemable shares’). As at reporting date, these redeemable shares remain on issue and are held by Tremont.

The company may redeem the redeemable shares in accordance with the following terms:

- After 17 October 2022 and on or before 17 October 2024, the company may redeem the redeemable shares by paying Tremont an amount of US$5,000,000
- After 17 October 2024, the company may redeem the redeemable shares by paying Tremont the full redemption amount, being US$10,457,650. If the company exercises this right, it shall pay the full redemption amount before any dividend or other distribution is made to any other shareholder of the company.

In case of a 'change of control’ (as defined under the Share Purchase and Subscription Agreement dated 17 October 2019) of Armada Exploration Gabon, the company must exercise its redemption options as described above, failing which Tremont may, at its option, request redemption of the redeemable shares at the redemption value relevant for that date in accordance with the above.

The redeemable shares financial liability is re-measured at each reporting date to reflect expected cash outflows, discounted at the original effective interest rate. The re-measurement is recognized in profit or loss as income or expense.

The subsequent measurement of the redeemable shares financial liability is subject to significant judgement and estimation in relation to the expected timing and amount of cash outflows and the expected term. Reasonably possible alternative assumptions could change measurement significantly at 31 December 2023, resulting in a difference in the carrying value of the financial liability. The range of the carrying value of the financial liability is $8,014,578 (2022: $5,481,129) at the low end of the range and $9,622,885 (2022: $8,233,227) at higher end of the range.

Note 12. Equity - issued capital

	Consolidated			
	2023 Shares	**2022 Shares**	**2023 $**	**2022 $**
Ordinary shares - fully paid	208,000,001	104,000,001	24,996,017	23,006,770

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 January 2022	104,000,001		23,006,770
Balance	31 December 2022	104,000,001		23,006,770
Issue of shares	27 September 2023	60,000,000	$0.0200	1,200,000
Issue of shares	27 October 2023	44,000,000	$0.0200	880,000
Less costs of capital raised		-	$0.0000	(90,753)
Balance	31 December 2023	208,000,001		24,996,017

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Note 12. Equity - issued capital (continued)

Capital risk management
The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated Entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Consolidated Entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 31 December 2022 Annual Report.

Note 13. Equity - reserves

	Consolidated	
	2023	**2022**
	$	**$**
Foreign currency reserve	1,080,335	667,287
Share-based payments reserve	741,270	741,270
Other reserves	777,399	777,399
	2,599,004	2,185,956

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of foreign operations' financial statements from their functional currency to the presentation currency of the consolidated financial statements, which is Australian dollars.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Other reserves
The reserve is used to recognise the value of equity financial instruments reclassified from derivative financial liabilities upon completion of the company's listing on the ASX.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Other $	Share based payments $	Foreign currency $	Total $
Balance at 1 January 2022	777,399	741,270	589,907	2,108,576
Foreign currency translation	-	-	77,380	77,380
Balance at 31 December 2022	777,399	741,270	667,287	2,185,956
Foreign currency translation	-	-	413,048	413,048
Balance at 31 December 2023	777,399	741,270	1,080,335	2,599,004

Note 14. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 15. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. Risk management is carried by the Board of Directors ('the Board')

Market risk

Foreign currency risk
The Consolidated Entity is not exposed to any significant foreign currency risk other than translation risk, arising from the translation of results and financial position of foreign operations in Gabon, Germany and Mauritius.

Price risk
The Consolidated Entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity is not exposed to any significant interest rate risk.

Credit risk
The consolidated entity is not exposed to significant credit risk.

Liquidity risk
Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Consolidated Entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2023	Weighted average interest rate %	On Demand $	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-interest bearing							
Trade and other payables	-	-	741,499	-	-	-	741,499
Redeemable shares *	-	14,491,059	-	-	-	-	14,491,059
Total non-derivatives		14,491,059	741,499	-	-	-	15,232,558

* The redeemable shares financial liability has been presented in the above tables as on demand because the ‘change of control’ event that requires redemption (see note 11) is not within the company’s control. However, the company reasonably expects settlement of the redeemable shares to take place between within 1 and 3 years as at 31 December 2023. The amount disclosed in the above table represents the undiscounted cash outflow that could be required to be paid as at reporting date (as described in note 11 to the financial statements), which differ from the amount included in the statement of financial position because the amount in that statement is based on discounted cash flows.

Note 15. Financial instruments (continued)

Consolidated - 2022	Weighted average interest rate %	On Demand $	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-interest bearing							
Trade and other payables	-	-	792,040	-	5,338	-	797,378
Redeemable shares *	-	7,380,073	-	-	-	-	7,380,073
Total non-derivatives		7,380,073	792,040	-	5,338	-	8,177,451

* The redeemable shares financial liability has been presented in the above tables as on demand because the 'change of control' event that requires redemption (see note 11) is not within the company's control. However, the company reasonably expects settlement of the redeemable shares to take place between within 2 and 4 years as at 31 December 2022. The amount disclosed in the above table represents the undiscounted cash outflow that could be required to be paid as at reporting date (as described in note 11 to the financial statements), which differ from the amount included in the statement of financial position because the amount in that statement is based on discounted cash flows.

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 16. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Consolidated Entity is set out below:

	Consolidated	
	2023 $	**2022 $**
Short-term employee benefits	460,000	450,000

Note 17. Remuneration of auditors

	Consolidated	
	2023 $	**2022 $**
Audit services - Ernst and Young		
Audit or review of the financial statements	104,000	88,900
Other services - Ernst and Young		
Preparation of the tax return	4,452	7,500
	108,452	96,400
Audit services - network firms		
Audit or review of the financial statements	15,803	38,145

Note 18. Contingent liabilities

In April 2021, Armada Exploration Gabon received a Formal Notice of a Demand to Pay, of approximately $80,000, from the Directorate-General of Taxes in Gabon in relation to the 2013-2015 fiscal period. This matter has been settled during the current financial year.

Note 18. Contingent liabilities (continued)

The consolidated entity did not have any other contingent liabilities at 31 December 2023 and 31 December 2022.

Note 19. Commitments

The consolidated entity had total commitment totalling $2,051,279 (2022: $5,422,850) in relation to its exploration tenements in Gabon. Of this amount $463,337 must be incurred before February 2025 and $1,587,942 must be incurred before November 2025.

Note 20. Related party transactions

Parent entity
Armada Metals Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 22.

Key management personnel
Disclosures relating to key management personnel are set out in note 16 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2023 **$**	**2022** **$**
Payment for goods and services:		
Payment for services from those related to key management personnel	57,914	48,000
Fees paid to Red Technical, excluding those included in KMP remuneration (an entity related to Ross McGowan)	101,594	244,806

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2023 **$**	**2022** **$**
Current payables:		
Trade payable to Red Technical (an entity related to Ross McGowan)	-	37,118
Total directors fees payable	82,327	20,833

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 21. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2023 $	Parent 2022 $
Loss after income tax	(4,066,093)	(896,409)
Total comprehensive loss	(4,066,093)	(896,409)

Statement of financial position

	Parent 2023 $	Parent 2022 $
Total current assets	1,488,803	2,623,798
Total assets	5,019,318	7,005,375
Total current liabilities	257,857	167,065
Total liabilities	257,857	167,065
Equity		
Issued capital	10,709,172	8,719,928
Share-based payments reserve	453,411	453,411
Other reserves	777,399	777,399
Accumulated losses	(7,178,521)	(3,112,428)
Total equity	4,761,461	6,838,310

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2023 and 31 December 2022.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2023 and 31 December 2022.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 December 2023 and 31 December 2022.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 22. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2023 %**	**2022 %**
Armada Metals Germany GmbH	Germany	100.00%	100.00%
Armada Exploration Limited	Mauritius	100.00%	100.00%
Armada Exploration Gabon	Gabon	100.00%	100.00%

Note 23. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 24. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2023 $	**2022 $**
Loss after income tax expense for the year	(4,548,467)	(4,791,584)
Adjustments for:		
Depreciation and amortisation	8,082	18,887
Non cash finance costs in relation to redeemable shares	2,582,039	2,992,338
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	467,100	(3,699)
Decrease/(increase) in other operating assets	18,191	(61,556)
Increase/(decrease) in trade and other payables	(148,668)	154,054
Net cash used in operating activities	(1,621,723)	(1,691,560)

Note 25. Changes in liabilities arising from financing activities

Consolidated	Redeemable Shares $	Total $
Balance at 1 January 2022	3,534,794	3,534,794
Exchange differences	326,937	326,937
Accretion of liability	2,992,338	2,992,338
Balance at 31 December 2022	6,854,069	6,854,069
Exchange differences	(139,102)	(139,102)
Accretion of liability	2,582,039	2,582,039
Balance at 31 December 2023	9,297,006	9,297,006

Note 26. Earnings per share

	Consolidated 2023 $	Consolidated 2022 $
Loss after income tax attributable to the owners of Armada Metals Limited	(4,548,467)	(4,791,584)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	127,452,056	104,000,001
Weighted average number of ordinary shares used in calculating diluted earnings per share	127,452,056	104,000,001
	Cents	**Cents**
Basic loss per share	(3.57)	(4.61)
Diluted loss per share	(3.57)	(4.61)

Options that could potentially dilute basic earnings per share in the future, were not included in the calculation of diluted earnings per share because they are antidilutive.

Armada Metals Limited
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

On behalf of the directors

Dr. Ross McGowan
Managing Director & CEO

28 March 2024

Ernst & Young
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Independent Auditor's Report to the Members of Armada Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Armada Metals Limited (the Company) and its Subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial report, including material accounting policy information, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which describes the principal conditions that raise doubts about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on the matter. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying Value of Exploration and Evaluation Assets

Why significant	How our audit addressed the key audit matter
The Group's exploration assets of \$14.0m as at 31 December 2023 represents 88% of the total assets of the Group as disclosed in Note 9. Exploration assets are initially recognised at cost and any additional expenditure is capitalised to the exploration asset in accordance with the Group's accounting policy as disclosed in Note 1. At each reporting date the Directors' assess the Group's exploration assets for indicators of impairment. The decision as to whether there are indicators that require the Group's exploration assets to be assessed for impairment in accordance with the requirements of Australian Accounting Standards involved significant judgment, including whether, the rights to tenure for the areas of interest are current, the Group's ability and intention to continue to evaluate and develop the area of interest and whether the results of the Group's exploration and evaluation work to date are sufficiently progressed for a decision to be made as to the commercial viability or otherwise of the area of interest. We assessed this to be a Key Audit Matter due to the value of the exploration assets relative to total assets and the significant judgments involved in the assessment of indicators of impairment.	Our audit procedures to address the Group's assessment of impairment indicators for exploration assets included: ▶ Obtaining an understanding of the current exploration program and any associated risks. ▶ Evaluating the Group's right to explore in the relevant exploration area, which included obtaining and assessing supporting documentation such as license agreements. ▶ Assessing the Group's intention to carry out significant exploration and evaluation activity in the relevant areas of interest. This included an assessment of the Group's cash flow forecast models, discussions with senior management and Directors as to the intentions and strategy of the Group. ▶ Agreeing a sample of costs capitalised for the period to supporting documentation and assessing whether these costs meet the requirements of Australian Accounting Standards and the Group's accounting policy. ▶ Assessing whether the methodology used by the Group to identify indicators of impairment met the requirements of Australian Accounting Standards. ▶ Evaluating the adequacy of the disclosures included in the Notes to the financial statements.

Information other than the Financial Statements and Auditor's Report

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report and the Chairman's Letter that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 10 of the Directors' Report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Armada Metals Limited for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Ryan Fisk
Partner
Sydney
28 March 2024

Additional information required pursuant to ASX Listing Rule 4.10 and not disclosed elsewhere in this report is set outbelow. The information is effective as at 12 March, 2024.

INFORMATION PURSUANT TO LISTING RULE 5.20

In accordance with ASX Listing Rule 5.20, Armada Metals advises that it holds the following tenements, each which is 100% owned by the Company's wholly owned subsidiary, Armada Exploration Gabon SARL.

Permit [1]	Area (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%

[1] Exploration permit translates from French 'Permis de Recherche Minière'

CORPORATE GOVERNANCE:

The Company's Corporate Governance Statement for the financial year ended 31 December 2023 can be found at:

Armada Metals 2023 Corporate Governance Statement

SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders in Armada Metals Limited and the number of equity securities to which each substantialshareholder and their associates have a relevant interest, as disclosed in substantial shareholder notices given to the Company, are set out below.

Name of Substantial Holder within the meaningof section 671B of the Corporations Act	Date	Number of Shares in whichthe substantial holder holds a relevant interest	% of total shares onissue
RED Capital Limited and Indlovu Capital	30 Oct. 2023	45,000,000	21.63%
Chifley Portfolios Pty Ltd <David Hannon Retirement A/C> and RAHSTC Pty Ltd	17 Dec. 2021	17,595,521	8.459%
Metal Tiger plc	17 Dec. 21	15,000,000	14.423%
RCF Opportunities Fund LP	17 Dec. 2021	13,750,000	13.2%
Cobre Limited	15 Dec. 2021	15,000,000	14.423%

NUMBER OF HOLDERS OF EACH CLASS OF EQUITY SECURITIES

Category	Number of Holders
Fully Paid Ordinary Shares	290
Options exercisable at $0.334 expiring 15 December 2026 (not quoted on ASX)	11

VOTING RIGHTS

The voting rights attached to ordinary shares are set out below.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. Additional voting rights are set out in paragraphs 34 and 35 of the Company's Constitution lodged with the ASX on 14 December 2021.

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Range	Total Holders	Shares	% of Shares
100,001 and Over	83	201,733,084	96.99
10,001 to 100,000	135	5,762,614	2.77
5,001 to 10,000	51	470,005	0.23
1,001 to 5,000	11	32,429	0.20
1 to 1,000	11	1,868	0.00
Total	290	208,000,000	100.00

UNMARKETABLE PARCELS

There are 126 shareholders with an unmarketable parcel of shares being a holding of less than 26,315 shares each for a combined total of 1,468,108 shares. This is based on a closing price of $0.019 per share as at 12 March, 2024 and represents 0.7582% of the shares on issue on that day.

TOP 20 SHAREHOLDERS

Category	Number of Holders	% of Shares
INDLOVU CAPITAL	45,000,000	21.635%
CITICORP NOMINEES PTY LIMITED	30,460,711	14.645%
COBRE LIMITED	30,000,000	14.423%
METAL TIGER PLC	20,000,000	9.615%
CHIFLEY PORTFOLIOS PTY LTD <DAVID HANNON RETIREMENT A/C>	13,039,121	6.269%
STRATA INVESTMENT HOLDINGS PLC	10,000,000	4.808%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	8,440,480	4.058%
RAH STC PTY LTD	4,201,400	2.020%
MR BACHAR OUBID	3,400,000	1.635%
VIDOG CAPITAL PTY LTD	2,983,393	1.434%
NAMBIA PTY LTD	2,750,000	1.322%
INMOB HOLDINGS LTD	2,400,000	1.154%
MR WILLIAM RICHARD BROWN	2,122,000	1.020%
LHC MINE FINANCE LTD	1,750,000	0.841%
MR ENOCH SHAO ERN TAY	1,715,409	0.825%
MR MICHAEL PAUL JOSEPH	1,600,000	0.769%
BOND STREET CUSTODIANS LIMITED <ZAGS - D68022 A/C>	1,300,000	0.625%
MR ENOCH SHAO ERN TAY & MRS CYNTHIA YOKEPING TAY <ENOCH TAY SUPERFUND A/C>	1,157,364	0.556%
MR MATTHEW BRYAN WHITE & MISS HUI TENG LIM <FNORD SUPER FUND A/C>	1,110,000	0.534%
CH TRUSTEES SA <THE KOOL A/C>	1,000,000	0.481%
Total Top 20	184,429,878	88.668%
Total Balance of Holders	23,570,122	11.332%
Total Shares	208,000,000	100.000%

UNQUOTED SECURITIES

Category	Number of Units	Number of Holders
Options exercisable at $0.334 expiring 15 December 2026	18,140,000	11

Distribution of Optionholders – exercisable at $0.334 expiring 15 Dec. 2026

Holding Ranges	Holders	Total Units	Percentage
100,001 and Over	11	18,140,000	100.00%
10,001 to 100,000	0	0	0.00%
5,001 to 10,000	0	0	0.00%
1,001 to 5,000	0	0	0.00%
1 to 1,000	0	0	0.00%
Total	11	18,140,000	100.00%

Between the date of the Company's admission to the Official List of the ASX on 13 December 2021 and the end of the reporting period on 31 December 2023 (as well as up to the date of this Annual Report), the Company used its cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

There is no current on-market buy back.

No securities were purchased on-market during the period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

There are no securities subject to ASX or voluntary escrow.

There are no issues of securities approved for the purposes of Item 7of section 611 of the *Corporations Act 2001 (Cth.)* which have not yet been completed.

The Company is listed on the Australian Securities Exchange under the code 'AMM'.