



ARMADA

METALS

Armada Metals Limited

ACN 649 292 080

Prospectus

For the offer of a minimum of 40,000,000 Shares and a maximum of 50,000,000 Shares at an issue price of \$0.20 per Share to raise a minimum of \$8,000,000 and a maximum of \$10,000,000 (before costs).

This Prospectus is an important document and should be read in its entirety. Please consult your professional advisor if you have any questions about this Prospectus.

Investment in the Shares offered pursuant to this Prospectus should be regarded as highly speculative in nature.

Corporate Directory

Board of Directors

Dr Ross McGowan

Managing Director and CEO

Mr Rick Anthon

*Non-Executive Director
and Chairman*

Mr Martin C Holland

Non-Executive Director

Mr David Michael McNeilly

Non-Executive Director

Company Secretary

Ms Vanessa Chidrawi

Proposed ASX Code

AMM

Share Registry

Boardroom Pty Limited

Level 12, 225 George Street
Sydney NSW 2000

Registered Office

Level 12, 225 George Street
Sydney NSW 2000

T: 1300 737 760

E: vanessa.chidrawi@
boardroomlimited.com.au

Australian Legal Advisor

Henry William Lawyers

Level 27, 420 George Street
Sydney NSW 2000

Auditor

Ernst & Young

The EY Centre
Level 34, 200 George Street
Sydney NSW 2000

Investigating Accountant

Ernst & Young

The EY Centre
Level 34, 200 George Street
Sydney NSW 2000

Joint Lead Managers

**Canaccord Genuity
(Australia) Limited**

Level 15, 333 Collins Street
Melbourne VIC 3000

PAC Partners Securities Pty Ltd

Level 10, 330 Collins Street
Melbourne VIC 3000

Independent Geologist

CSA Global Pty Ltd

Level 2, 3 Ord Street
West Perth, WA 6005

Gabonese Legal Advisor and Tenement Solicitor

Simmons & Simmons LLP

5 Boulevard de la Madeleine
75001 Paris FRANCE

Project Lawyers

Batterie IV, BP 11656
Libreville GABON

Mauritian Legal Advisor

Bowmans (Mauritius)

Third Floor, The Dot
Avenue De Telfair
Moka 80829 MAURITIUS

German Legal Advisor

Simmons & Simmons LLP

Kö-Bogen, Königsallee 2a
40212 Düsseldorf
GERMANY

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Important Information

1. DATE

This Prospectus (**Prospectus**) of Armada Metals Limited ACN 649 292 080 (**Armada Metals** or the **Company**) is dated 9 November 2021. It was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date.

The Offer set out in this Prospectus is an invitation to apply for fully paid ordinary shares in the capital of the Company (**Shares**). This Prospectus is issued by the Company for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**). Neither ASIC nor ASX Limited ACN 008 624 691 (**ASX**) takes any responsibility for the contents of this Prospectus. No Shares will be allotted or issued on the basis of this Prospectus after the date being 13 months after the date of this Prospectus.

2. APPLICATION FOR OFFICIAL QUOTATION

Application will be made within seven days after the date of this Prospectus for permission for the Shares offered by this Prospectus to be listed for Official Quotation on the securities market operated by ASX.

3. PROSPECTUS DOES NOT PROVIDE INVESTMENT ADVICE

The information provided in this Prospectus is not investment or financial product advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including with respect to financial and taxation issues). It is important that you read this Prospectus carefully and in full before deciding whether to invest in the Company and consider the risks that could affect the performance of the Company.

In particular, you should consider the assumptions underlying the Company's financial information (see Section 9 of this Prospectus) and the investment risks (see Section 7 of this Prospectus) that could affect the business, financial condition and financial performance of the Company. You should carefully consider these risks in light of your personal circumstances (including your investment objectives, financial circumstances and tax position) and seek professional advice from your accountant, financial advisor, stockbroker, lawyer or other professional advisor before deciding whether to invest in Shares. There may be risks in addition to these that should be considered in light of your personal circumstances.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company or the repayment of capital by the Company or any return on investment in Shares made pursuant to this Prospectus.

4. ELECTRONIC PROSPECTUS

This Prospectus will be issued in paper form and as an electronic Prospectus, which may be accessed within Australia by eligible investors via the Company's website at www.armadametals.com.au. If you access an electronic copy of this Prospectus, the following conditions apply:

- the offer of Shares pursuant to the electronic Prospectus is only available to residents of Australia and is not available to persons in other jurisdictions in which it may not be lawful to make an offer under this Prospectus; and
- you must access, download and read the electronic Prospectus in full.

The Corporations Act prohibits any person passing onto another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of the Prospectus. During the Offer Period, any eligible person may obtain a hardcopy of this Prospectus at no cost by contacting the Company by email at: vanessa.chidrawi@boardroomlimited.com.au.

5. FOREIGN JURISDICTIONS

This Prospectus does not constitute an offer in any place in which, or to persons to whom, it would not be lawful to make the Offer. Distribution of this Prospectus (in electronic or hardcopy form) in jurisdictions outside Australia may be restricted by law, and persons who come into possession of this Prospectus outside Australia should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (**Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold in the United States or to, or for the benefit of, any "US Person" (as defined in Regulation S under the Securities Act) except pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act. Neither this Prospectus nor any Application Form or other materials relating to the Offer may be distributed in the United States. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by the applicant to the Company that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (the **FMC Act**).

The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together, **relevant persons**). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Mauritius

In accordance with the Securities Act 2005 of Mauritius, no offer of Shares may be made to the public in Mauritius without the prior approval of the Mauritius Financial Services Commission. Accordingly, an offer of New Shares is being made on a private placement basis only to “sophisticated investors” (as defined in the Securities Act 2005) and does not constitute a public offering in Mauritius. As such, this document has not been approved or registered by the Mauritius Financial Services Commission and is for the exclusive use of sophisticated investors. The document may not be distributed to other persons in Mauritius.

6. NO AUTHORITY

No person is authorised to give any information or to make any representation regarding the Offer. Any information or representation in relation to the Offer which is not contained in this Prospectus may not be relied upon as having been authorised by Armada Metals or its Directors.

7. EXPOSURE PERIOD

This Prospectus is subject to an Exposure Period of seven days from the date of lodgement with ASIC in accordance with Chapter 6D of the Corporations Act. This Exposure Period may be extended by ASIC for a further period of up to seven days.

If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act.

Applications received prior to the expiration of the Exposure Period will not be processed until after the end of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period and all Applications received during the Exposure Period will be treated as if they were simultaneously received on the date that the Offer opens.

8. SPECULATIVE

Any investment in the Shares offered under this Prospectus is highly speculative in nature. The Shares offered under this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares. Applicants should read this document in its entirety and carefully consider whether the Shares offered under this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 7 of this Prospectus for details of key risks applicable to an investment in the Shares.

If prospective investors have any doubt or have any questions about any aspect of the Offer under this Prospectus or the Shares, they should consult with their professional advisors before deciding whether to apply for Shares.

Persons wishing to subscribe for Shares offered under this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company, as well as the rights and liabilities attached to the Shares offered under this Prospectus.

9. PRIVACY STATEMENT

If you make an Application, you will be required to provide the Company and the Share Registry with certain personal information to:

- facilitate the assessment of the Application;
- enable the Company to assess the needs of applicants and provide appropriate facilities and services for applicants; and
- carry out appropriate administration.

The Corporations Act and Australian tax laws require some of this personal information to be collected.

The Company and the Share Registry may be required to disclose this information to:

- third parties who carry out functions on behalf of the Company; and
- other third parties to whom disclosure is required by law.

Applicants may request access to their personal information held by (or on behalf of) the Company by telephoning or writing to the Company Secretary.

By submitting an Application Form, you agree that the Company may use the information that you provided on the Application Form for the purposes detailed in this privacy statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party providers, including mailing houses and professional advisors, and to ASX and regulatory authorities.

If an applicant becomes a shareholder, the Corporations Act requires the Company to include information about its shareholders (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its shareholders) and compliance by the Company with its legal and regulatory requirements.

10. MARKET AND INDUSTRY DATA

This Prospectus (and in particular Section 4 of this Prospectus) contains statistics, data and other information (including forecasts and projections) relating to the industry, segment and end-market of the Company (**Industry Data**).

The Company has obtained significant portions of the Industry Data from databases and research prepared by third parties, including reports and information prepared by independent experts and other third parties, and other sources. The Industry Data contained in Section 4 of this Prospectus, has been commissioned by the Company and prepared by CRU International (Australia) Pty Ltd (**CRU**), an independent consulting company that provides data and market analysis on mineral and metal industries. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information.

Investors should note that Industry Data is inherently speculative, subject to uncertainty and not necessarily reflective of actual market conditions. There is no assurance that any of the forecasts or projections in the Industry Data referred to in this Prospectus, including those of CRU, will be achieved.

The Industry Data has not been independently prepared or verified by the Company and no representation or warranty is given as to its accuracy or the accuracy of the underlying assumptions used to estimate such Industry Data. The market and industry estimates involve risks and uncertainties and are subject to change based on various factors, including those described in the investment risks set out in Section 7 of this Prospectus.

11. COMPETENT PERSONS STATEMENT

Information in this Prospectus (including the Independent Geologist Report which has been included in Section 5 of this Prospectus) that relates to exploration targets, exploration results and Mineralisation is based on information that has been prepared by CSA Global and was compiled by Mr Tony Donaghy, who is a member of the Professional Geoscientists of Ontario. Mr Donaghy has sufficient experience which is relevant to the style of Mineralisation and type of mineral deposit under consideration, and to the activity being undertaken to qualify as a **'Competent Person'** as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the **JORC Code**). Mr Donaghy consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

12. FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements which are generally identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', 'considers' or 'intends' and other similar words associated with risks and uncertainties.

These forward-looking statements are based on an assessment by the Company of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors that could cause actual results, performance, events or outcomes to differ materially from the results, performance, events or outcomes expressed or anticipated in these statements, many of which are beyond the control of Armada Metals and the Directors. Some of the key risk factors that should be considered by prospective investors are set out in Section 7 of this Prospectus.

The Company and the Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

These forward-looking statements speak only as of the date of this Prospectus and, except where required by law, the Company does not intend to update or revise any forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

13. RISKS

You should read this Prospectus in its entirety and, if in any doubt, consult your professional advisor before deciding whether to apply for Shares under this Prospectus. There are risks associated with an investment in the Company, and the Shares offered under this Prospectus must be regarded as a speculative investment. Please refer to Section 7 of this Prospectus for details relating to risk factors.

These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

14. PHOTOGRAPHS AND DIAGRAMS

Photographs used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in those photographs endorse this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

15. CONDITIONS PRECEDENT

The Offer made under this Prospectus and the issue of Shares pursuant to this Prospectus are subject to and conditional on the Company raising the Minimum Subscription of \$8,000,000 and satisfying the ASX Listing Rules.

16. MISCELLANEOUS

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to “\$” or “A\$” are references to Australian dollars.

All references to date and time in this Prospectus are references to the date and time in Sydney, New South Wales, unless otherwise stated.

Defined terms and abbreviations used in this Prospectus are detailed in Section 13 of this Prospectus.

Chairman's Letter

Dear Investor,

On behalf of the Board of Directors, it is my great pleasure to invite you to become a shareholder of Armada Metals Limited (**Armada Metals** or the **Company**), an exciting new exploration company with discovery potential for base metals in Gabon.

The Company is coming to market in a period where the demand associated with the growth of the electric vehicle market, and for green metals, requires new exploration focus for nickel and copper. With many parts of Africa still underexplored, the continent offers significant opportunities for new discovery.

The Armada Group holds two¹ exploration licences (**Tenements**), prospective for magmatic nickel-copper sulphide, covering a total area of 2,991 square kilometres in the Nyanga Province, Gabon (**Nyanga Project**). With over U\$10m spent to date, developing an exploration pipeline with targets ready to drill, the Company has an aggressive exploration program for the next two years.

Armada Metals has assembled a skilled Board, comprising Directors who have a wide range of experience in mineral exploration companies. The Company's award-winning, African-based technical team has a proven track record of exploration and discovery in Africa and have resided and operated in Africa for over 20 years.

¹ One Tenement, G5-555, was valid until 25 April 2021 and is currently under a renewal process: an application for renewal was lodged in due time with the Gabonese minister in charge of mines on 17 February 2021 and is still under review. See section 7.2(b) for further detail regarding the renewal risk concerning this Tenement.

This Prospectus contains an offer to the public of a minimum of 40,000,000 Shares and a maximum of 50,000,000 Shares at an issue price of \$0.20 per Share to raise a minimum of \$8,000,000 and a maximum of \$10,000,000 before costs. The Company intends to allocate the majority of the funds raised under the Offer to exploration activities, with the remaining funds being allocated to working capital requirements and other administrative expenses. The principal purpose of this offer is to fund drill programs and regional exploration as part of the Company's business strategy (as outlined in section 3.6).

Any investment in the Company should be considered a speculative investment. This Prospectus contains detailed information about the Offer and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. Potential investors in the Company should carefully consider those risks (which are detailed in Section 7 of this Prospectus). If required, you should also seek professional advice before making an investment in the Company.

On behalf of the Board, we look forward to welcoming you as a shareholder of Armada Metals, should you decide to participate in the Offer, in what we believe will be an exciting period for the Company.

Yours Sincerely,



Rick Anthon
Chairman of Armada Metals Limited

Key Offer Details

KEY DATES – INDICATIVE TIMETABLE *

Lodgement of Prospectus with ASIC	9 November 2021
Exposure Period begins	9 November 2021
Exposure Period ends	16 November 2021
Offer Opening Date	17 November 2021
Offer Closing Date	24 November 2021 5:00pm AWST
Issue of Shares under the Prospectus	3 December 2021
Despatch of holding statements	7 December 2021
Expected date for Official Quotation on ASX	15 December 2021

* *The above dates are indicative only and may change without notice. The Exposure Period may be extended by ASIC by no more than seven days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to vary any and all of the above dates without notice including, subject to the ASX Listing Rules and the Corporations Act, to extend the Closing Date, close the Offer early, to accept late Applications, and/or to cancel or withdraw the Offer at any time before the issue of Shares to applicants, in each case without notice. If the Offer is cancelled or withdrawn before the issue of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.*

HOW TO INVEST

Applications for Shares can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are set out in Section 2.11 of this Prospectus and on the back of the Application Form.

KEY OFFER DETAILS

PRO FORMA CAPITAL STRUCTURE	MINIMUM SUBSCRIPTION (\$8,000,000)	MAXIMUM SUBSCRIPTION (\$10,000,000)
Shares on issue as at the date of this Prospectus	54,000,000 Shares	54,000,000 Shares
Offer Price per Share	\$0.20	\$0.20
Shares offered under the Offer	40,000,000 Shares	50,000,000 Shares
Total Shares on issue on Completion of the Offer	94,000,000 Shares	104,000,000 Shares
Total Unlisted Options ¹ on issue at Completion of the Offer	18,140,000 Unlisted Options	18,140,000 Unlisted Options
Total Broker Options ² to be issued to Joint Lead Managers on Completion of the Offer	4,700,000 Broker Options	5,200,000 Broker Options
Gross proceeds of the Offer (before costs)	\$8,000,000	\$10,000,000
Market capitalisation of the Company based on the Offer Price (on an undiluted basis)	\$18,800,000	\$20,800,000

Notes:

1. These include Unlisted Options issued to the Directors, employees, and consultants and Tremont Master Holdings, Cobre Limited, Metal Tiger PLC, and RCF Opportunities Fund L.P. as set out in section 3.7. The Unlisted Options that have been issued to the Directors are exercisable at \$0.334 per Unlisted Option and expire five years after the date of the Company's Admission to the Official List. The terms of the Unlisted Options are summarised in Section 11.3 of this Prospectus.
2. The Broker Options to be issued to the Joint Lead Managers are exercisable at \$0.25 per Broker Option and expire 25 months after the date of the Company's Admission to the Official List. The terms of the Broker Options are summarised in Section 11.4 of this Prospectus.

1



SECTION 1

Investment Highlights

This Section is not intended to provide all of the information relating to the Offer or the Shares offered under this Prospectus. This Prospectus and the experts' reports as set out in Section 4 (Industry Overview), Section 5 (Independent Geologist Report), Section 6 (Solicitor's Report on Tenements) and Section 9 (Financial Information), should be read and considered in their entirety.

The Shares offered pursuant to this Prospectus carry no guarantee in respect of return on investment, return of capital, payment of dividends or the future value of the Shares.

1.1 COMPANY

Topic/Question	Summary/Response	Further Information
Who is the issuer under the Prospectus?	Armada Metals Limited ACN 649 292 080 (the Company or Armada Metals) is the issuer of this Prospectus.	Section 3

Topic/Question	Summary/Response	Further Information
<p>Who is the Company and what does it do?</p>	<p>The Company is an Australian public company that was incorporated with ASIC on 8 April 2021 as a proprietary company limited by shares. The Company converted from a proprietary company limited by shares to a public company limited by shares on 22 July 2021.</p> <p>The Company was incorporated for the purpose of acquiring 100% of the voting shares in the capital of Armada Mauritius. Armada Mauritius in turn holds 100% of the shares in the capital of Armada Gabon, which holds two² Tenements prospective for magmatic nickel-copper sulphide, covering a total area of 2,991 square kilometres in the Nyanga province in Gabon (Nyanga Project).</p> <p>The Armada Group proposes to undertake exploration activities in respect of the Nyanga Project and, subject to successful discovery, has the objective of proving up an economic resource and ultimately developing a mine and selling the commodity from that mine.</p> <p>The Company's strategy and purpose for the Offer is to:</p> <ul style="list-style-type: none"> ➤ systematically undertake exploration and, subject to successful discovery, development of the Nyanga Project; ➤ continue to seek out additional opportunities to grow or advance the projects by acquiring areas adjacent to, or surrounding, the Nyanga Project; ➤ implement a growth strategy to seek out further exploration opportunities which complement the Company's focus on nickel and copper; and ➤ provide working capital for the Company. 	<p>Section 3</p>
<p>What are the Company's major assets?</p>	<p>The Company's major assets are two³ Tenements prospective for magmatic nickel-copper sulphide, covering a total area of 2,991 square kilometres in the Nyanga Province in the Republic of Gabon.</p>	<p>Section 3</p>
<p>What is the Company's business model?</p>	<p>The Company's business model is aimed at generating value from the discovery of copper and nickel. It involves developing specific exploration programs within the Nyanga Project and, subject to successful discovery, proving up an economic resource and ultimately developing a mine and selling the commodity from that mine.</p> <p>An important part of the Company's proposed business model is to assess exploration results on an ongoing basis against the current exploration strategies, other projects, funding options and other opportunities.</p>	<p>Section 3.4</p>

2,3 One Tenement, G5-555, was valid until 25 April 2021 and is currently under a renewal process: an application for renewal was lodged in due time with the Gabonese minister in charge of mines on 17 February 2021 and is still under review. See section 7.2(b) for further detail regarding the renewal risk concerning this Tenement.

Topic/Question	Summary/Response	Further Information
What is the proposed program of works?	The proposed exploration program for the Nyanga Project is set out in section 3.5 of this Prospectus, which includes a two-year exploration budget in order to carry out the exploration works outlined above.	Section 3
What is the Company's proposed use of funds raised under the Prospectus?	<p>The size of the Offer at the Minimum Subscription is \$8,000,000 and at the Maximum Subscription is \$10,000,000.</p> <p>The Company proposes to use the funds raised under the Offer as follows:</p> <ul style="list-style-type: none"> ➤ to fund its exploration programs for the Nyanga Project; ➤ to provide the Company with working capital, which can be used to cover its corporate and administrative costs; and ➤ to pay for the expenses incurred by the Company arising from the Offer. <p>To the extent that the Company raises funds in excess of the Minimum Subscription, the majority of additional funds will be applied towards exploration costs.</p>	Section 2.6
What is the Minimum Subscription?	The Minimum Subscription to be raised under this Prospectus is \$8,000,000. The Company will not issue any Shares pursuant to this Prospectus if the Minimum Subscription is not met.	Section 2.2
What is the Maximum Subscription?	The Maximum Subscription that may be raised under this Prospectus is \$10,000,000.	Section 2.3
What is the proposed capital structure of the Company?	Following Completion of the Offer, the proposed capital structure of the Company will be as set out in Section 2.13 of this Prospectus, with the expected substantial shareholdings following Completion of the Offer set out in Section 2.14 of this Prospectus.	Section 2.13 Section 2.14
What is the Company's strategy?	<p>Upon Completion of the Offer, the Company will focus on exploration activities at the Nyanga Project.</p> <p>In addition, the Company intends to actively consider and pursue acquisitions that are strategic in terms of the overall objective of the Company, as well as complimentary to its existing operations.</p>	Section 3
Is there an independent technical assessment report by a geologist?	The Company has engaged CSA Global to provide an Independent Geologist Report on the Tenements. Mr Tony Donaghy, an experienced geologist, has compiled this report. The Independent Geologist Report is set out in Section 5 of this Prospectus.	Section 5

1.2 SUMMARY OF KEY INVESTMENT RISKS

Potential investors should be aware that subscribing for Shares under this Prospectus involves a number of risks. The risk factors set out in Section 7 of this Prospectus, and other general risks applicable to all investments in listed securities, may positively or negatively impact the value of an investment in Shares. An investment in the Company should be considered highly speculative.

Although the Board intends to implement risk control measures to oversee and manage these risks, some of the broader macro risks are unpredictable and the extent to which the Company can effectively manage them is limited.

This Section summarises the key risks to the Company, its activities and assets. Investors should refer to Section 7 of this Prospectus for a more detailed summary of the risks associated with an investment in the Company.

Topic/Question	Summary/Response	Further Information
Limited history	<p>The Company was incorporated on 8 April 2021 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of all of the risks, expenses and difficulties frequently encountered by resource companies in their early stages of development, particularly in the copper and nickel exploration sector, which has a high level of inherent uncertainty.</p> <p>No assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its current projects or any future projects. Even if an apparently viable copper or nickel (or both) deposit is identified, there is no guarantee that it can be profitably exploited. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses. Refer to Section 7.2(a) of this Prospectus for further information regarding the Company's ability to continue as a going concern.</p>	Section 7.2(a)
Renewal risk	<p>One of the two Tenements that the Armada Group holds in Gabon, Tenement G5-555, is currently under renewal and the other one will need to be renewed in 2022. There is no certainty that the Tenements will be renewed. Refer to Section 7.2(b) of this Prospectus for further information regarding the renewal of the Tenements.</p>	Section 7.2(b)

Topic/Question	Summary/Response	Further Information
<p>Change of control risk</p>	<p>Under Gabonese law, the transfer of exploration and exploitation mining titles is subject to approval from the Gabonese minister in charge of mines. Failure to obtain such approvals may lead to the suspension of the activities of the holder of mining titles or to the withdrawal of the mining titles. Prior to the Company making this Offer, there were historical changes to control of the holder of the Tenements for which approval was not sought.</p> <p>Although the previous changes of control of Armada Gabon have been subsequently disclosed to the Gabonese authorities in the application letters seeking ministerial approval for the Offer there is a risk that the Gabonese authorities may, in the future, consider that additional approvals should have been obtained for the previous changes of control of Armada Gabon and seek to suspend the activities of Armada Gabon or to withdraw Armada Gabon's mining rights, which would have a material adverse effect on the Company's prospects.</p> <p>Application letters seeking ministerial approval for the Offer were submitted to the Gabonese minister in charge of mines and the minister in charge of the economy more than two months before the date of this Prospectus. No answer has been obtained from the ministers since submission of these application letters. Gabonese legislation provides that the absence of an answer from the minister in charge of the economy within two months is deemed approval of the change of control submitted to the minister. The Gabonese mining legislation is less clear and there is a risk that the minister in charge of mines may consider that absence of reply to the application letter from Armada Gabon within two months of its submission is not deemed approval of the change of control and seek to challenge the change of control or to apply conditions, which would have a material adverse effect on the Company's prospects.</p>	<p>Section 7.2(c)</p>
<p>Exploration and development risks</p>	<p>A risk for the Company is that the proposed exploration programs may not result in exploration success. The projects are in the exploration stage only, and there is no guarantee that any economically viable copper and nickel resources will be discovered.</p> <p>Copper and nickel exploration, by its nature, is a high-risk endeavour and consequently, there can be no assurance that exploration of the projects described in this Prospectus, or any other projects that may be acquired in the future, will result in discovery of an economic mineral deposit. Should a discovery be made, there is no guarantee that it will be commercially viable.</p>	<p>Section 7.2(d)</p>

Topic/Question	Summary/Response	Further Information
Potential for dilution	In the future, the Company may elect to issue Shares or other Securities. While the Company will be subject to the constraints of the ASX Listing Rules regarding the issue of Shares or other Securities, shareholders may be diluted as a result of such issues of Shares or other Securities.	Section 7.2(e)
Future capital requirements	<p>Exploration and development costs will reduce the cash reserves of the Company. The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the projects are successfully explored, developed and production commences. The future capital requirements of the Company will depend on many factors, including its business development activities. The Company believes its available cash and the net proceeds from the Offer should be adequate to fund its business objectives and working capital requirements as stated in this Prospectus.</p> <p>Where discovery is successful, in order to further develop the projects, and for production to commence, the Company may be dependent on the need to secure further financing in the future, in addition to the amounts raised pursuant to the Offer, if the estimates in the budget prove to be insufficient, or unforeseen circumstances arise. The Company may then seek development capital through equity, debt, joint venture financing or through the sale or possible syndication of its mineral properties.</p>	Section 7.2(g)
Valuation of Tenements	<p>As at the date of this Prospectus, no valuation has been completed of the projects or the Shares of the Company. The Company makes no representation in this Prospectus as to the value of the Tenements, or the projects.</p> <p>It is recommended that intending investors and their advisors make their own assessment as to the value of the projects.</p>	Section 7.2(h)
Conflicts of interest	The Directors and officers of the Company may also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict.	Section 7.2(m)

Topic/Question	Summary/Response	Further Information
<p>Major shareholders</p>	<p>As at the date of this Prospectus, it is the Company's understanding that Cobre Limited, Metal Tiger PLC and RCF Opportunities Fund L.P. intend to participate in the Offer. This being the case, immediately following Admission:</p> <ul style="list-style-type: none"> ➤ RED Capital Limited is expected to hold 17.0% of the total Shares (on an undiluted basis) if the Minimum Subscription is raised, and 15.4% of the total Shares (on an undiluted basis) in the event that the Maximum Subscription is raised; ➤ Cobre Limited is expected to hold 16.0% of the total Shares (on an undiluted basis) if the Minimum Subscription is raised, and 14.4% of the total Shares (on an undiluted basis) in the event that the Maximum Subscription is raised; ➤ Metal Tiger PLC is expected to hold 16.0% of the total Shares (on an undiluted basis) if the Minimum Subscription is raised, and 14.4% of the total Shares (on an undiluted basis) in the event that the Maximum Subscription is raised; and ➤ RCF Opportunities Fund L.P. is expected to hold 14.6% of the total Shares (on an undiluted basis) if the Minimum Subscription is raised and 13.2% of the total Shares (on an undiluted basis) if the Maximum Subscription is raised. <p>Following Admission, the above shareholders will together hold, on an undiluted basis, between 57.5% of the total Shares under the Maximum Subscription raised and 63.6% of the total Shares on issue in the event that the Minimum Subscription is raised. As a result, these shareholders will be able to exercise a degree of influence over matters requiring shareholder approval, including election of Directors and significant corporate transactions.</p> <p>The concentration of ownership may have the effect of deterring or delaying any change in control of the Company, could have an impact on any potential sale of the Company or may affect the value of Shares. Any major shareholder may sell all or part of their holdings of Shares in the future. Any such sale may adversely affect the value of Shares.</p>	<p>Section 7.2(n)</p>
<p>Class A Redeemable Shares in Armada Mauritius</p>	<p>Tremont Master Holdings currently holds 27,368,697 Class A Redeemable Shares in Armada Mauritius. The terms of issue of the Class A Redeemable Shares are summarised in section 10.13. Although no general voting rights are attached to these shares, certain events such as change in control and sale of assets may lead to compulsory redemption by Armada Mauritius, crystallising a liability of up to U\$10,457,650 payable to Tremont Master Holdings. Depending on the timing of the triggering event, the liability may have a materially adverse impact on the Company's financial position.</p>	<p>Section 7.2(o)</p>

Topic/Question	Summary/Response	Further Information
Country risks	<p>The Nyanga Project and other key operations of Armada Group are located in Gabon. The activities of Armada Group will be subject to the various political, economic and other risks and uncertainties associated with operating in that country. There are risks attached to exploration and mining operations in an emerging country like Gabon which are not necessarily present in a developed country like Australia. These risks may include, but are not limited to, economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export and import duties, environmental protection, mine safety and labour relations, as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.</p>	Section 7.3(a)
Title risks	<p>Interests in exploration and exploitation mining titles are governed by the 2019 Mining Code and the Company has an obligation to meet conditions that apply to the Tenements, including the payment of annual fees and expenditure commitments.</p> <p>Any renewal of tenements upon expiry of their current term and the granting of applications for exploration and exploitation permits is subject to Gabonese Ministerial discretion. Various conditions may also be imposed as a condition of renewal. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of part of the tenement areas comprising the Company's projects.</p> <p>The Company makes no assurance that any current or future renewal applications will be granted or applications approved.</p>	Section 7.3(b)
Tenements risks	<p>Interests in all tenements governed by the laws in the Republic of Gabon are evidenced by the granting of permit. Each permit is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, Armada Gabon could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.</p>	Section 7.3(c)

Topic/Question	Summary/Response	Further Information
Mining taxes	Mining activities in Gabon are subject to a series of tax obligations. If the tax authorities and/or courts adopt a different interpretation of various tax laws and regulations from that followed by the Company, the Company may have to pay taxes of a different type and quantum than currently anticipated. This could have a material adverse effect on the Company's business, results of operations, financial condition and Share price.	Section 7.3(f)
State of Gabon's participation in relation to the Tenements	<p>Pursuant to Gabonese mining law, the State of Gabon will be entitled to receive a 10% shareholding, free from any contribution and dilution, in Armada Gabon when the latter applies for an exploitation licence. In addition, it will be entitled to acquire an additional shareholding of up to 25% in Armada Gabon at market price.</p> <p>The 10% non-contributing shareholding of the State of Gabon in Armada Gabon will dilute the indirect interest of all shareholders of the Company in Armada Gabon accordingly with no consideration to be paid to Armada Gabon or the Company. If exercised by the State of Gabon, the acquisition by the State of Gabon of an additional 25% interest in Armada Gabon will further dilute the indirect interest of all shareholders of the Company in Armada Gabon.</p>	Section 7.3(g)

Topic/Question	Summary/Response	Further Information
Environmental risks	<p>The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities in full compliance with all environmental laws.</p> <p>The mining activities of the Company are subject to Gabonese laws and regulations concerning the environment. However, the applicable regulations are unclear as to whether an environmental impact study is required for all mining activities, including all exploration activities, or only for certain activities which may have a material negative impact on the environment. Armada Gabon has not performed an environmental impact study and considers that one is not required for its exploration activities. Given the ambiguity of the Gabonese environmental regulations, the Gabonese authorities could take a different view (which they have not done so far).</p> <p>If works that are different from the current exploration program are required, or if the project proceeds to the exploitation stage, the Company may be required to carry out an environmental impact study. The environmental impact study is required to be submitted to the Minister in charge of the Environment who must give an 'opinion' on it; any negative opinion given by it must be duly justified. If no environmental impact study is carried out when required, this could lead to suspension, withdrawal, non-renewal of the permit or reduction of the area granted in the permit.</p> <p>In addition, mining projects have statutory rehabilitation obligations that the Company will need to comply with in the future, which may be material. If such laws are breached, the Company could be required to cease its operations or incur significant penalties, including suspension, withdrawal, non-renewal of the permit or reduction of the area granted in the permit.</p>	Section 7.3(h)

Topic/Question	Summary/Response	Further Information
Operating risk	<p>Copper and nickel exploration and development are high-risk undertakings. There can be no assurance that future exploration of the projects, or any other projects that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Tenements. Unless and until the Company is able to realise value from the Tenements, it is likely to incur ongoing operating losses.</p> <p>The Company will need to renew existing government approvals, licences and permits and obtain new ones from time to time. There is no guarantee that the Company will be able to obtain, or obtain in a timely manner, all required approvals, licences or permits. To the extent that required approvals, licences and permits are not obtained or are delayed, the Company's operations may be significantly impacted.</p>	Section 7.4(a)
Currently no market	<p>There is currently no public market for the Company's Shares. The price of its Shares is subject to uncertainty, and there can be no assurance that an active market will develop or continue after Completion of the Offer.</p> <p>There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase.</p> <p>There is no guarantee that there will be an ongoing liquid market for the Company's Securities. If the Shares become illiquid, there is a risk that shareholders will be unable to realise their investment in the Company at the time they wish to do so or at a price they consider reasonable.</p>	Section 7.5(b)
Speculative nature of investment	<p>The risk factors set out in Section 7 of this Prospectus ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.</p> <p>These risk factors, and others not specifically referred to in this Prospectus, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.</p> <p>Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisors before deciding whether to apply for Shares in the Company pursuant to this Prospectus.</p>	Section 7.5(p)

1.3 DIRECTORS, RELATED PARTY INTERESTS AND SUBSTANTIAL HOLDERS

Topic/Question	Summary/Response	Further Information
Who are the Directors?	<p>On Admission, the Board of the Company will consist of:</p> <ul style="list-style-type: none"> ➤ Dr Ross McGowan, Managing Director and CEO; ➤ Mr Rick Anthon, Non-Executive Director and Chairman; ➤ Mr Martin C Holland, Non-Executive Director; and ➤ Mr David Michael McNeilly, Non-Executive Director. 	Section 8.1
What are the interests of the Board in the Company?	<p>The interests of the Directors in the Company are set out in Section 8.3 of this Prospectus.</p>	Section 8.3
What important contracts with related parties or substantial holders is the Company party to?	<p>On Admission, the Company will be a party to the following related party agreements:</p> <ul style="list-style-type: none"> ➤ Deeds of Access, Insurance and Indemnity with each of the Directors; ➤ Escrow Agreements with each related party that holds Restricted Securities; ➤ Executive Employment Agreement with Dr Ross McGowan; ➤ Non-Executive Director Agreements with each of Mr Rick Anthon, Mr Martin C Holland and Mr David Michael McNeilly; and ➤ Consultancy Agreement with Future Metals Group, an entity associated with Mr Martin C Holland. <p>In addition, Armada Mauritius is a party to the following agreement with a substantial holder of the Company:</p> <ul style="list-style-type: none"> ➤ Mineral Royalty Deed between Armada Mauritius and RCF Opportunities Fund L.P; and ➤ RCF Information Sharing Agreement between the Company and RCF Opportunities Fund L.P. 	<p>Section 10.1</p> <p>Section 10.2</p> <p>Section 10.6</p> <p>Section 10.7</p> <p>Section 10.8</p> <p>Section 10.14</p> <p>Section 10.10</p>

Topic/Question	Summary/Response	Further Information
<p>Who will be substantial holders of the Company?</p>	<p>Upon Completion of the Offer, based on the Company raising the Minimum Subscription:</p> <ul style="list-style-type: none"> ➤ RED Capital Limited is expected to hold 17.0% of total Shares on issue on an undiluted basis and 13.7% of total Securities on issue on a fully diluted basis; ➤ Cobre Limited is expected to hold 16.0% of total Shares on issue on an undiluted basis and 15.7% of total Securities on issue on a fully diluted basis; ➤ Metal Tiger PLC is expected to hold 16.0% of total Shares on issue on an undiluted basis and 15.7% of total Securities on issue on a fully diluted basis; and ➤ RCF Opportunities Fund L.P. is expected to hold 14.6% of total Shares on issue on an undiluted basis and 14.6% of total Securities on issue on a fully diluted basis. <p>In the event that the Maximum Subscription is raised, these shareholders will have their shareholdings in the Company further diluted.</p>	<p>Section 2.14</p>
<p>What fees are payable to the Joint Lead Managers?</p>	<p>The Joint Lead Managers have been appointed as the lead managers to the Offer. In consideration for acting as Joint Lead Managers, the Joint Lead Managers will receive a total fee of up to \$480,000 if the Minimum Subscription raised and up to \$600,000 if the Maximum Subscription is raised.</p> <p>In addition to the fee described above, the Joint Lead Managers will be granted the Broker Options upon the Completion of the Offer. Under the Minimum Subscription raised, a total of 4,700,000 Broker Options will be issued to the Joint Lead Managers. In the event that the Maximum Subscription is raised, a total of 5,200,000 Broker Options will be issued to the Joint Lead Managers.</p>	<p>Section 2.10</p>
<p>What are the terms of the Broker Options that will be granted to the Joint Lead Managers?</p>	<p>The Broker Options have an exercise price of \$0.25 per Broker Option and expire 25 months from the date of Admission. The terms of the Broker Options are set out in Section 11.4 of this Prospectus.</p>	<p>Section 11.4</p>

1.4 KEY OFFER DETAILS

Topic/Question	Summary/Response	Further Information
What is being offered?	The Company invites applications under this Prospectus for a minimum of 40,000,000 Shares and a maximum of 50,000,000 Shares at an issue price of \$0.20 per Share to raise a minimum of \$8,000,000 and a maximum of \$10,000,000 before costs.	Section 2.1
Who is eligible to participate in the Offer?	This Prospectus does not constitute an offer or invitation in any place in which, or to any person, to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit a public offering of the Shares in any jurisdiction outside of Australia.	Section 2.22
Will the Shares be quoted?	The Company will apply to ASX for its Admission to the Official List and Official Quotation of Shares on ASX (expected to be under the code "AMM") within seven days of the date of this Prospectus.	Section 2.15
How do I apply for Shares under the Offer?	Applications must be for a minimum number of 10,000 Shares (\$2,000, based on an issue price of \$0.20 per Share) and thereafter in multiples of 2,500 Shares (\$500). Applications may only be made by completing the Application Form attached to this Prospectus. Applications may be made, and will only be accepted, if they are made: <ul style="list-style-type: none"> ➤ on the Application Form accompanying this Prospectus; or ➤ on a paper copy of the Application Form which accompanies the electronic version of this Prospectus, which can be downloaded from www.armadametals.com.au. 	Section 2.11
What are the Offer Conditions?	The Offer is conditional on each of the following events occurring: <ul style="list-style-type: none"> ➤ the Company raising the Minimum Subscription under the Offer (being \$8,000,000); ➤ the Company receiving a letter from ASX confirming that ASX will approve the Shares for Official Quotation, on terms which are acceptable to the Company, acting reasonably; and ➤ the Official Quotation of the Shares on ASX. 	Section 2.4
Are there any escrow arrangements?	As a condition of admitting the Company to the Official List, ASX may classify certain Shares held prior to the date of this Prospectus as Restricted Securities, which are subject to escrow agreements or restriction notices, in accordance with Chapter 9 of the ASX Listing Rules. In addition, the Company has entered into voluntary escrow arrangements with certain option holders. See Sections 2.21, 10.2 and 10.3 of this Prospectus for further details on these escrow agreements.	Section 2.21 Section 10.2 Section 10.3

Topic/Question	Summary/Response	Further Information
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 2.20
What are the key dates for the Offer?	The key dates for the Offer are set out in the indicative timetable in the Key Offer Details Section of this Prospectus. These dates are indicative only and may change without notice.	Key Offer Details Section
Will the Company be adequately funded after Completion of the Offer?	The Directors are of the opinion that if the Minimum Subscription of \$8,000,000 is raised from the Offer, the Company will have sufficient working capital to carry out its stated business objectives.	Section 2.8
What rights and liabilities attach to the Securities on issue?	A summary of the material rights attaching to the Shares offered under the Offer is set out in Section 11.2.	Section 11.2
	A summary of the material rights attaching to the Unlisted Options on issue as at the date of this Prospectus is set out in Section 11.3.	Section 11.3
	A summary of the material rights attaching to the Broker Options proposed to be issued upon Admission is set out in Section 11.4.	Section 11.4
What is the Company's dividend policy?	<p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors, in accordance with the Constitution, and will depend on a range of factors considered relevant by the Directors. Such factors will include but are not limited to the availability of distributable earnings, operating results, the financial condition of the Company and future capital requirements.</p> <p>The Company gives no assurance in relation to the payment of dividends or franking credits attaching to dividends. The Company does not expect to pay dividends in the near future, as its focus will primarily be on exploration of the projects and future acquisitions.</p>	Section 2.17
How can I find out more about the Prospectus or the Offer?	Questions relating to the Offer and the completion of an Application Form can be directed to the Company Secretary by email at vanessa.chidrawi@boardroomlimited.com.au .	

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*Source: iStock image,
Road in Gabon, Africa*

SECTION 2

Details of the Offer

2.1 DESCRIPTION OF THE OFFER

The Company invites applications under this Prospectus for a minimum of 40,000,000 Shares at an issue price of \$0.20 per Share to raise \$8,000,000 (**Minimum Subscription**), and a maximum of 50,000,000 Shares at an issue price of \$0.20 per Share to raise \$10,000,000 (**Maximum Subscription**), before costs (the **Offer**).

All Shares issued pursuant to this Prospectus will be issued as fully paid ordinary shares and will rank equally in all respects with the Shares on issue as at the date of this Prospectus. The rights attaching to the Shares are summarised in Section 11.2 of this Prospectus.

2.2 MINIMUM SUBSCRIPTION

The Minimum Subscription to be raised under this Prospectus is \$8,000,000. The Company will not issue any Shares pursuant to this Prospectus until the Minimum Subscription is met.

Should the Minimum Subscription not be reached within four months after the date of this Prospectus (or such longer period as permitted by law), the Company will not issue any Shares and will repay all Application Monies for the Shares in accordance with the Corporations Act.

2.3 MAXIMUM SUBSCRIPTION

The Maximum Subscription to be raised under this Prospectus is \$10,000,000. The Company will not issue any Shares pursuant to this Prospectus for any oversubscription beyond the Maximum Subscription.

2.4 CONDITIONS OF THE OFFER

The Offer is conditional upon each of the following events occurring:

- the Company raising the Minimum Subscription under the Offer (being \$8,000,000);
- the Company receiving a letter from ASX confirming that ASX will approve the Shares for Official Quotation, on terms which are acceptable to the Company, acting reasonably; and
- the Official Quotation of the Shares on ASX,

(each an **Offer Condition** and together the **Offer Conditions**).

If any of the Offer Conditions are not satisfied, the Company will not proceed with the Offer and the Company will repay all Application Monies received for Shares within the timeframe prescribed under the Corporations Act, without interest.

2.5 OFFER PERIOD

The proposed opening date for the Offer is 17 November 2021 or such later date as prescribed by ASIC. The Offer will remain open until the proposed Closing Date, which is 5:00pm (AWST) on 24 November 2021 (unless the Offer Period is extended or the Directors resolve to close the Offer early).

2.6 USE OF FUNDS

The Company intends to apply funds raised from the Offer, together with existing cash reserves, over the first two years following Admission as set out in Table 2.1 below.

Table 2.1: Proposed use of existing funds and funds raised from the Offer over the first two years after Admission

	Minimum Subscription		Maximum Subscription	
	Minimum Subscription (\$8,000,000)	Percentage of funds (%)	Maximum Subscription (\$10,000,000)	Percentage of funds (%)
Funds available				
Existing cash reserves ¹	\$1,049,788	11.60%	\$1,049,788	9.50%
Funds raised from the Offer	\$8,000,000	88.40%	\$10,000,000	90.50%
Total Funds	\$9,049,788	100.00%	\$11,049,788	100.00%
Allocation of Funds				
Exploration – Nyanga Project ²	\$6,410,000	71.78%	\$7,890,000	71.40%
Working capital ³	\$1,593,836	17.61%	\$1,990,836	18.02%
Expenses of the Offer ⁴	\$1,045,952	11.56%	\$1,168,952	10.58%
Total Funds	\$9,049,788	100.00%	\$11,049,788	100.00%

Notes:

- This figure reflects the Company's estimated existing cash reserves as at the date of this Prospectus.*
- Details of the Nyanga Project, as well as particulars of planned expenditure and rationale for the planned expenditure, are set out in Section 3 of this Prospectus as well as the Independent Geologist Report contained in Section 5 of this Prospectus.*
- Working capital costs include general costs associated with the management and operation of the Company's business, including administration expenses, management salaries, directors' fees and other associated operational costs.*
- Refer to Section 11.5 of this Prospectus to see the individual expenses of the Offer. As at the the date of this Prospectus costs of the offer totalling approximately \$300,000 had already been paid.*

The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied (including some or all of the risk factors outlined in Section 7 of this Prospectus). The Board reserves the right to alter the way funds are applied on this basis.

Details of the exploration programs proposed and associated expenditures are provided in Section 3 (Company and Project Overview) and Section 5 (Independent Geologist Report) of this Prospectus.

2.7 ADDITIONAL PROJECTS

If future opportunities that the Board consider appropriate arise, the Company may apply for or acquire additional projects.

2.8 CAPITAL ADEQUACY

The Directors are of the opinion that if the Minimum Subscription of \$8,000,000 is raised from the Offer, the Company will have sufficient working capital to carry out its stated business objectives.

2.9 ALLOCATION POLICY/ALLOTMENT AND ALLOCATION OF SHARES

Subject to ASX granting approval for the Company to be admitted to the Official List, the allotment of Shares to applicants will occur as soon as practicable after the Offer is closed. Following this, statements of shareholdings will be dispatched. Pending the issue of the Shares or return of the Application Monies, the Application Monies will be held in trust for the applicants.

It is the responsibility of applicants to determine their allocation prior to trading in Shares. Applicants who sell their Shares before they receive their holding statements will do so at their own risk.

The Company has the right to allocate the Shares under the Offer as it sees fit. No applicant under the Offer has any assurance of being allocated all or any Shares they apply for. The Company may reject any Application or allocate to any applicant fewer Shares than they apply for under the Offer.

The Company will take the following factors into account when determining how to allocate Shares amongst applicants:

- the number of Shares applied for in total and by each individual applicant;
- the overall level of demand for the Offer;
- the desire for spread of investors, including to ensure that the Company meets the shareholder spread requirements under the ASX Listing Rules; and
- the desire for an informed and active market for trading Shares following Completion of the Offer.

If an Application is not accepted, or is accepted in part only, the relevant part of the Application Monies will be refunded. Interest will not be paid on Application Monies refunded. The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for in their Application.

2.10 INTEREST OF JOINT LEAD MANAGERS IN THE OFFER

Canaccord and PAC Partners have been appointed as joint lead managers to the Offer under the terms of the Joint Lead Managers Mandate, which is summarised in Section 10.5 of this Prospectus.

Fees payable

On Admission, the Company will pay the Joint Lead Managers the following fees:

- (a) a lead manager fee of 2% of all funds raised under the Offer (**Joint Lead Managers Fee**); and
- (b) a selling fee of 4% of the proceeds of the Offer, excluding amounts raised from the Chairman's List participation and any existing shareholders or investors that are introduced to the Offer by the Company up to a maximum of \$3,000,000 (**Capital Raising Fee**).

A total of the minimum and maximum fees payable to the Joint Lead Managers are set out in Table 2.2 below.

Table 2.2: Lead Manager fees

Description of Fee	Minimum Subscription (\$8,000,000)	Maximum Subscription (\$10,000,000)
Joint Lead Managers Fee	\$160,000	\$200,000
Capital Raising Fee ¹	\$320,000	\$400,000
TOTAL	\$480,000	\$600,000

Notes:

- This is the total maximum Capital Raising Fee payable to the Joint Lead Managers. It does not take into account any amounts raised from any existing shareholders or any investors that are introduced to the Offer by the Company, on which no Capital Raising Fee will be payable.*

Broker Options

In addition to the fees set out above, the Joint Lead Managers will also be issued with Broker Options on Admission. The amount of Broker Options is 5% of the total number of shares on issue on Admission. The exercise price is \$0.25 per Broker Option. All Broker Options will expire 25 months after the date of Admission. The terms of the Broker Options are set out in Section 11.4 of this Prospectus.

The number of Broker Options that will be issued to the Joint Lead Managers on the date of Admission are set out in the table below.

Table 2.3: Broker Options to be issued to the Joint Lead Managers on Admission

Description of Fee	Minimum Subscription (\$8,000,000)	Maximum Subscription (\$10,000,000)
Number of Broker Options issued to Canaccord	2,350,000	2,600,000
Number of Broker Options issued to PAC Partners	2,350,000	2,600,000
TOTAL BROKER OPTIONS	4,700,000	5,200,000

Interests in Securities

The Joint Lead Managers, or any of their associates, have not participated in a placement of Securities by the Company in the two years preceding lodgement of this Prospectus.

2.11 APPLICATIONS FOR SHARES

Applications must be for a minimum number of 10,000 Shares (\$2,000 based on an issue price of \$0.20 per Share) and thereafter in multiples of 2,500 Shares (\$500).

If you do not understand this Prospectus, you should consult your stockbroker, accountant or other professional advisor in order to satisfy yourself as to the contents and meaning of this Prospectus. The Company reserves the right to reject any Application or to allocate any applicant with fewer Shares than the number that they have applied for.

Applications may only be made by completing the Application Form attached to this Prospectus. Applications may be made, and will only be accepted if they are made:

- on the Application Form accompanying this Prospectus; or
- on a paper copy of the Application Form which accompanies the electronic version of this Prospectus, which can be downloaded from www.armadametals.com.au.

Detailed instructions on how to complete the paper Application Forms are set out on the reverse of those forms. You are not required to sign the Application Form. It is important to note that the Corporations Act prohibits any person from passing on to another person the Application Form, unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus, whether in paper or electronic form.

Paper Application Forms, whether accompanying a paper copy of this Prospectus or an electronic version downloaded from the Company's website, must be accompanied by a personal cheque or a bank draft payable in Australian dollars drawn on an Australian branch of an Australian registered bank, or confirmation of electronic funds transfer, for an amount equal to the number of Shares for which you wish to apply, multiplied by the Offer Price (\$0.20 per Share). Cheques or bank drafts should be made payable to "Armada Metals Limited" and crossed "Not Negotiable".

Applicants should ensure that cleared funds are available at the time the Application is lodged, as dishonoured cheques will result in the Application being rejected. Applicants should return their completed Application Forms to the Share Registry by no later than 5:00pm AWST on the Closing Date.

2.12 ELECTRONIC PROSPECTUS AND APPLICATION FORM

This Prospectus will be issued in paper form and as an electronic Prospectus which may be accessed via the Company's website at www.armadametals.com.au. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the Offer Period by contacting the Company. Contact details for the Company and details of the Company's registered office are set out in the Corporate Directory at the front of this Prospectus.

The Corporations Act prohibits any person passing onto another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus or any of those documents were incomplete or altered.

2.13 PROFORMA CAPITAL STRUCTURE

The proforma capital structure of the Company is set out below, reflecting the issued and paid-up capital structure of the Company following the Completion of the Offer, both at the Minimum Subscription and Maximum Subscription. It is calculated assuming that the Company completes the Offer on the terms set out in this Prospectus, and that no further Securities are issued or Options are exercised. On Admission, the Company's capital structure will be as follows:

Table 2.4: Projected capital structure on Admission

Shares	Type	Number of Shares (Minimum Subscription)	Number of Shares (Maximum Subscription)
Existing Shares	ORD	54,000,000	54,000,000
Shares to be issued pursuant to this Prospectus	ORD	40,000,000	50,000,000
Total Shares on issue at time of Admission	ORD	94,000,000	104,000,000

The number of Options on issue at Admission are set out in Table 2.5 below.

Table 2.5: Options on issue at Admission

Number of Options	Expiry	Exercise Price	Percentage of total Securities (Minimum Subscription) ¹	Percentage of total Securities (Maximum Subscription) ¹
18,140,000 Unlisted Options	Five years after Admission of the Company to the Official List	\$0.334 per Unlisted Option	15.53%	14.25%
A minimum of 4,700,000 and a maximum of 5,200,000 Broker Options	25 months after Admission of the Company to the Official List	\$0.25 per Broker Option	4.02%	4.08%

Notes:

- This assumes that the Broker Options have been issued to the Joint Lead Managers on Completion of the Offer.*

2.14 SUBSTANTIAL SHAREHOLDERS

Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on Admission (taking into account the Shares to be issued under the Offer) are set out in the table below.

Table 2.7: Shareholders holding 5% or more of the Shares on issue at the date of this Prospectus and on Admission

Shareholder	Number of Shares currently held	Number of Options held on Admission	Number of Shares expected to be issued to the shareholder under the Offer	Expected undiluted percentage of Shares post-Offer based on the Minimum Subscription ¹	Expected fully diluted percentage of Shares post-Offer based on the Minimum Subscription ²
RED Capital Limited	15,431,932 Shares	–	568,068 Shares	17.0%	13.7%
Cobre Limited	10,000,000 Shares	3,330,000 Unlisted Options	5,000,000 Shares	16.0%	15.7%
Metal Tiger PLC	10,000,000 Shares	3,330,000 Unlisted Options	5,000,000 Shares	16.0%	15.7%
RCF Opportunities Fund L.P.	10,000,000 Shares	3,330,000 Unlisted Options	3,750,000 Shares	14.6%	14.6%

Notes:

- This is based on the Minimum Subscription of \$8,000,000 being raised based on the issue of 40,000,000 Shares and does not take into account any subscription above the Minimum Subscription. These substantial holders will be further diluted on Completion of the Offer if the number of subscriptions goes above the Minimum Subscription.*
- This assumes that all Broker Options to be issued to the Joint Lead Managers on Completion of the Offer and all Unlisted Options are exercised and converted to Shares.*

2.15 ASX LISTING

Within seven days after the date of this Prospectus, application will be made to ASX for the Company to be admitted to the Official List and for the Shares offered pursuant to this Prospectus to be granted Official Quotation under the code “AMM”. The Company is not currently seeking a listing of its Shares on any stock exchange other than ASX. If approval for Official Quotation of the Shares on ASX is not granted within three months after the date of this Prospectus (or any later date permitted by law or varied by ASIC), the Company will not issue any Shares pursuant to the Offer and will refund all Application Monies without any interest as soon as practicable (in accordance with sections 722 to 725 of the Corporations Act).

The Company will be required to comply with ASX Listing Rules, subject to any waivers obtained by the Company from time to time.

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to its Official List is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

2.16 CHESS

The Company intends to become a participant in the Clearing House Electronic Subregister System (**CHESS**), operated by ASX Settlement Pty Ltd (**ASX Settlement**), a wholly-owned subsidiary of ASX, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

Under CHESS, the Company will not issue certificates to investors. Instead, shareholders will receive a statement of their holdings in the Company. If an investor is a participant for the purpose of CHESS, ASX Settlement will send them a CHESS statement.

2.17 COMPANY'S DIVIDEND POLICY

The Board anticipates that significant expenditure will be incurred by the Company in the development of its business, as set out in Table 2.1 in Section 2.6 of this Prospectus. These high levels of expenditure are expected to last for a period of at least two years after the date of this Prospectus, during which time the Company does not anticipate that it will be generating any revenue. Accordingly, the Company does not expect to declare any dividends for the foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors, in accordance with the Constitution, and will depend on a range of factors considered relevant by the Directors, including but not limited to the availability of distributable earnings, operating results, the financial condition of the Company and future capital requirements. No assurance in relation to the payment of dividends, or franking credits attaching to dividends, can be given by the Company.

2.18 TAXATION

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial and tax advice about the consequences of acquiring Shares, both from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus. No brokerage, commission or Duty is payable by applicants on the acquisition of Shares under the Offer.

2.19 WITHDRAWAL OF OFFER

The Offer may be withdrawn at any time. In this event, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

2.20 NOT UNDERWRITTEN

The Offer is not underwritten.

2.21 ESCROW ARRANGEMENTS

ASX will classify certain existing Securities on issue in the Company as being subject to the restricted securities provisions of the ASX Listing Rules (**Restricted Securities**). Restricted Securities would be required to be held in escrow for a period of up to 24 months from Admission and would not be able to be sold, mortgaged, pledged, assigned or transferred for that period, without the prior approval of ASX. During the period in which these Restricted Securities are prohibited from being transferred, trading in Securities may be less liquid, which may impact on the ability of a Security holder to dispose of their Securities in a timely manner.

None of the Shares issued pursuant to the Offer are expected to be Restricted Securities.

The Company anticipates that on Admission, approximately 54,000,000 Shares will be classified as Restricted Securities by ASX, which on an undiluted basis, comprises approximately 57.4% of the issued Shares based on the Minimum Subscription being raised under the Offer, and approximately 51.9% of the issued Shares in the event that the Maximum Subscription is raised under the Offer.

In addition, the Company anticipates that on Admission, a further 22,840,000 Options (including Unlisted Options and Broker Options) will be either classified as Restricted Securities by ASX or subject to voluntary escrow arrangements with the Company if the Minimum Subscription is raised under the Offer, or 23,340,000 Options (including Unlisted and Broker Options) if the Maximum Subscription is raised under the Offer. On a fully diluted basis (assuming all Options are issued and exercised and that no other Securities are issued), all escrowed securities comprises approximately 65.8% of the issued securities based on the Minimum Subscription being raised under the Offer, and approximately 60.7% of the issued securities in the event that the Maximum Subscription is raised under the Offer.

The Company has entered into voluntary escrow arrangements with certain option holders, the terms of which are set out in Section 10.3.

The Broker Options will be treated as Restricted Securities for a period of two years from Admission.

Prior to the Company's Shares being admitted to Official Quotation, the Company will enter into escrow agreements with the holders of any Restricted Securities, or otherwise issue restriction notices to these holders, in accordance with Chapter 9 of the ASX Listing Rules (see Section 10.2 of this Prospectus for a summary of these escrow arrangements), and the Company will announce to ASX full details (quantity and duration) of the Restricted Securities required to be held in escrow.

The Company's free float at the time of Admission will not be less than 20%.

2.22 OVERSEAS INVESTORS

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law, and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Lodgement of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of such laws.

The Offer pursuant to an electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia.

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (**Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold in the United States or to, or for the benefit of, any "US Person" (as defined in Regulation S under the Securities Act) except pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act. Neither this Prospectus nor any Application Form or other materials relating to the Offer may be distributed in the United States.

2.23 PRIVACY

The Company, and/or the Share Registry, may collect, hold and use information about each applicant from the Application Form for the purposes of processing the Application and, if the Application is successful, to administer the applicant's shareholding in the Company.

By submitting an Application Form, each applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), ASX, ASIC and other regulatory authorities.

If an applicant becomes a shareholder of the Company, the Corporations Act requires the Company to include information about the shareholder (name, address and details of the Shares held) in its public register. This information must remain in the register even if that person ceases to be a shareholder of the Company.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

2.24 UPDATING PERSONAL INFORMATION

You can access your personal information in connection with the Company by contacting the Share Registry.

2.25 ENQUIRIES

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial advisor.

Questions relating to the Offer and the completion of an Application Form should be directed to the Company Secretary by email at vanessa.chidrawi@boardroomlimited.com.au.



3



Source: iStock image, Drilling auger used in resources exploration

SECTION 3

Company and Project Overview

3.1 COMPANY BACKGROUND AND BUSINESS OVERVIEW

The Company was incorporated on 8 April 2021 as a proprietary company limited by shares. The Company has since converted from a proprietary company to an unlisted public company on 22 July 2021, in anticipation of its proposed listing on ASX.

The Company was incorporated for the purpose of acquiring Armada Mauritius. Armada Mauritius is the holding company of Armada Gabon, which in turn holds two⁴ Tenements, covering a total area of 2,991 square kilometres in the Nyanga Province in the Republic of Gabon (**Nyanga Project**). Tenement details for the Nyanga Project are set out in Table 3.1 below.

Table 3.1: Tenement information for the Company's Nyanga Project

Tenement	Status	Holder	Granted for	Grant date	End date	Area* (km ²)
G5-150	Granted	Armada Exploration Gabon SARL	"Base metals including copper, lead and zinc"	02 July 2015	09 July 2022	1,496
G5-555	Application for renewal*	Armada Exploration Gabon SARL	"Base and precious metals"	25 April 2018	25 April 2021	1,495
GRAND TOTAL						2,991

* Application for renewal of G5-555 was lodged with the Gabon Ministry of Mines prior to the listed date of permit expiry.

The Armada Group proposes to undertake exploration activities in respect of the Nyanga Project, with the objective of proving up an economic resource and ultimately developing a mine and selling the commodity from that mine.

⁴ One Tenement, G5-555, was valid until 25 April 2021 and is currently under a renewal process: an application for renewal was lodged in due time with the Gabonese minister in charge of mines on 17 February 2021 and is still under review. See section 7.2(b) for further detail regarding the renewal risk concerning this Tenement.

3.2 COMPANY'S BUSINESS MODEL

The primary focus of the Company is to focus on mineral exploration aimed at discovering significant nickel-copper resources that have the potential to deliver growth to the Company's shareholders.

In order to achieve this objective following the Company's Admission to the Official List, the Company proposes to undertake the exploration programs outlined below and further explained in the Independent Geologist Report (see Section 5 of this Prospectus). The results of this exploration will determine the economic viability and possible timing for the commencement of further drilling, exploration activities, and potential scoping studies in due course. The results will also determine whether the Company reviews its current tenement holding and elects to reduce, or apply for new, tenement interests.

The Company's strategy and purpose for the Offer is to:

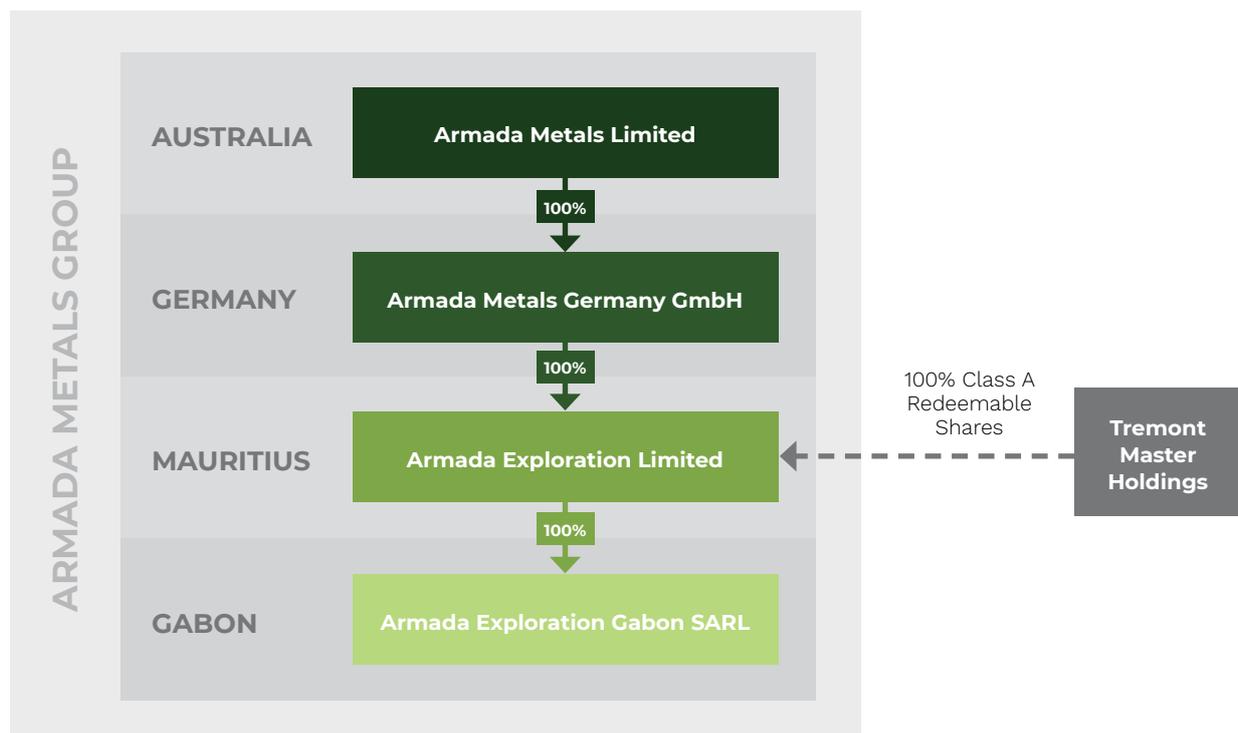
- systematically undertake exploration and evaluation of the Nyanga Project aimed at the discovery of a mineral resource within the project while systematically exploring the broader project area for additional mineral potential;
- continue to seek additional opportunities to grow or advance the projects by acquiring areas adjacent to, or surrounding, the project;
- implement a growth strategy to seek further exploration opportunities which complement the Company's focus on nickel and copper; and
- provide working capital for the Company.

To achieve these objectives, the Company proposes to undertake the exploration programs set out in section 3.5. The programs are designed to test the economic viability of the Nyanga Project, and the results will determine the commercial viability and possible timing for the commencement of further work programs, including scoping studies.

3.3 CORPORATE STRUCTURE

As at the date of this Prospectus, the structure of Armada Group is shown in Figure 3.1 below.

Figure 3.1. Corporate Structure of Armada Group



The Company is the holding company of Armada Metal Germany GmbH (**Armada Germany**), which holds 100% of the voting shares in Armada Exploration Limited (**Armada Mauritius**), which in turn holds 100% of the issued share capital in Armada Exploration Gabon SARL (**Armada Gabon**). The Tenements are held by Armada Gabon.

Given one of the Company's wholly owned subsidiaries, Armada Germany, is incorporated in Germany, the Armada Group is entitled to the investment protections contained in the bilateral investment treaty between Germany and Gabon. These include promises of fair and equitable treatment, most favoured nation treatment, fair compensation in the event of nationalisation and the ability to enforce these promises through international arbitration in a neutral forum.

Tremont Master Holdings currently holds 27,368,697 Class A Redeemable Shares in Armada Mauritius. The terms of issue of the Class A Redeemable Shares are summarised in section 10.13. No general voting rights are attached to these shares.

As at the date of this Prospectus, the Company does not hold any material legal or beneficial interest in any other entity, other than as described in this Prospectus.

The Company's Board comprises Dr Ross McGowan (Managing Director & CEO), Mr Rick Anthon (Non-Executive Director & Chairman), Mr Martin C Holland (Non-Executive Director) and Mr David Michael McNeilly (Non-Executive Director). The Company Secretary is Ms Vanessa Chidrawi from Boardroom. Further information on the Board is set out in Section 8 of this Prospectus.

3.4 OVERVIEW OF THE NYANGA PROJECT

(a) Location

The Nyanga Project is situated in southern Gabon bordering the Atlantic Coast (Figure 3.2). The Company's exploration base is in Tchibanga town, the closest urban centre to the project. There is an international airport at Libreville, and a regional airport at Tchibanga. Tchibanga can be reached by air from Libreville with chartered flights.

The principal road link to the project is through Tchibanga along the RN6 highway from the town of Ndende. Ndende can be reached from Libreville, via Lambaréné, by the RN1 highway.

From Tchibanga there is a highway link to the coastal town of Mayumba which passes through the exploration tenements. A future deep-water port is proposed for Mayumba.

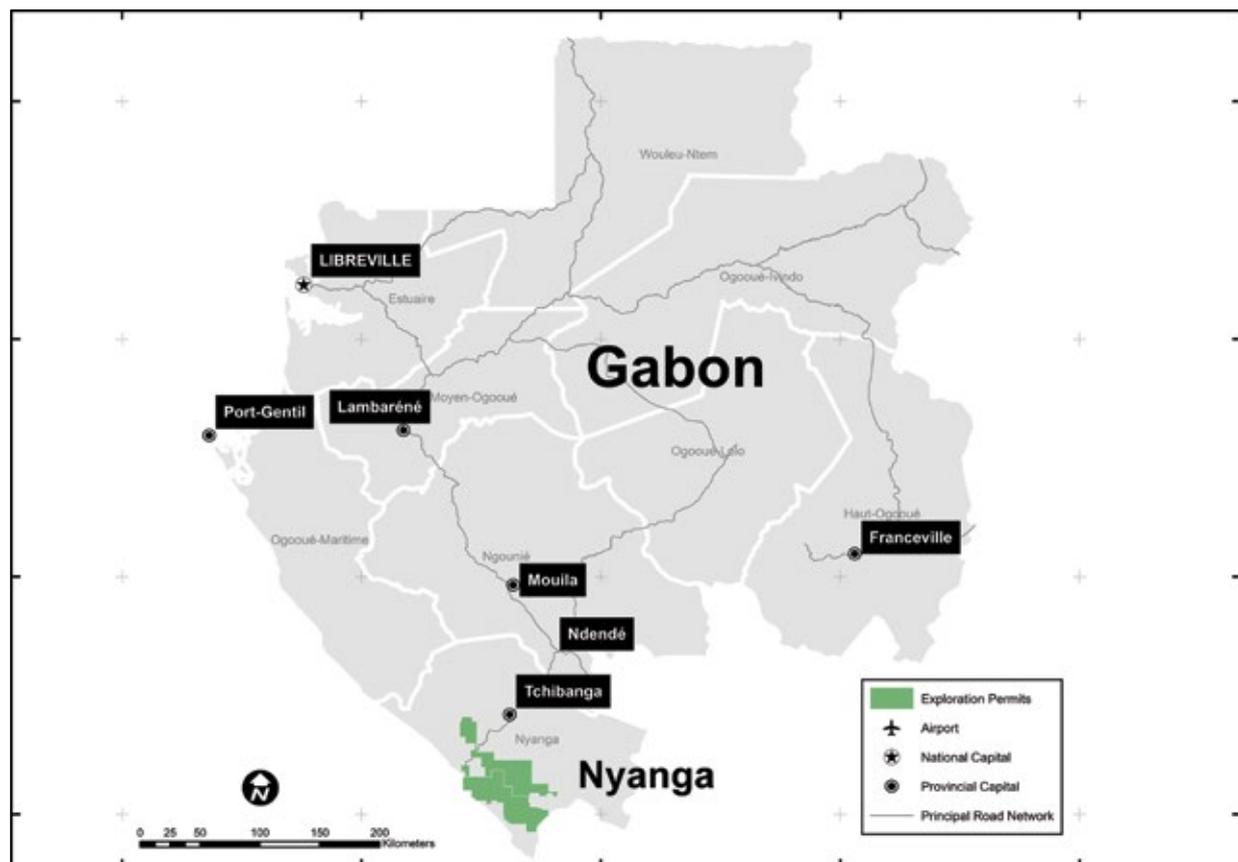
(b) Geology and Mineralisation

The Nyanga Project covers a landholding of 2,991km² and lies on the western margin of the Nyanga Basin where the basin onlaps and is also structurally juxtaposed against the Archean to Eburnian basement rocks. Much of the current geological interpretation is based on interpretation of geophysical airborne magnetic and radiometric data.

A prominent northwest-trending structure is observed within the Eburnian basement gneissic complex running through the middle of the project area, along the boundary between the Company's two⁵ Tenements (Figure 3.3). This has been interpreted as a potential fundamental tectonic break separating possible Mesoarchean micro-continental fragments.

This prominent structure has apparently controlled emplacement of a series of Neoproterozoic tholeiitic mafic-ultramafic intrusive complexes (ca 900Ma). Other buried mafic-ultramafic intrusive complexes are inferred, from interpretation of geophysical data, intruded within the Eburnian basement complex away from this prominent structure.

5 One Tenement, G5-555, was valid until 25 April 2021 and is currently under a renewal process: an application for renewal was lodged in due time with the Gabonese minister in charge of mines on 17 February 2021 and is still under review. See section 7.2(b) for further detail regarding the renewal risk concerning this Tenement.

Figure 3.2: Location of the Nyanga Project Tenements. Datum UTM WGS84 32S.

It is these Neoproterozoic tholeiitic mafic-ultramafic intrusive complexes that are the target of the Company's exploration activities for magmatic nickel-copper sulphide deposits. In all diagrams within this Prospectus, reference to 'Exploration Targets' is in reference to interpreted mafic-ultramafic intrusive complexes within the Nyanga Project area.

(c) Previous Exploration

Prior to 2016, exploration activity in the vicinity of the Nyanga Project focussed primarily on regional data acquisition and exploration for sediment-hosted base metal (copper) deposits in the Nyanga Basin sequence.

The Company is now focused on the potential for magmatic nickel-copper sulphides within the ca 900Ma mafic-ultramafic intrusive complexes within basement rocks. This represents the first exploration work focused on intrusive-hosted magmatic nickel-copper sulphides conducted in the project area.

(d) Exploration Model

The Company is exploring for intrusive-hosted magmatic nickel-copper-cobalt sulphides, with the possibility for platinum group element (PGE) by-product credits.

The probability of finding such significant magmatic nickel-copper sulphide deposits is observed to be greater in terranes that allows and focusses rapid and voluminous ascent of melted mantle rocks through the crust. Mafic-ultramafic Large Igneous Provinces (LIPs) located on the (at the time of formation) rifted margins of old, stable cratonic masses are the most favourable tectonic environments (CSA, 2021). Such structures are long-lived and have a history of multiple reactivations over time, implying they represent fundamental breaks in whole-crustal architecture. Nearly all the world's significant magmatic nickel-copper sulphide deposits are located in such tectonic regimes on cratonic margins.

Figure 3.3: Nyanga Project interpreted local geology. Datum UTM WGS84 32S.

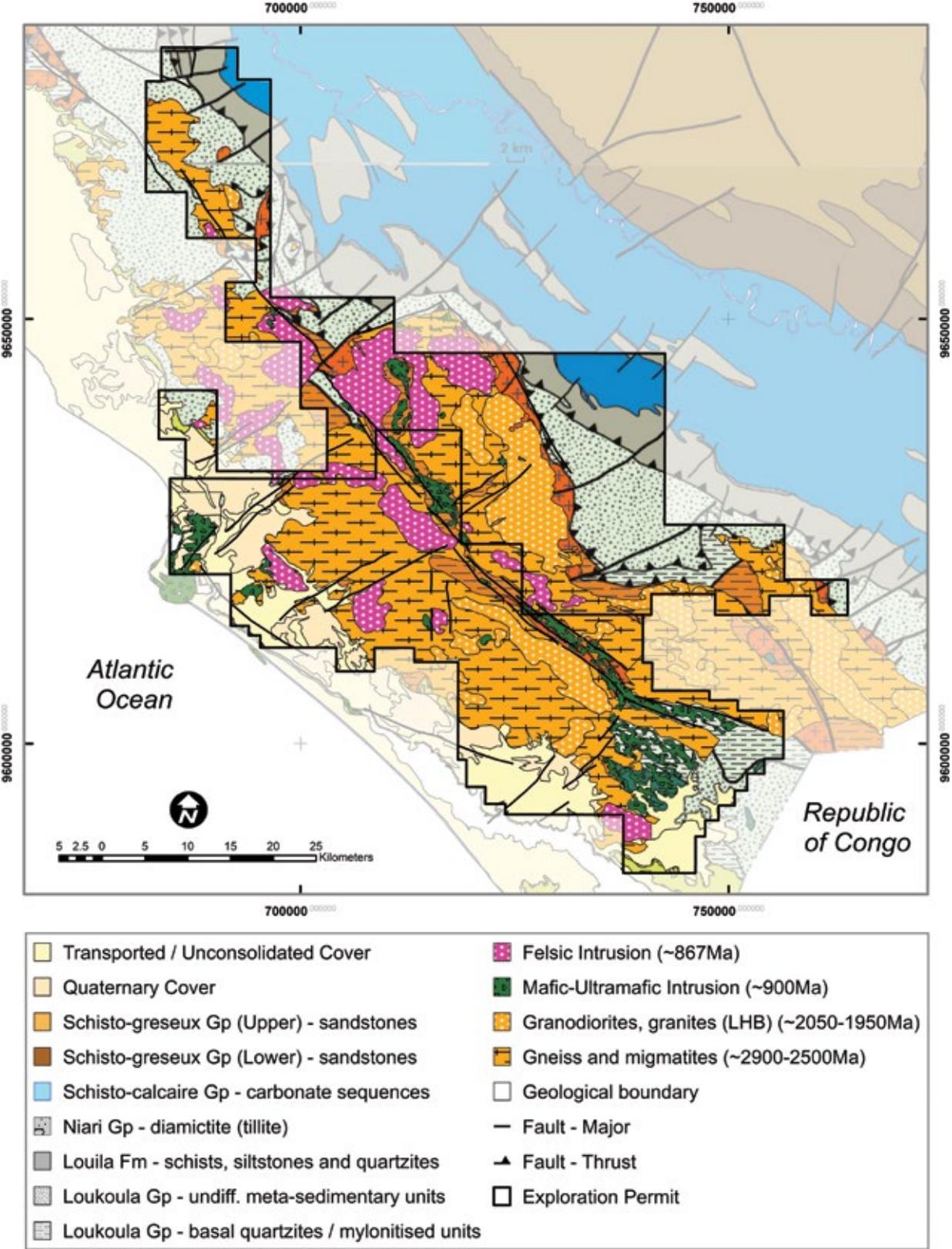
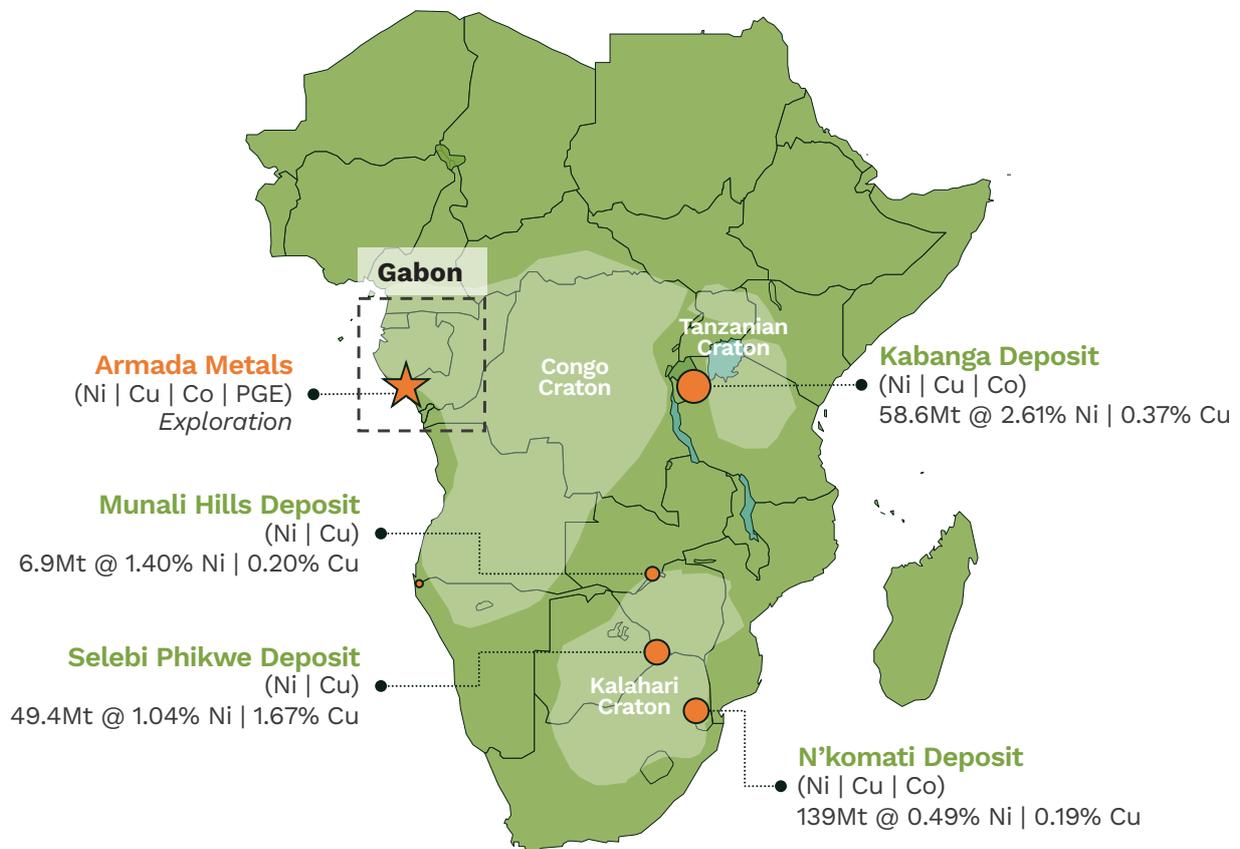


Figure 3.4: Schematic illustration of the distribution of principal known nickel-copper sulphide deposits of Africa
(Source: modified after Douwe et al. (2011)).



(e) Exploration Potential

The Company has compiled surface assay data and acquired regional areomagnetic and radiometric data and conducted its own focused programs of electromagnetic and gravity geophysical surveys to develop an exploration model for detecting intrusive-hosted magmatic nickel-copper mineralisation in the exploration tenements.

As set out in the Independent Geologist Report in Section 5 of this Prospectus, the results from the Nyanga Project to date offer strong encouragement for further exploration. The proximity to the Congo craton margin and the available high-quality geophysical datasets and significant geological and geochemical data have provided an opportunity to build a consistent and convincing exploration model based on key criteria for formation of magmatic nickel-copper sulphide deposits. The Nyanga Project consists of 18 exploration targets to be tested (Figure 3.5 and Table 3.2).

Figure 3.5: Interpreted mafic-ultramafic intrusive complexes and the Company's nickel-copper Exploration Targets, Nyanga Project (refer to Table 3.2). Datum UTM WGS84 32S.

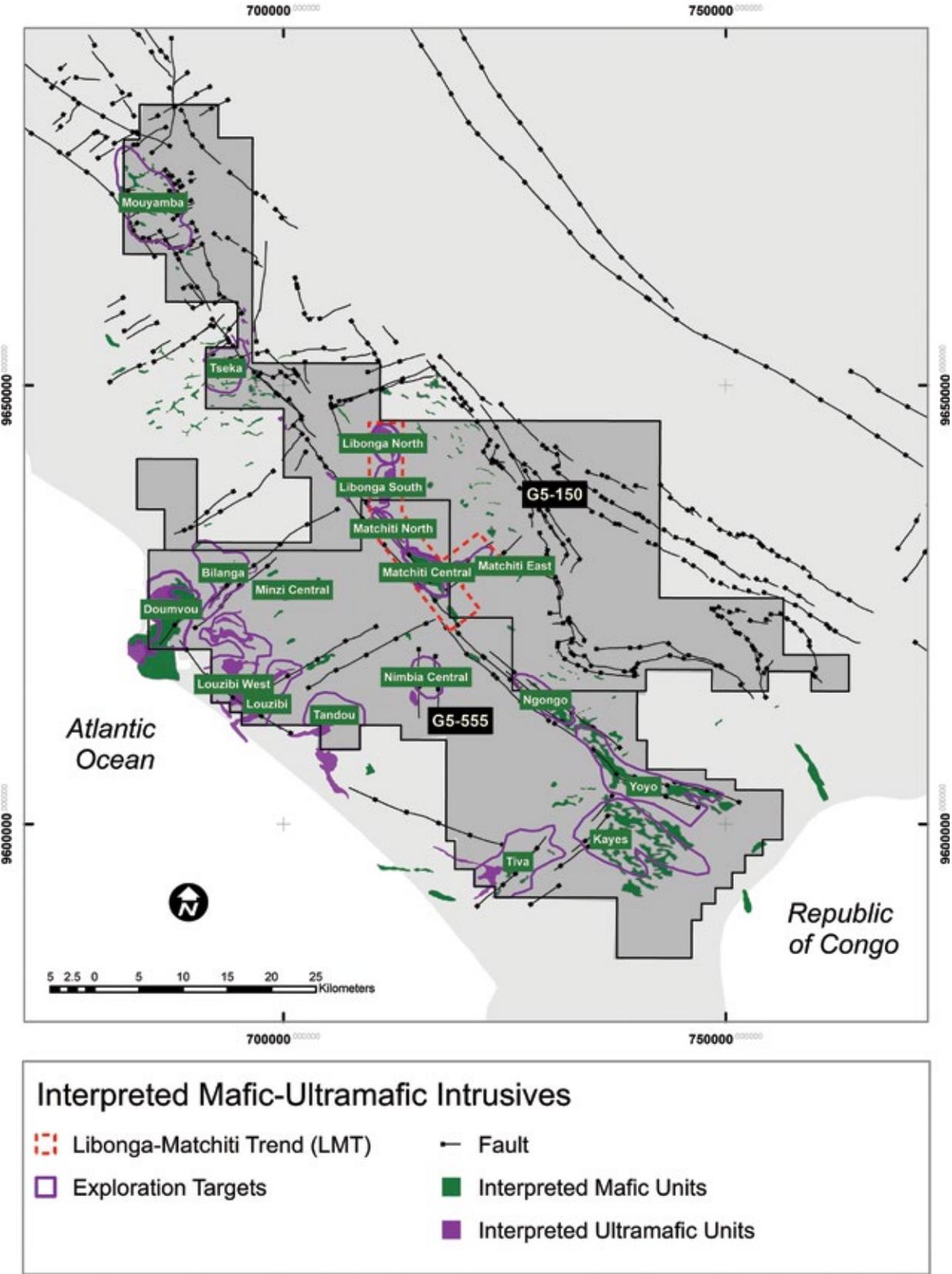


Table 3.2: Nyanga Project exploration target evaluation for mafic-ultramafic intrusive complexes. Targets identified in 2016, ranked according to results of subsequent exploration activity – black dots represent where data exists.

EXPLORATION TARGET MATURITY						
Name	Technical Rank (2021)	Magnetics & Radiometrics	Geochemical Survey	Gravity Survey	EM Survey	Identified Cu and/or Ni Mineralisation (at surface)
Matchiti Central	121	●	●	●	●	●
Libonga North	114	●	●	Partial coverage	●	●
Yoyo	106	●	●			
Ngongo	102	●	●			
Doumvou	102	●	●	Partial coverage	●	●
Louzibi	101	●				
Tandou	100	●	●			
Tiva	98	●				
Libonga South	98	●	●		●	
Tseka	97	●				
Louzibi West	95	●				
Mouyamba	95	●	●			
Bilanga	94	●	●			
Kayes	94	●	●			
Matchiti North	88	●	●		●	
Matchiti East	85	●	●		●	
Nimbia Central	82	●	●			
Minzi Central	78	●	●			

Table 3.2 details the Exploration Targets in a ranked order based on technical criteria including the results from and interpretation of regional and target scale geochemical surveys and airborne and ground geophysical data. **Matchiti Central and Libonga North rank as the highest priority targets** in the current exploration pipeline.

In March 2021, New Resolution Geophysics Pty Ltd (NRG™), South Africa, completed a helicopter-based survey using NRG™'s Xcite™ heliborne time-domain electromagnetic system (**HTDEM survey**). The survey covering an area of 203km² of the Nyanga Project, consisted of 707-line kilometres over parts of the Eburnean basement corridor, including five magmatic Ni-Cu exploration targets along the Libonga-Matchiti Trend (**LMT**) (Table 3.2).

The survey across the basement corridor has led to the identification of twenty-eight HTDEM plates, modelled using Maxwell software, by XPotential (Pty) Ltd, South Africa (Figures 3.6 and 3.7, Table 3.3). Data processing and further interpretation of the HTDEM plates has identified 14 new prominent late-time bedrock conductors (labelled A to N) which correlate with the margins of interpreted mafic/ultramafic units, defined by previous magnetic, radiometric, gravity and geological mapping and sampling programs. For detailed results from the various programs, refer to the Independent Geologist Report in Section 5 of this Prospectus.

The Geoscience Australia Layered Earth Inversions (**GALEIs**) corroborate the HTDEM plate results highlighting the priority Libonga North, Libonga South and Matchiti Central targets.

The Libonga North, Libonga South and Matchiti Central targets present moderate to high, to very high, conductors from a bedrock source (Table 3.3).

Where available, modelling and inversion of ground gravity and FALCON® data correlates well with HTDEM results, with conductors typically occurring on the margins of, or within, dense modelled sources.

The results provide further support for the district-scale Ni-Cu potential of the 25km long LMT.

It is important to note that not all conductive responses will be a result of economically significant magmatic Ni-Cu sulphide mineralisation. Certain minerals such as iron sulphides, if concentrated, respond as conductors during an electromagnetic survey; graphite, for example, will also respond. Conversely, disseminated (or dispersed) copper, nickel and iron sulphides may not respond.



NRG Xcite™ HTDEM survey completed along the Libonga-Matchiti Trend.

Figure 3.6: Xcite™ modelled HTDEM plates on gridded B-field late-time conductivity, Nyanga Project Datum UTM WGS84 32S.

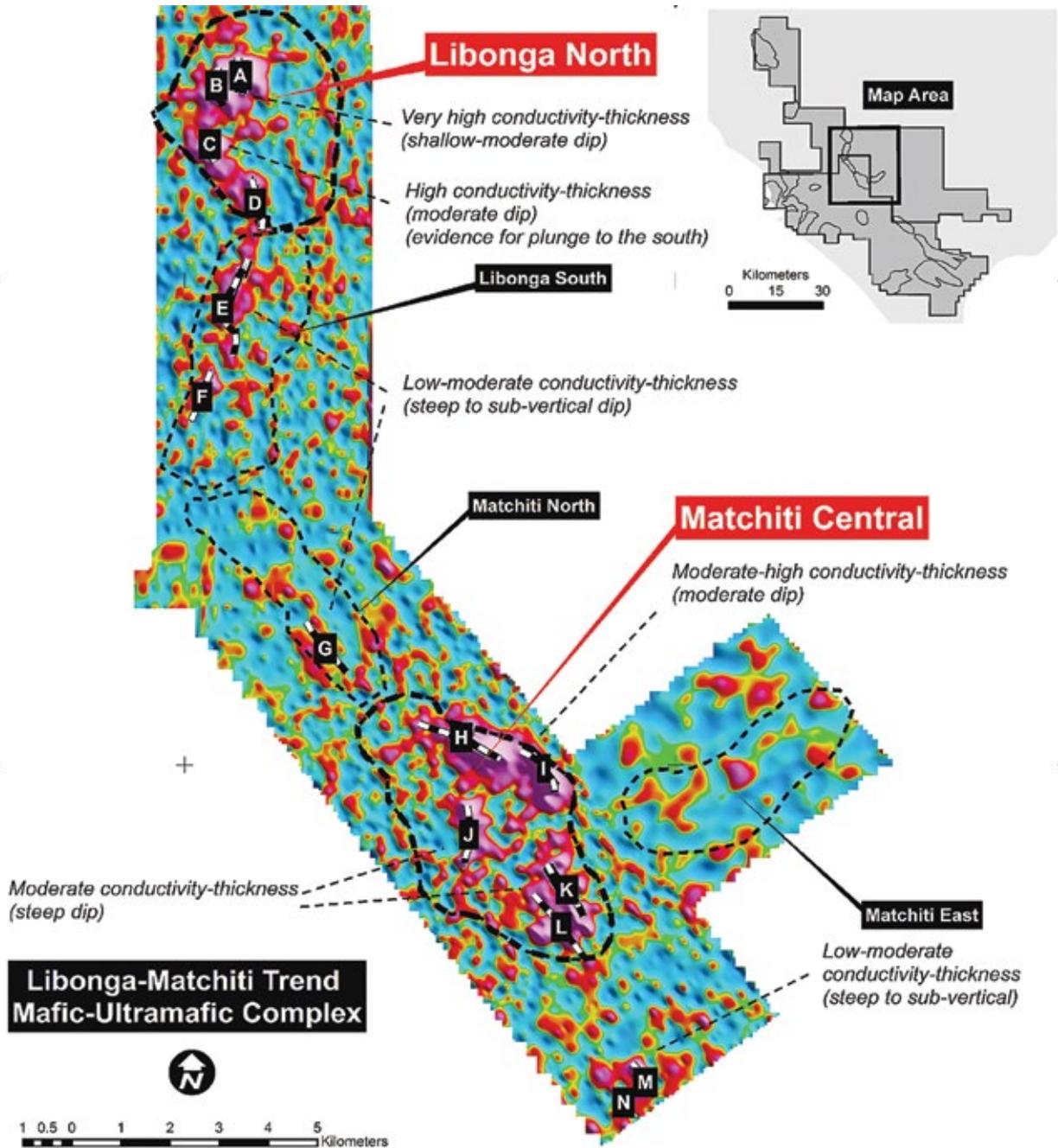


Figure 3.7: Xcite™ modelled HTDEM plates on GALEI 2D conductivity depth images, Nyanga Project (detailed descriptions of the plate results can be referred to in Table 3.3). The Libonga North, Libonga South and Matchiti Central targets present moderate, to high, to very high conductance. Datum UTM WGS84 32S.

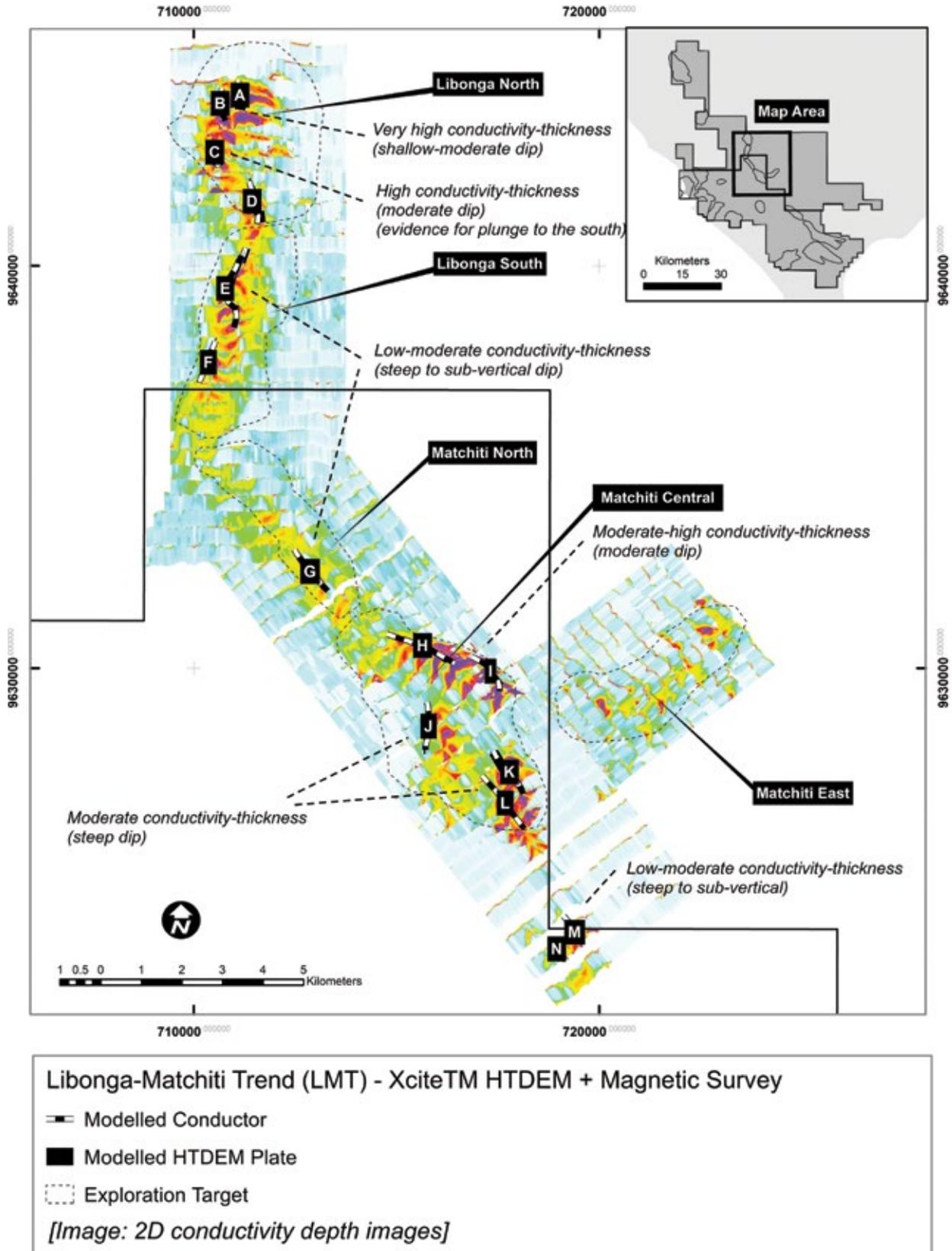


Table 3.3: Nyanga Project 2021 Xcite™ HTDEM conductivity plate modelling results.

XCITE™ HTDEM PLATE RESULTS								
Plate ID	Technical Rank (2021)	Conductance (s)	Length (m)	Depth From Surface (m)	Depth Extent (m)	Dip	Dip Direction	Modelled Conductor
X-LBN05	1	100	400	80-110	200	50	95.00	B
X-LBN04	1	100	300	80-110	200	50	90.00	B
X-LBN06	1	100	300	80-130	250	40	90.00	C
X-LBN01	1	85	250	80-130	450	30	90.00	A
X-LBN02	1	80	300	80-130	350	35	95.00	A
X-LBN03	1	80	300	80-130	300	25	100.00	A
X-LBS12	1	50	400	25-100	300	60	290.00	E
X-LBS13	1	50	400	25-100	400	65	290.00	E
X-MTC21	1	40	600	80-90	200	40	230.00	I
X-LBS14	1	35	400	25-100	250	70	260.00	E
X-LBS16	1	35	400	25-100	200	80	90.00	E
X-LBS15	1	30	400	25-100	200	65	90.00	E
X-LBN07	1	25	300	80-130	300	30	90.00	C
X-MTC20	2	35	800	40	350	60	212.50	H
X-MTC23	2	30	400	30-60	200	75	270.00	J
X-MTC24	2	25	600	10-30	400	50	60.00	K
X-MTC26	2	25	600	20	250	80	52.50	L
X-MTC22	2	25	600	30-60	150	70	272.50	J
X-MTC25	2	20	600	10-30	500	80	60.00	K
X-LBS18	3	40	300	30-40	200	90	290.00	F
X-LBS17	3	30	400	30-40	200	80	110.00	F
X-LBN08	3	25	300	80-140	200	75	270.00	D
X-LBN11	3	25	300	80-140	400	50	265.00	D
X-MTS27	3	20	400	100	400	60	235.00	M
X-LBN09	3	20	300	80-140	300	60	260.00	D
X-MTN19	3	15	800	60-70	450	70	232.50	G
X-MTS28	3	15	500	40	500	80	233.00	N
X-LBN10	3	10	400	80-140	350	40	260.00	D

3.5 PROPOSED EXPLORATION PROGRAM

The Company proposes exploration activity is prioritised to test several nickel-copper exploration targets that have been confirmed as priority targets, including Libonga North, Libonga South and Matchiti Central along the LMT.

(a) Diamond Drill Programs

Within the first year of exploration AMM propose diamond drill (DD) programs including appropriate sampling and assaying techniques on diamond drill core with multi-element assay data, and the collection of lithological and structural data for mineralisation vectoring:

- (i) Libonga North Target: a minimum of six (6) holes are planned between 100m and 400m depth. Planned hole depths are modelled from the Xcite™ HTDEM (heliborne time domain electromagnetics) and FALCON® AGG (airborne gravity gradient) data.
- (ii) Libonga South Target: a minimum of six (6) holes are planned between 100m and 400m depth. Planned hole depths are modelled from the Xcite™ HTDEM data.

Based on the results of the initial DD program, a downhole electromagnetic ('EM') survey is proposed to expand geophysical coverage at depth across the priority drilled targets in the exploration pipeline.

Diamond drill machines are planned, with helicopter support, to facilitate the operation. Programs will commence as soon as practical after the IPO.

The nature of the program in Year 2 will be dependent on the results from Year 1 in particular the ongoing reconnaissance programs. It is planned to continue infill and step-out drilling at areas delineated in Year 1. AMM will expand programs of drilling designed to test any significant geophysical anomalies identified in its follow-up downhole EM geophysical surveys.

In addition, AMM will expand programs of drilling to test any significant geophysical anomalies identified during the first year from the follow-up HTDEM survey over the other target areas.

(b) Regional Programs

The regional reconnaissance program will be ongoing throughout the first two years of exploration to systematically prioritise and advance as many targets as possible along the project pipeline. Positive results from the reconnaissance sampling and mapping will be targeted for more detailed exploration such as detailed soil geochemistry, geophysics and subsequent drilling.

(c) Permit G5-555

The proposed exploration program above and the proposed use of funds set out in section 2.6 do not account for any spending towards Permit G5-555 on the basis that renewal of the permit has not yet been granted as at the date of this Prospectus.

Should the renewal of G5-555 be granted, within the first two years of operation, exploration programs will be revisited to include work programs such as:

- (i) Drilling on the Matchiti Central target which is confirmed as an AMM priority target. Planned hole depths will be modelled from the Xcite™ HTDEM and GGG data;
- (ii) Expansion of the reconnaissance mapping and rock and soil sampling to cover targets such as Ngongo and Yoyo onto permit G5-555 where historical stream sediment and soil sampling identified nickel and copper anomalism; and
- (iii) Potential expansion of the NRG™ Xcite™ HTDEM surveys onto other targets identified within G5-555.

It is the current intention of the Company that funds raised under this Offer will be re-allocated between the proposed work programs outlined in paragraphs (a) and (b) above as well as the additional work outlined in this paragraph (c).

3.6 PROPOSED EXPLORATION BUDGETS

The Company proposes to fund its intended activities as outlined in Tables 3.4 and 3.5 below from the proceeds of the Offer. It should be noted that the proposed budget will be subject to modification on an ongoing basis depending on the results obtained from exploration undertaken.

A two-year combined exploration budget of \$6,410,000 has been outlined based on the Minimum Subscription of \$8,000,000 being raised under the Offer, with that figure increasing to \$7,890,000 based on the Maximum Subscription of \$10,000,000 being raised under the Offer. The proposed exploration budget has been reviewed in the Independent Geologist Report contained in Section 5 of this Prospectus.

This will involve an ongoing assessment of the Nyanga Project and may lead to increased or decreased levels of expenditure on certain interests, reflecting a change in emphasis. Subject to the above, the proposed budget in Tables 3.4 and 3.5 take into account the proposed expenses over the next two years to complete initial exploration of the Nyanga Project.

Table 3.4: Proposed exploration budget for the Nyanga project – Minimum Subscription of \$8,000,000

Program	A\$8m Raising		
	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
In-country support	360,000	380,000	740,000
ESG	30,000	80,000	110,000
Drilling	1,370,000	1,940,000	3,310,000
Assaying and Sampling	120,000	170,000	290,000
Geophysics	200,000	500,000	700,000
Regional Geochemistry	110,000	200,000	310,000
Studies	–	120,000	120,000
Operations / Field Support	370,000	460,000	830,000
Total	2,560,000	3,850,000	6,410,000

Table 3.5: Proposed exploration budget for the Nyanga Project – Maximum Subscription of \$10,000,000

* Drilling costs are calculated as all-in costs, including helicopter support, and excluding sampling and assaying

* Operations / Field Support includes costs for personnel, helicopter support for drilling, generative and targeting studies and interpretations of geophysical and geochemical data

Program	A\$10m Raising		
	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
In-country support	360,000	380,000	740,000
ESG	30,000	120,000	150,000
Drilling	1,370,000	2,730,000	4,100,000
Assaying and Sampling	120,000	260,000	380,000
Geophysics	500,000	590,000	1,090,000
Regional Geochemistry	200,000	240,000	440,000
Studies	–	120,000	120,000
Operations / Field Support	370,000	500,000	870,000
Total	2,950,000	4,940,000	7,890,000

* Drilling costs are calculated as all-in costs, including helicopter support, and excluding sampling and assaying

* Operations / Field Support includes costs for personnel, helicopter support for drilling, generative and targeting studies and interpretations of geophysical and geochemical data

The proposed exploration budgets set out in Table 3.4 and 3.5 above exceed the annual minimum expenditure commitments across the Tenements.

3.7 CURRENT CAPITAL STRUCTURE AND SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at the date of this Prospectus, the capital structure of the Company, and particulars of its substantial shareholders, as well as Unlisted Option holders, are set out in Table 3.6 below.

Table 3.6: Capital structure of the Company at the date of this Prospectus

Security holder	Shares	% of Shares	Options ¹	% of Options
RED Capital Limited	15,431,932	28.60%	–	–
Cobre Limited	10,000,000	18.50%	3,330,000	18.35%
Metal Tiger PLC	10,000,000	18.50%	3,330,000	18.35%
RCF Opportunities Fund L.P.	10,000,000	18.50%	3,330,000	18.35%
Other shareholders of the Company	8,568,068	15.90%	–	–
Dr Ross McGowan	–	–	2,000,000	11.03%
Holland International Pty Limited ATF Holland Family A/C (an entity associated with Mr Martin C Holland)	–	–	1,300,000	7.17%
Mr David Michael McNeilly	–	–	1,300,000	7.17%
Mr Rick Anthon	–	–	500,000	2.76%
Mr Thomas Rogers	–	–	1,100,000	6.06%
Mr Thomas Pucheu	–	–	500,000	2.76%
Sissian International Pty Limited ATF the Sissian Family Trust	–	–	1,300,000	7.17%
Tremont Master Holdings	–	–	150,000	0.83%
Securities on issue at the date of this Prospectus	54,000,000 Shares	100%	18,140,000 Options	100%

Notes:

¹ This table shows the numbers of options currently held by the relevant option holders which may be exercised on and from admission.

4



Source: iStock image, Libreville Harbour in Gabon West Africa

SECTION 4

Industry Overview

Consulting

Nickel and Copper industry report for IM / IPO Support

Prepared for Armada Metals Limited

08/05/2021

CRU Reference: ST2335-21

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Nickel

Demand

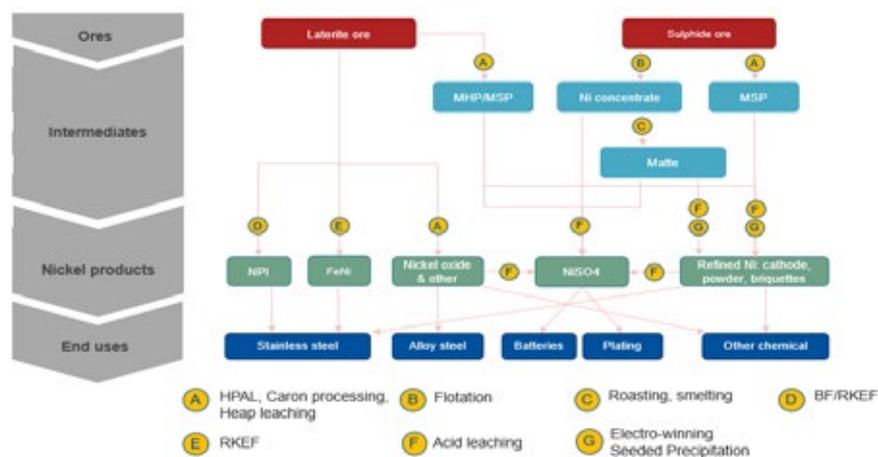
Key demand drivers

Nickel is a metal with its most valuable properties in its hardness and resistance to oxidation and high melting point. Nickel typically occurs in combination with other metals, predominantly copper, iron and cobalt. Sulphide nickel ore has historically provided the majority of primary nickel production, alongside laterite ore, which provides the remainder. Primary nickel is extracted from these two types of ore and then processed into various finished nickel products. These include refined nickel cathodes, briquettes, or pellets and various nickel chemicals, which are sometimes collectively referred to as Class 1 nickel, as well as ferronickel and NPI (Nickel Pig Iron), referred to as Class 2 nickel.

Finished nickel products are primarily used as an alloying agent in the production of stainless steel, superalloys,¹ and a variety of nickel-copper alloys, as well as plating material on steel and plastics.

The type and composition of the ore will impact the processing route chosen to produce those useable finished nickel products. Sulphides typically undergo pyrometallurgical processing, whilst laterites being converted into non-stainless end products are hydro-metallurgically processed, as illustrated in the value chain diagram below.

Figure 1: Value-Chain of nickel industry

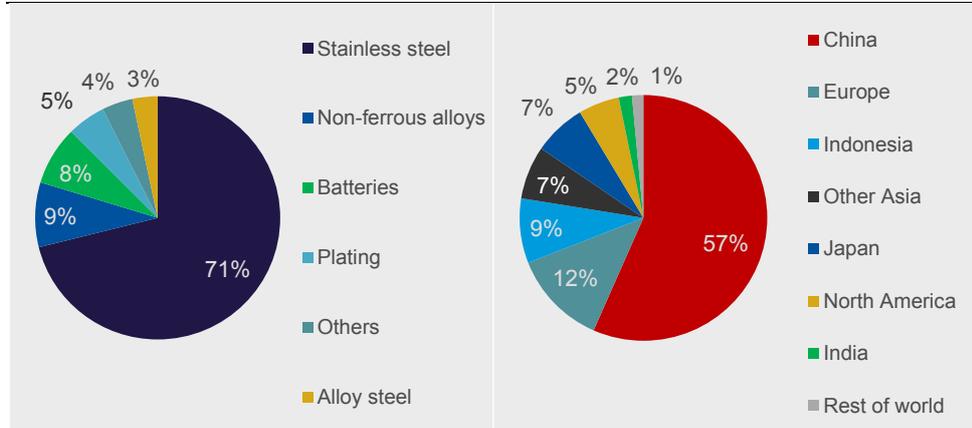


In 2020, stainless steel accounted for 71% of nickel demand, as shown in the figure below **Error! Reference source not found.** Compared to historical levels, this proportion of stainless steel applications is high. The past decade has seen the share of stainless steel increase by 5% from a 66% share in 2011, and has been driven mainly increased production of stainless steel in China and Indonesia in recent years, where production of NPI has

¹ A superalloy, or high-performance alloy, is an alloy with properties such as excellent mechanical strength and resistance to creep, oxidation and corrosion at high temperatures. These properties make the materials suitable for use in aerospace and power industries – e.g. as turbine blades. Nickel is not necessarily a major constituent of all superalloys, but nickel-based superalloys are the most common.

boomed. China – as the largest producer of stainless steel – is the largest consumer of nickel, accounting for 57% of global nickel demand in 2020. This is followed by Europe, Indonesia, Other Asia (mainly South Korea, India and Taiwan) and Japan.

Figure 2: Nickel demand by end-use (LHS) and by region (RHS) in 2020, %



Data: CRU.

Non-stainless applications

Other than stainless steel, nickel is also used in a wide variety of applications, which together accounted for the remaining 29% of global Ni demand in 2020.

Batteries

In 2020, batteries accounted for 8% of nickel demand, or 187 kt Ni contained. The battery sector is expected to grow dramatically in the coming years and will account for 18% of nickel demand by 2025, driven by increased adoption and production of electric vehicles (EVs). Nickel sulphate is a key raw material in the lithium-ion batteries (LIBs) that power EVs, typically as part of the cathode chemistries ‘nickel-manganese-cobalt (NMC)’ and ‘nickel-cobalt-aluminium (NCA)’; and within these, NMC batteries are steadily becoming more nickel-intensive, as this increases energy density while reducing total raw material costs (through cobalt substitution).

Non-ferrous alloys

The majority of so-called ‘superalloys or high-performance alloys have nickel as the predominant alloy, with smaller components of chromium, molybdenum, cobalt, iron, manganese and copper, amongst others. These alloys are used for their outstanding corrosion and high temperature resistance, in applications such as nuclear and chemical reactors, gas turbines, and in aerospace. Copper-nickel alloys have been used for many years to handle water and seawater, alloys with 10% and 30% nickel are used widely for seawater pipework and heat exchangers. Non-ferrous alloys were the second largest contributor to Ni demand, accounting for 9% or 205 kt Ni contained of total demand in 2020. The best-known category of non-ferrous alloys are the ‘superalloys’, which exhibit outstanding corrosion and high-temperature resistance. Superalloys are used in the most extreme conditions, such as jet engine turbines and power station turbines, which value high-temperature and corrosion resistance.

Plating

Electroplating provides corrosion and wear resistance to the underlying substrate. In addition, it can also provide a smooth basis for a top coating of another decorative material, e.g., chromium and gold. Electroforming using nickel can reproduce extremely fine detail which

can be used in plastic moulding operations e.g., for DVD pressing. Actual components can also be produced, e.g., rotary printing screens.

In 2020, plating accounted for 5% of nickel demand or 121 kt Ni. Nickel is used in electroplating where a thin layer of nickel is plated onto a metal object to provide corrosion and wear resistance, for decorative purposes or to build up worn parts for salvage purposes. Nickel sulphate is often used in plating steel and plastics.

Alloy steels

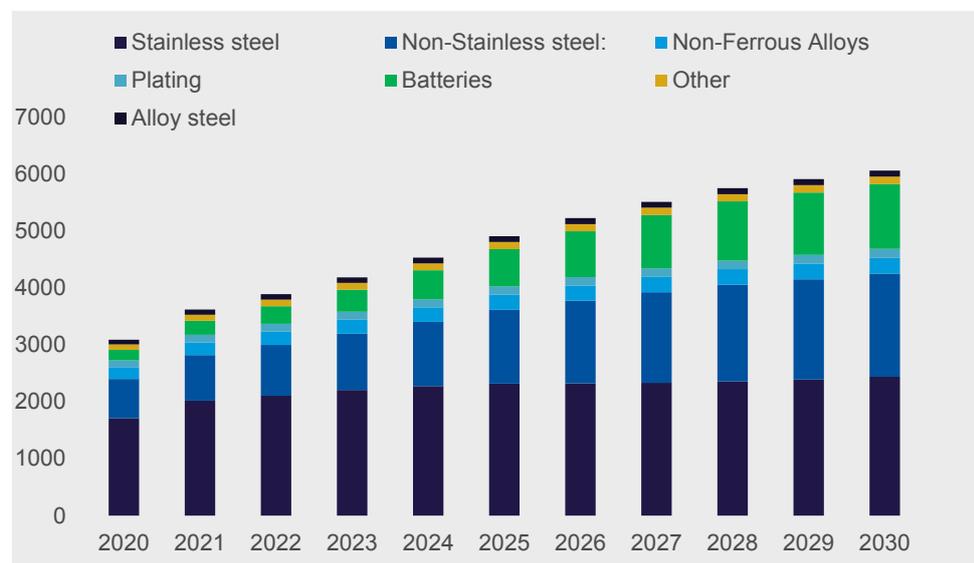
Nickel is an important alloying addition to low-alloy steels, improving strength and toughness whilst retaining good ductility in engineering components such as gears and transmission shafts. Nickel may also be added to alloy steels to make them suitable for cryogenic applications, as well as to produce high-strength steels and tool steels. In 2020, alloy steels contributed the least to nickel demand of the major applications, accounting for 3% of the total market, or 81 kt Ni. Nickel is an important alloying addition to steel as it improves strength and toughness whilst retaining ductility

Medium term forecast for end-use sectors

In the figure below, we provide our medium term forecast for primary nickel demand by end-use sector. Overall, we see strong growth in nickel demand globally over the forecasted period from 2.4 Mt kt in 2020 to 3.6 Mt in 2025 at a CAGR of 8.5%.

The majority of this growth is from non-stainless applications in both absolute and relative terms with the sector seeing a large increase at a CAGR of 13.4% over the forecasted period. The key stand-out factor of this graph is the growth of batteries. While batteries only represent a small source of demand of primary nickel in absolute terms in 2020, we expect to see a massive CAGR of 28.6% to 2025, this will be discussed in more detail below.

Figure 3: Primary nickel consumption by end-use sector, ('000 tonnes)



Data: CRU

Nickel consumption in stainless steel

The medium term outlook for nickel consumption in stainless steel is positive, supported by income growth in developing economies, strong growth expectations in most end-use sectors and a low risk of substitution from mild steel or cast iron due to the higher resistance to

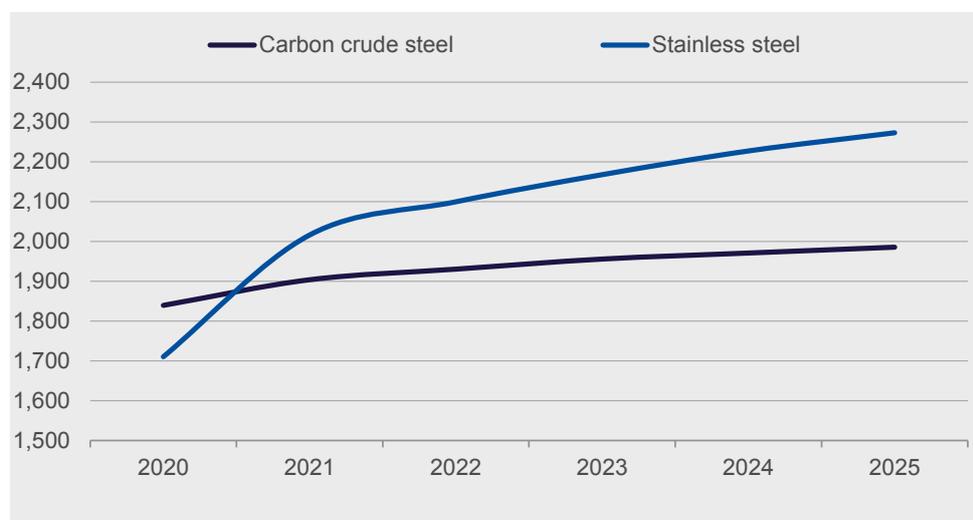
staining, corrosion and rust of stainless steel. We forecast demand to grow at a CAGR of 6.3% between 2020 and 2025, increasing from 1.7 Mt to 2.3 Mt. Interestingly, while stainless steel accounts for only 2.5-3.0% of total steel output in volume terms, this sector accounts for roughly 8-10% of total value in the steel sector, depending on prices for raw materials including nickel.

Global consumption of stainless steel by volume has more than doubled since 2000 and rose from 5.1 to 7.6 kg/capita during 2010 – 2020. While a large part of the growth can be traced to the rapid transformation of China from a low-income to a middle-income country (consumption intensity rose from 9.0 kg/capita to 18.3 kg/capita in the past decade), demand has also been growing in other developing economies as well as in developed economies.

Stainless steel demand has grown at an average annual rate of 5.7% over the last 20 years, compared to 4.3% for carbon steel. Compared to carbon steel, most of the end uses for stainless steel, such as household products, automotive and food processing, continue to grow well into the late stages of economic development. This differential is expected to broaden going forward, and the growth rates in developing countries will likely be higher than in developed countries.

Despite these positive trends for stainless steel, it should be noted that the share of primary nickel consumption for stainless steel production will actually reduce over the forecasted period from 71% in 2020 to 64% in 2025. This is due to a surge in consumption of nickel for non-stainless steel applications, which will be discussed in the next section.

Figure 4: Stainless steel and carbon steel demand, kt



Data: CRU

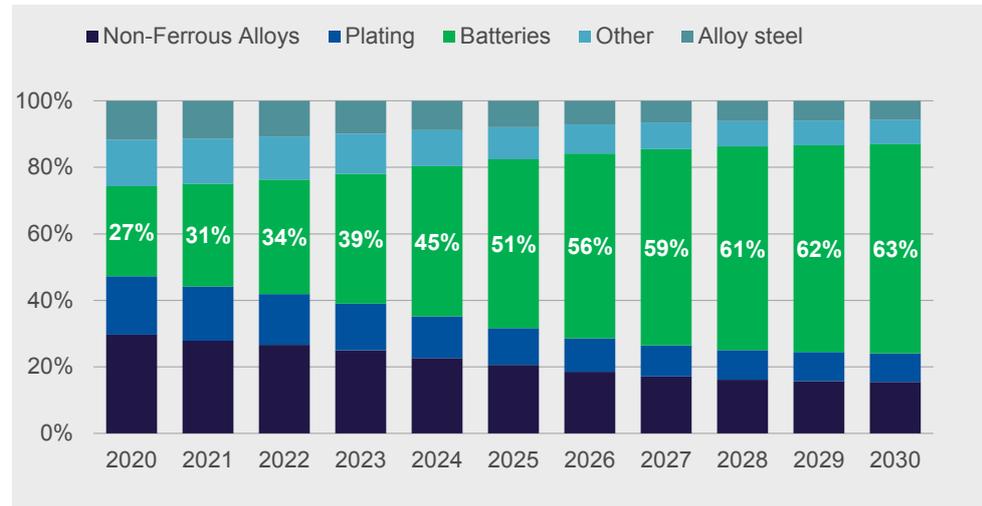
Nickel consumption in non-stainless steel applications

Nickel is used in a wide variety of applications other than stainless steel, which together account for around 1/3 of global nickel demand. Primary nickel demand in non-stainless steel applications includes alloy steel, non-ferrous alloy, plating, and batteries. The main growth within the non-stainless area is expected to come from the battery sector on the back of increasing penetration of electric vehicles in the automotive sector. Global demand in these sectors is expected to grow from 0.7 Mt in 2020 to 1.3 Mt in 2025, a CAGR of 13.4%.

The following chart shows CRU's forecast of demand for primary nickel in non-stainless broken down by end-use and their market shares. While today, non-ferrous alloys constitute the largest sector for nickel use outside of stainless markets, this will change over the forecast

period given our expectations for nickel demand growth from batteries. Nickel consumption to produce batteries is the primary driver of demand growth for nickel over the forecasted period going from 187 kt in 2020 with a 27% share of the non-stainless sector to 1,139 kt in 2030 with a 63% share.

Figure 5: Nickel consumption in non-stainless steel applications by sector, %



Data: CRU

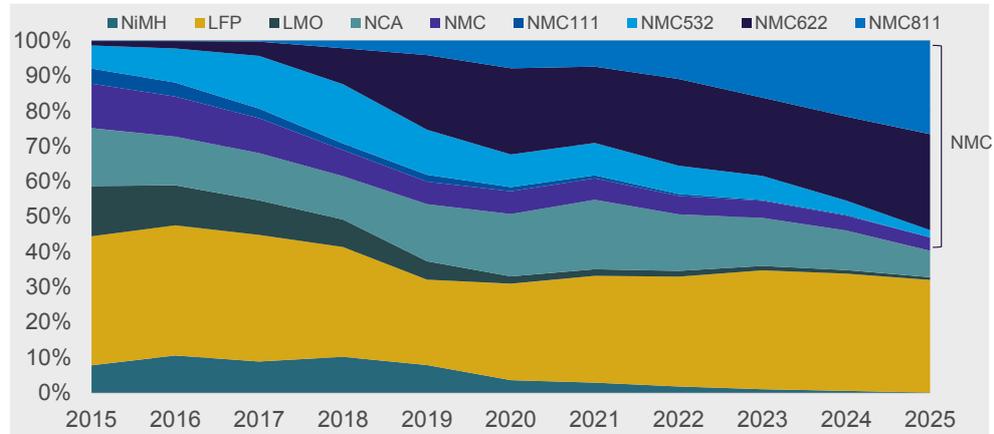
Battery chemistries used in the EV sector can be broadly split into two categories: nickel-based and non-nickel-based.

- Nickel-based battery chemistries comprise an anode which is made up of mostly nickel, with other elements added to improve thermal stability and conduction properties. The main types used in the EV sector are NCA (nickel-cobalt-aluminium, used almost exclusively by Tesla) and NMC (nickel-manganese-cobalt, used by the rest of the BEV sector).
- Non-nickel-based battery chemistries are typically cheaper and safer than nickel-based batteries, but at a cost of much lower charge densities. This makes them unfavourable for current-generation BEVs as they have a much lower driving range. Examples include LFP (lithium-iron-phosphate, traditionally widely used in the Chinese BEV sector) and LMO (lithium-manganese-oxide, used in prior-generation Nissan LEAFs).

NMC 532 and NMC 622² are rapidly becoming the industry standard within the EV industry due to their high range, ease of manufacture and thermal stability. However, there is a continued push to develop NMC 811 battery chemistries which benefit from a lower cobalt content and a higher energy density. By 2025 >70% of battery demand in the e-mobility space will be for NMC battery, particularly NMC622 and NMC811.

² The numbers refer to the proportions of metals used to make the batter. For example, NMC532 contains 5 parts nickel, 3 parts manganese, 2 parts cobalt.

Figure 6: Nickel intensive NMC batteries to gain large market share, %



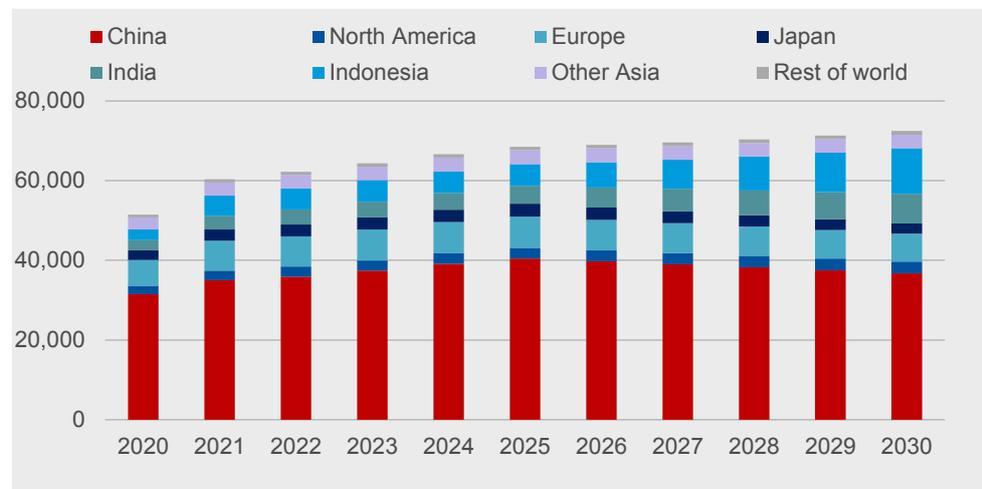
Data: CRU

For non-battery uses, we also expect to see respectable growth, driven by increased development globally. Nickel consumption in non-ferrous alloys is expected to grow from ~20 kt in 2020 to ~280 kt in 2030 at a CAGR of 3.2%. Plating is expected to grow from ~120 kt in 2020 to ~160 kt in 2030 at a CAGR of 2.6%. Alloy steel is expected to grow from ~80 kt in 2020 to ~110 kt in 2030 at a CAGR of 2.7%. Lastly, nickel demand for use in other applications are expected to grow from ~100 kt in 2020 to ~130 kt in 2030 at a CAGR of 3.2%.

Overview of the size of the market by region

In the figure below, we see global nickel demand by region. As discussed previously, global demand is set to surge in the medium term, a trend which is consistent across the regions identified. Asia is the dominant region for nickel demand, accounting for 80% of demand in 2020, a figure that will grow to 86% by 2030. Much of this demand is from China, who alone accounts for 57% of demand in 2020. In absolute terms, demand growth from China is the most significant factor for the broader nickel market. However, in relative terms, India, Indonesia and Japan are also significant markets to look out for, given their large CAGR across our forecasted period. North America and Europe’s stainless industries do not consume much primary nickel consumption due to their low primary nickel ratios, due to a high rate of scrap usage of 74% and 63% respectively.

Figure 7: Global Primary nickel demand by region, ('000 tonnes)



Data: CRU

China

China has seen two decades of huge growth in stainless steel demand and production as the country developed. It has now reached the later stages of economic development and the growth rate of stainless steel has peaked, which will feed through to nickel demand in stainless steel production over the medium term.

In comparison to other producers in regions such as the USA and Europe, where scrap consumption of nickel in stainless steel production is high, China relies much more heavily on primary nickel supply, with a recycling rate of around 21%. China has a disproportionately low volume of stainless steel recycling because most stainless steel goods consumed in China have yet to reach the end of their useful lives. Moreover, historically China has exported large volumes of goods containing stainless steel. The obsolete scrap consumed in such goods in China will therefore end up in the scrap pool of China's trading partners rather than in China itself. Eventually, given the size of its market, China will also increase its collection of reclaimed scrap as recent production reaches the end of its useful life cycle. However, over the medium term, China will remain dependent on primary nickel supplies to feed demand.

China's economy has also performed well following the fallout from the Covid-19 pandemic. Nickel demand from the battery sector has remained firm as EV sales in China expand. China is seeking to decarbonise by 2060 and nickel will play an important role in that goal. During 2021 Q1, EV sales were up 355% y/y. This growth is being fuelled by demand for cheap, low range models. This growth is promising; however, we do not expect to see a dramatic shift in total demand of nickel towards batteries over the medium term.

CRU forecasts demand for primary nickel in China to grow from 1.4 Mt in 2020 to 2.0 Mt in 2030, a CAGR of 4.1%. This growth, while respectable is lower than the global CAGR of 6.2%, indicating a slowdown in Chinese demand over the medium term as other regions begin to take up a higher market share.

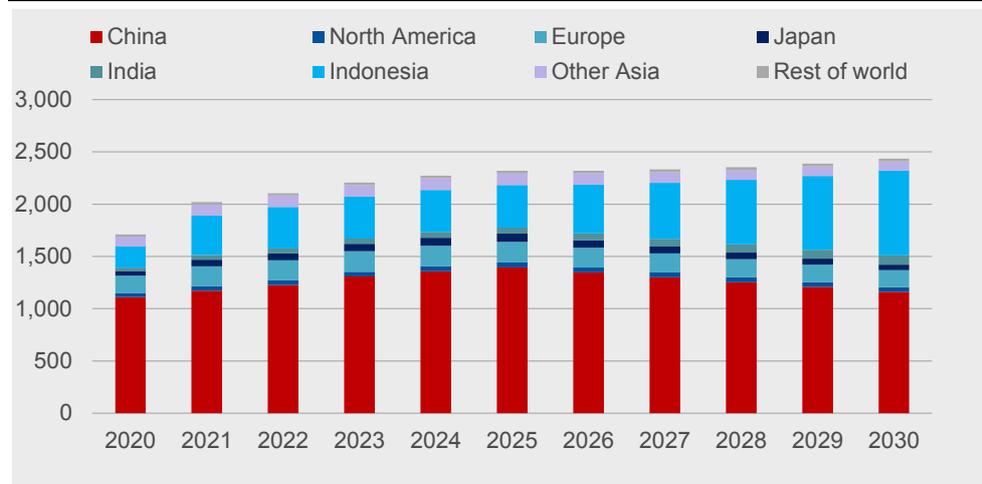
Indonesia

Indonesia's primary nickel consumption is set to grow at a rapid rate over the forecasted period. CRU believes that in the long term, Indonesia will account for the vast majority of primary nickel demand growth for stainless steel. Indonesia is regarded as a steel market with huge potential. Rising labour costs in China are pushing many Chinese steel producers

to offshore production, with the main beneficiary being Indonesia. Indonesia is attractive due to its large mineral reserves and production of nickel, large population and potential for growth, making stainless steel production in the country potentially very lucrative and attractive. Chinese companies have been establishing large stainless steel capacities in Indonesia, and they are the second largest consumer of nickel for stainless production in the world, after China.

Expanding Indonesian stainless steel production will have a high average nickel content and be fed almost exclusively by primary nickel, which explains why total nickel consumption in Indonesian stainless steel production will increase from ~200 kt in 2020 to ~800 kt in 2030 at a CAGR of 15%.

Figure 8: Primary nickel consumption in stainless steel production, kt



Data: CRU

Other regions

In Europe, restocking together with strong end-use demand has supported the continued recovery in stainless production since the start of 2021. As stainless prices have increased and lead times have extended, even more stainless orders have been placed by consumers to ensure security of supply in the coming months. European stainless production in 2021 Q1 is forecast at 1.86 Mt, above pre-Covid-19 levels. Subsidies have also spurred sales of EVs in Europe, driving up sales 144% y/y in 2020 to 1.36 million units, making it now the largest plug-in market. This is unlikely to last as the generous subsidies are scaled back, resulting in slower growth in Europe than what we have seen. Combined with the high scrap rates, as mentioned, primary nickel growth is much lower in Europe, reaching a peak ~390 kt by 2025, which will then drop to ~370 kt in 2030 from ~310 kt in 2020, a 2020-2030 CAGR of 1.9%.

In the USA it is a similar story to Europe, with improving demand from construction and automotive sectors leading to a strong recovery in production. There are also signs of strengthening nickel demand from the energy sector, driven by both higher oil prices and increasingly bullish oil market sentiment. Indeed, oil prices have continued their rise ahead of the summer, a seasonally strong time of the year, as travel restrictions are lifted and consumers in the USA expect to move freely during that time. EV penetration in USA is not particularly high and scrap rates are likewise high. This results in primary nickel demand to grow from ~130 kt in 2020 to ~190 kt in 2030 at a CAGR of 4.2%.

Supply

In general, nickel ore types, depending on ore chemistry and depth can be divided into laterite ores (limonite, saprolite); silicate type ore (nontronite, smectite); and sulphide type ore. The metal grade of sulphide deposits will largely depend on factors like nickel and sulphur content in magma, magma composition (ultramafic rocks are higher in nickel), massive to disseminated ore ratio (massive higher in nickel) and the proportion of pentlandite to pyrrhotite (millerite addition driving very high ore grades). Mainly sulphide deposits are mined by underground workings, with some open pit operations while all laterite deposits currently are operated as open pit mines. The processing of sulphide ores is known as pyrometallurgy, and copper (Cu) is often a by-product or co-product.

Historically, the bulk of production has been derived from sulphide ores, while the majority of nickel resources are contained in laterite ores. The main difference between the two resources is mainly due to the difficulty associated with the processing of laterite ores in comparison to sulphide ores. Further, the extraction and processing of laterite ore have a higher environmental impact. As a result, there were historically, very few mining projects extracting laterite ores, many of whom saw significant technical and financial difficulties. However, we have seen improvements in technology that has made the extraction more attractive. Laterite ores have gained production share as a result of increased nickel demand and the higher level of reserves, which is unable to be met by sulphide ore deposits.

Figure 9: Nickel ore characteristics and extraction

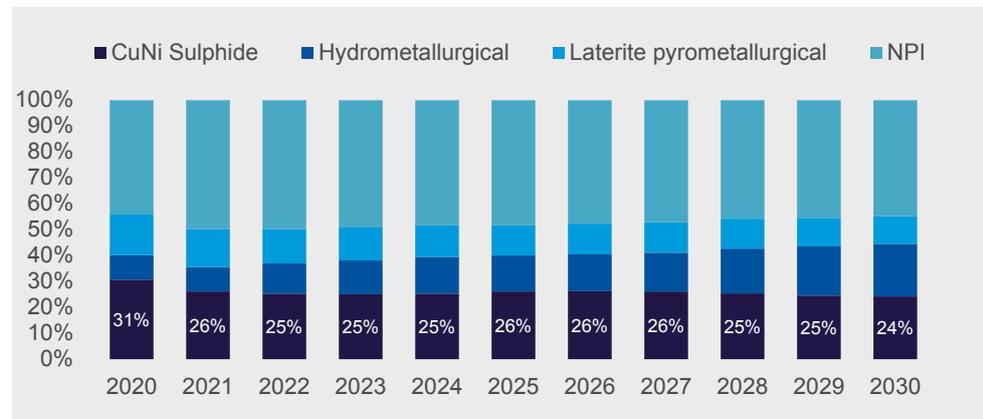
		Grade	Complexity	Mine size	Mining method
29%	 Sulphide ore	2.8 % Ni	Disseminated sulphides are high in magnesium. Grade will depend on mineralogy, i.e. Millerite (>60% Ni) can increase the avg grade. They can occur at a variety of depths.	5,000-250,000 Nickel metal	Mainly underground with some mix of open pit, depending on the depth of the deposit. The underground methods include cut & fill, open stoping and recently block caving.
71%	 Laterite ore	1.4 % Ni	Laterites differ mainly in terms of iron and magnesium content. Saprolites being the high Mg and low Fe; Limonite the high Fe and lower Mg; and nontronite averaging in between. They often occur relatively close to the surface but are also suspected of being found in deep-sea floors.	10,000-70,000 Nickel metal	All current laterite mines are mined via open pit mining methods. The weathering typical to lateritic ore is common for equatorial zones and is often present close to the surface.

Global reserves

Data: CRU

As shown in the graph below, CuNi Sulphide ore is set to lose market share over laterite ores from 31% in 2020 to 27% in 2025. This is driven by an increase in low-grade laterite NPI production. Global CuNi sulphide production is forecasted to increase from 769 kt in 2020 to 1,003 kt in 2030 at a CAGR of 2.7%, while laterite NPI production is forecasted to increase from 1,104 kt in 2020 to 1,850 kt in 2030 at a CAGR of 5.3%.

Figure 10: Global refined nickel production by ore type, % market share



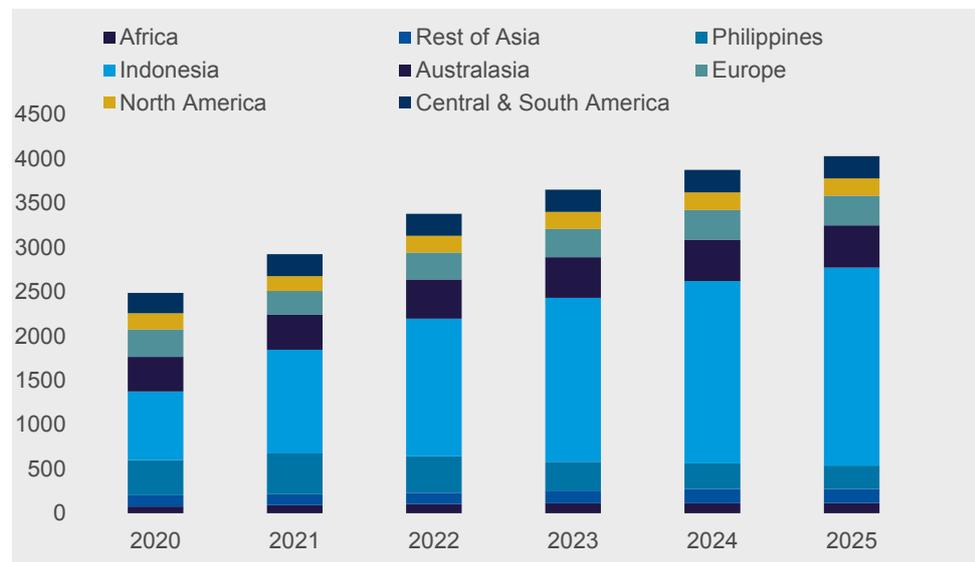
Data: CRU

Key supply drivers

Mined nickel

The figure below outlines our medium term forecast for mined nickel production globally. Note that data for the longer term to 2030 is less reliable and as such CRU does not publish these numbers post-2025. Global mined production of nickel is forecasted to grow at a CAGR of 9.6% from 2.5 Mt in 2020 to 3.9 Mt in 2025. The main producer over the forecasted period is Asia, mainly the Philippines and Indonesia. Asia will see the largest growth of any region and account for 67% of production by 2025. Africa will also see respectable growth, with a CAGR of 8.7%, with much of the production found in Southern Africa.

Figure 11: Nickel Mine production by region, ('000 tonnes)



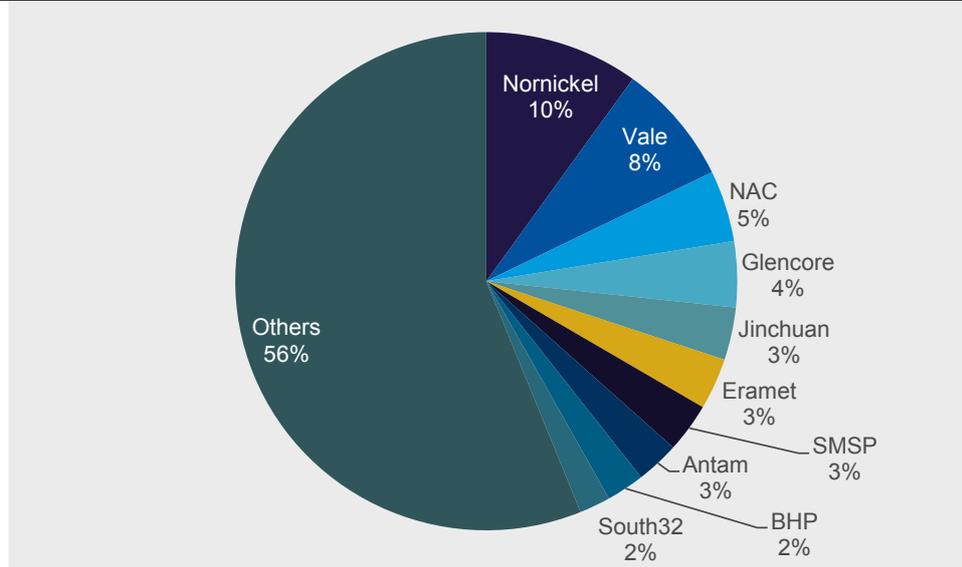
Data: CRU. Note*: Accounts for disruption allowance of 1% excluding NPO. Allowance in current year decreases as production levels are confirmed.

Over the next five years, we expect mined production to be dominated by Indonesia, who will account for 57% of production by 2025. Mine production in the country will increase from 0.8 Mt in 2020 to 2.2 Mt in 2025, a massive increase with a CAGR of 23.6%.

In Indonesia, much of the nickel projects there are for laterite ore extraction. This is primarily fed into the production of nickel pig iron (NPI), which is a raw form of low grade nickel-iron alloy derived from laterite ores that has historically been produced in China. NPI is a cheaper alternative to pure nickel to be used in the production of stainless steel. With the ongoing investment by Chinese companies into Indonesian stainless steel manufacturing, Indonesia has become a major NPI producer. Several nickel projects are planned and is expected to add new supply in the market in the coming years.

The top 10 nickel miners accounted for 44% of nickel supply in 2020. The chart below shows the leading producers and their market share. Russian Nornickel and Vale are the major producers, with a market share of 10% and 8% respectively. The mined nickel market is not particularly consolidated, with only the top two companies holding more than 5% of production. Among the top nickel mining operations, laterite ore deposits dominate. Tsingshan's operations produce FeNi, which is used to feed into their NPI production in order to produce stainless steel. Most operations are small scale, with the exception certain mines such as Nornickel's Polar mine in the Murmansk region in Russia, which accounts for 8.7% of global supply and produces sulphide ore.

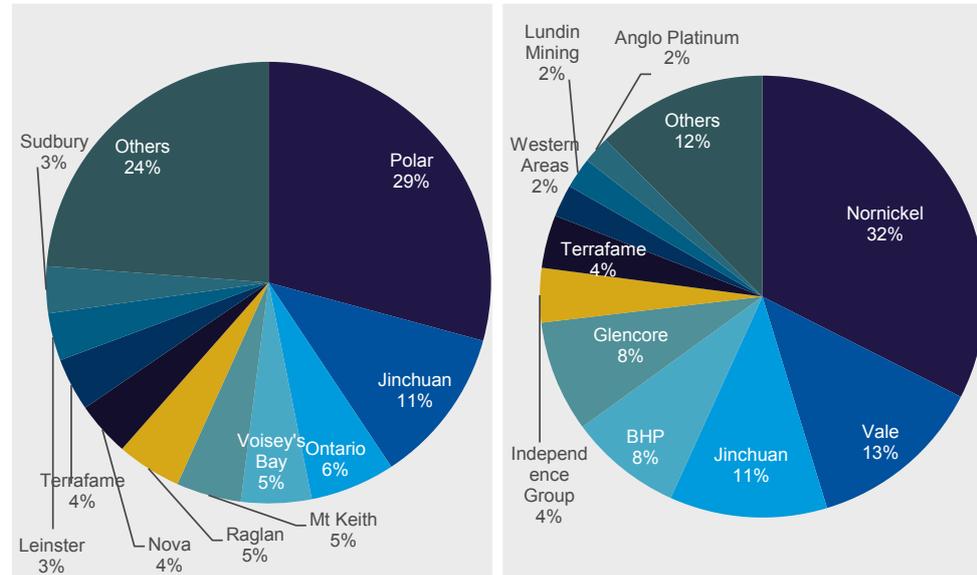
Figure 12: Top 10 nickel mining companies 2020, Market Share %



Data: CRU.

The graph below displays the top 10 sulphide nickel mining operations (LHS) and operating companies (RHS) for the year 2020. The sulphide nickel mine supply is highly consolidated in comparison to the overall nickel industry, with Nornickel, Vale and Jinchuan accounting for more than half of all production.

Figure 13: Top 10 largest sulphide ore mines (LHS) and companies (RHS), Market Share %

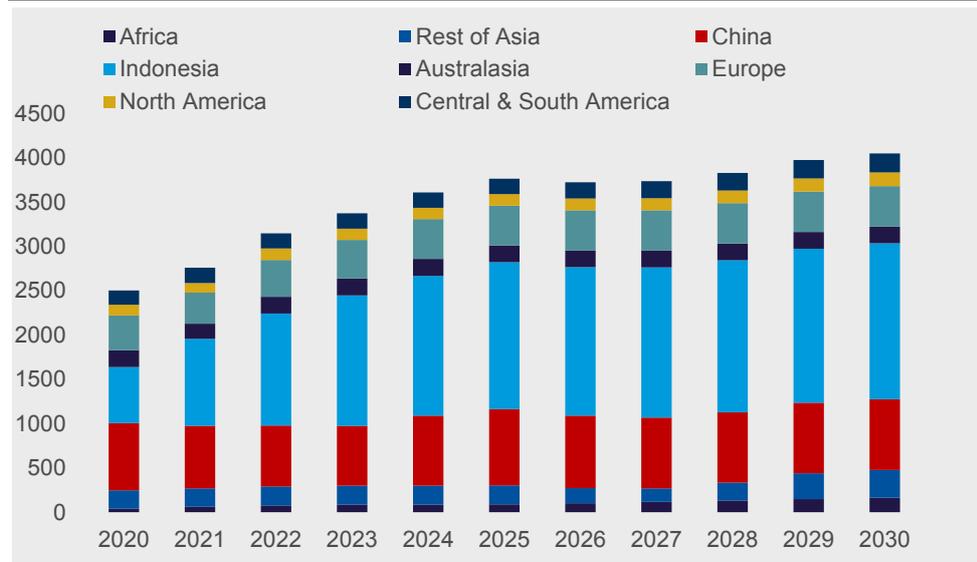


Data: CRU

Refined nickel

The graph below shows global refined nickel production by region. Overall, CRU expects production to grow from 2.5 Mt in 2020 to over 4.0 Mt in 2030 at a CAGR of 4.9%. As discussed previously, much of this growth will come from increased production of NPI, which will respond quickly and strongly to both growth in stainless steel demand and a looming squeeze on higher grade nickel, particular CuNi sulphide nickel. Much of the growth is coming from Indonesia, who will heavily carry production growth in absolute in terms and Africa, where production is expected to grow at a massive 21.2% and 17.6% CAGR from 2020 to 2025 respectively, after which growth will slow and even decline to 2030.

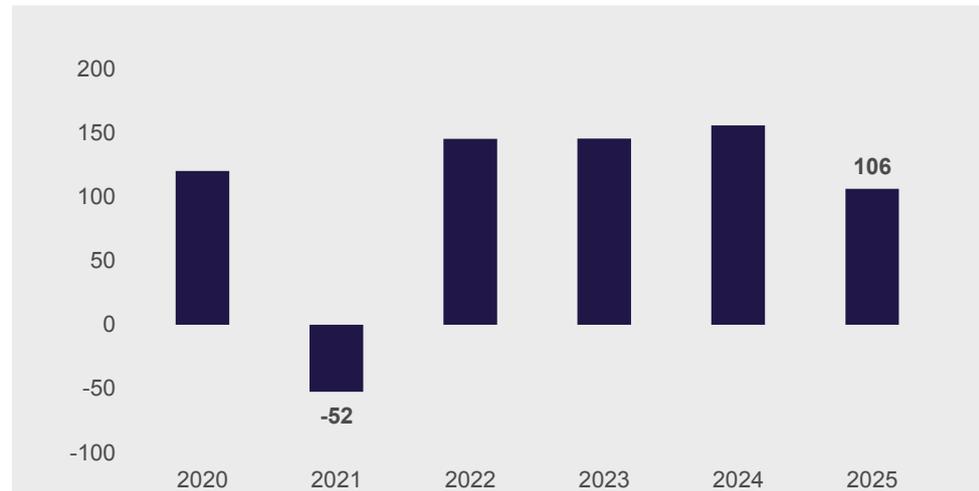
Figure 14: Refined nickel production by region, ('000 tonnes)



Data: CRU.

Our analysis of supply and demand for refined nickel is shown in the figure below. 2021 will see a deficit of supply of 52 kt, which we expect to reverse in 2022. This analysis suggests that new production capacity is not necessary in order to meet demand by 2025, however this may change over the long term as demand for nickel, particularly in the battery sector increases.

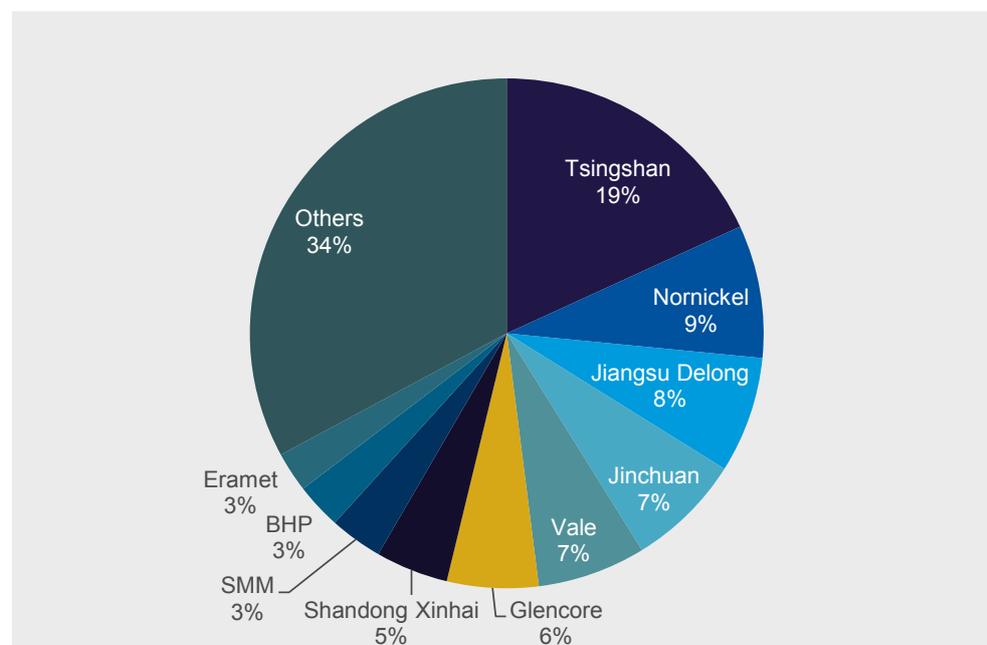
Figure 15: Market balance of refined nickel production and demand, ('000 tonnes)



Data: CRU

The top 10 refined nickel producers accounted for 76% of refined nickel supply in 2020. The chart below shows the leading producers and their market share. Tsingshan and Nornickel are the two largest producers, with a market share of 19% and 9% respectively. The refined nickel market is relatively consolidated, with Indonesian and Chinese companies dominating through the production of NPI for stainless steel production.

Figure 16: Top 10 refined nickel producers 2020, Market Share %



Data: CRU

Copper

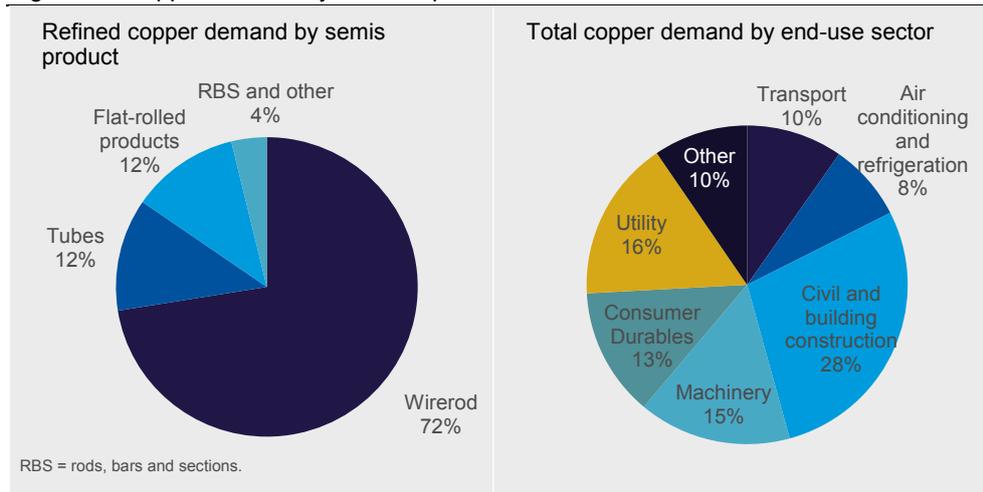
Demand

Key demand drivers

The copper industry is the world’s largest base metal industry. The key properties of this metal are that it is malleable, ductile and an excellent conductor of heat and electricity when in a pure form. Copper is water resistant and obtains a green patina when oxidized. Refined copper is made by mining, processing, and refining a variety of copper oxide and sulphide ores. Approximately ~70% of mined ore comes from open pit operations, with the remaining ~30% coming from underground mines. From copper-bearing ore, copper is produced via two main process routes: the conventional pyrometallurgical route of smelting and refining copper concentrates, and the hydrometallurgical route of leaching copper from ore and electro-winning and it is then further transformed into various semi-fabricated products – wire rod, rods, bars and sections, strip, sheet, plate, and tubes – and later used in a number of final end uses in construction, the automotive industry, manufacturing, architecture, and other applications.

- **Copper wire rod** is used to make copper wire and cable, primarily for power distribution, but also for telecommunications. Building wire is the most common use of wire rod and is the single biggest end use of copper.
- **Copper tube & alloy tube** have a wide variety of end-uses. However, its two most significant end-uses are plumbing tube and use in the manufacture of HVACR (Heating, Ventilation, Air Conditioning & Refrigeration) products.
- **Copper flat rolled products** are widely used in applications such as electrical products, building & construction, automotive and military segments. Copper and copper alloy sheets and strips are used in the building industry to manufacture doors and hinges, switches, wiring, locks, and electrical outlets.

Figure 17: Copper demand by end-use product and sector, 2020



Data: CRU.

Structural factors and macroeconomic cycles may change the amount of refined copper used to produce a particular mix of goods and services, as well as changing the goods and services demanded for a particular level of income. These factors can have a significant

impact on end-use demand. This section focuses macroeconomic cycles, current and emerging technological and other structural changes, and their possible effects on copper demand.

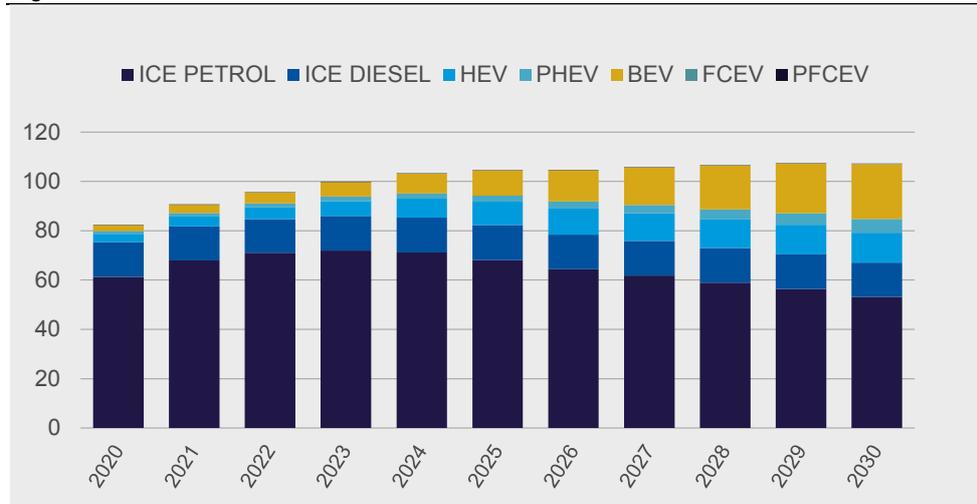
Substitution

Copper demand has been pegged back over the last couple of decades due to substitution, mainly to aluminium, plastics and to fibre optic cables. Deciding to substitute a product from one material to another is not always an easy choice, especially in complex supply chains. Nor is substitution easy to measure or necessarily the decision of a single company or governing entity. In terms of vulnerability to substitution, power cable, which remains one of copper’s key end-use markets, is where the risks to copper are arguably the greatest, at least in tonnage terms. Although copper will remain the dominant material for underground and subsea cables, regular power grids in certain regions could rely more on aluminium than on cable going forward, mainly due to the important difference in price between both materials.

EVs

EVs will a significant role in demand growth in the long term for the copper market. Without this, end-market consumption will essentially be flat from 2030 forward. Currently, electric vehicles (EV) represent less than 10% of global light vehicle production and only around 3% if conventional hybrids are excluded. EVs are still only a small consumer of refined metal, with global demand, including infrastructure, expected to remain below ~500k tonnes in 2020. However, in the long term, it is expected to become a buoyant market supported by government subsidies and incentives, which are a key driver of EV uptake, as they help to bring affordability into line with that for traditional internal combustion engine (ICE) vehicles.

Figure 18: Global automotive forecast, million-unit 2020-2030



Data: CRU

Table 1: Definition of different powertrains

	Power train categorization for each vehicle type
ICE – PETROL	Internal combustion only/ petrol powered
ICE – DIESEL	Internal combustion only/ diesel powered
HEV	HEX (Mild hybrid electric vehicle + Full hybrid electric vehicle). Split w/ diesel
PHEV	Plug in hybrid electric vehicle (including extended range EV (REEV))
BEV	Battery electric vehicle
FCEV	Fuel cell electric vehicle
PFCEV	Plug in fuel cell electric vehicle

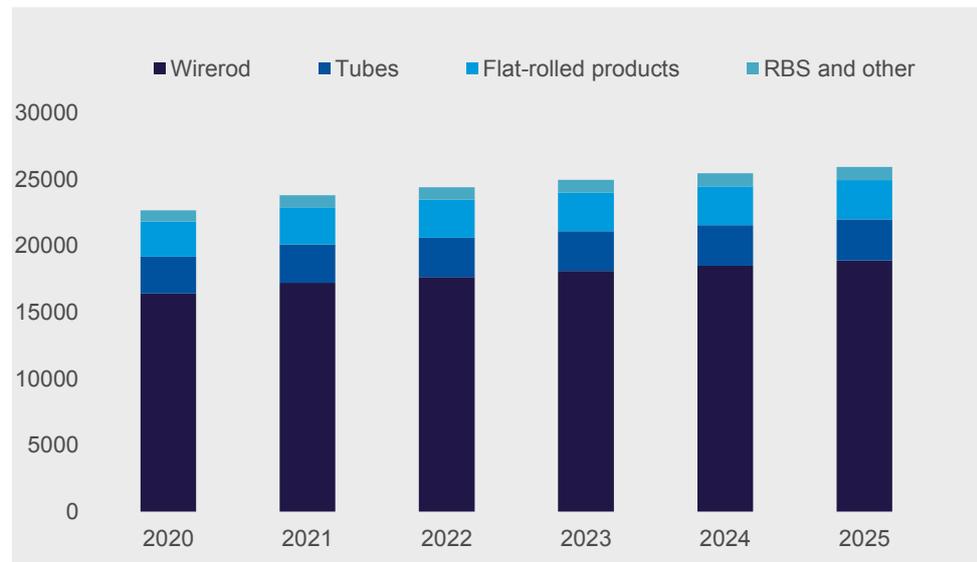
Data: CRU

However, over the medium term, EVs and the associated infrastructure will only have a mild impact on copper demand. CRU expects the impact of EVs on copper demand to be seen more from the early 2030s. Copper demand from the EV sector should increase in the long term where the infrastructure segment accounts for between 20% and 25%, reflecting the increased investment in charging stations, battery storage and power grids. The remaining 70-75% of demand is driven by increased copper usage directly in electrical vehicles, with intensity of copper use increasing the more electrified the vehicle is. The amount of copper used in vehicles varies from unit to unit, and no two models will have an identical content. However, the average amount of copper used for a battery electric vehicle (BEV) is four times the amount in an ICE vehicle, which currently stands at approximately 20 kg per car.

Medium term forecast for semi-fabricated products and end-use sectors

In the figure below, we provide our medium term forecast for refined copper consumption by semi-fabricated product to 2025. Overall, we see steady growth in demand globally over the forecasted period from 23 Mt in 2020 to 26 Mt in 2025 at a CAGR of 2.7%. The growth is spread across the products identified with the majority of demand coming from wirerod at 72%, which will grow to 73% by 2025. Demand growth for non-wirerod products will grow from 6 Mt in 2020 to 7 Mt in 2025 at a CAGR of 2.4%.

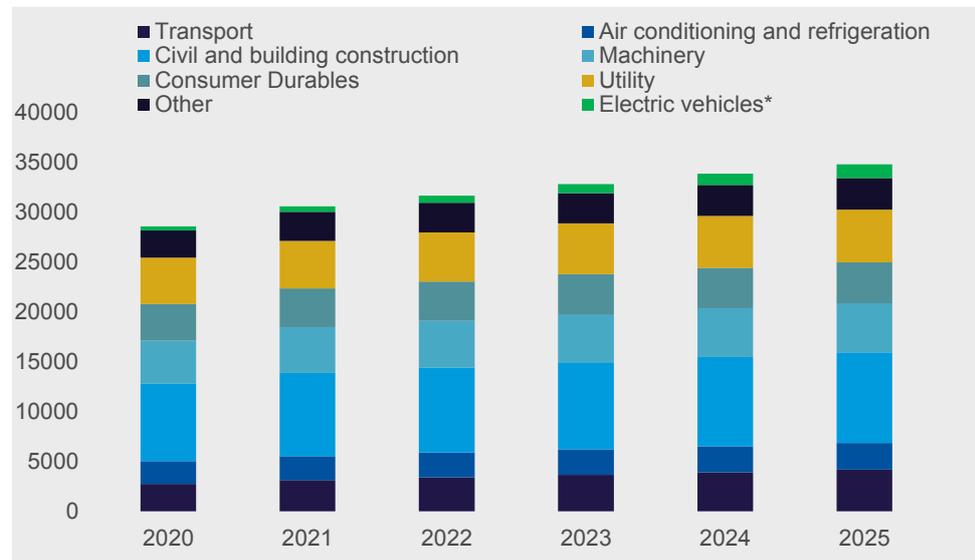
Figure 19: Refined copper consumption by semi-fabricated product, ('000 contained copper)



Data: CRU

In the figure below, we provide our medium term forecast for copper consumption by end-use. EVs represent the greatest relative growth, with a CAGR of 28.3%, however in absolute terms, demand for copper remains low compared to other end-uses. Growth in demand for copper in transport is also strong, from 2.8 Mt in 2020 to 4.2 Mt in 2025 at a CAGR of 8.7%. The largest sector for demand will remain in use for civil and building construction, although growth will remain low with a CAGR of 3.2%.

Figure 20: Copper consumption by end-use, ('000 contained copper)



Data: CRU. Compound Annual Growth Rate 2020-2025. Note: *includes Light Duty Vehicles (LDV), Heavy Duty Vehicles (HDV), Buses and Infrastructure (chargers, battery storage and grid infrastructure).

Copper is used extensively in all the renewable energy technologies. In wind turbines, copper is used in a range of electrical applications in addition to the windings of the turbine generator. Copper is used within low-voltage (LV) cabling in individual turbines for monitoring, data collection and control. Medium to high-voltage cables (MV to HV) are used to connect the nacelle (at the top) to the switch gear located at the base of the turbine. Perhaps the most copper intensive application is within HV export cables, connecting individual turbines to a substation and the substation to the grid. As a result, the intensity of copper use in offshore wind turbines is significantly higher than onshore equivalents, due to more extensive HV export cabling being required to feed back to shore.

In solar PV installations, copper is also used in a range of cabling, including LV cables between solar panel modules and arrays. In addition, LV and MV cables are used to connect arrays and pooling substations or string AC/DC inverters. Solar also has a high density of various bare flat rolled copper and un-insulated wires, such as those found in grounding networks, meters and switches. We assume that copper intensity of use in all of the aforementioned technologies will decline gradually over time due to efficiency improvements and increasing scale. We believe that this will have less of an effect on offshore wind as turbines are increasingly constructed further offshore, requiring additional cabling and this efficiency will not be felt over the medium term.

Table 2: Intensity of Cu use in renewables (2020 est.)

	Solar PV	Offshore wind	Onshore wind
Cu intensity, t/MW	3.6	8.2	2.4

Data: CRU

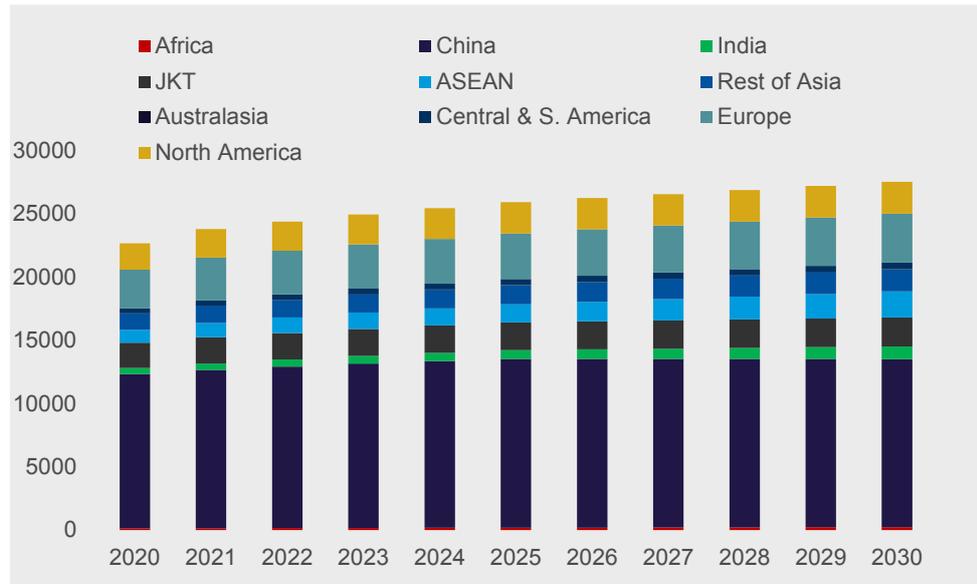
Overview of the size of the market by region

In the graph below, we see global refined copper demand by region. As discussed, we see steady global growth over the forecasted period going from 23 Mt in 2020 to 26 Mt in 2025 at a CAGR of 2.7%. Similarly to nickel, Asia is the dominant region for current nickel demand as well as future demand growth. In 2020, Asia represents 75% of global consumption of refined copper, a figure that will drop slightly to 74% in 2025. This relative drop is mainly

driven by slow growth in China, whose share of the market will decline to 51% in 2025 from 53% in 2020. ‘

Elsewhere in Asia, India and ASEAN nations will see large increases in copper consumption at a CAGR of 8.1% and 6.7% respectively, indicating that these markets will gain in relevance beyond the forecasted period. Africa is also set to see respectable growth with a CAGR of 6.3%, however in volume terms demand is expected to remain low. For both Europe and the Americas, we expect to see respectable growth of around 3-4% CAGR.

Figure 21: Global Consumption of refined copper by region, '000 tonnes



Data: CRU

China

China, who account for over 50% of global refined copper consumption, is at an inflexion point. China’s future economic growth will be markedly slower in the next fifteen years than it has been over the last two decades. The working age population of China has peaked and will begin to decline soon. More importantly, that economic growth is changing from being investment-led to consumer-led, which is inevitably less copper intensive. There is a caveat to China’s secular growth story, which is related to the green energy transition. China is and will continue to be the world leader in the use of renewables (solar and wind) and electric vehicles, which are particularly copper intensive. Further, China continues to provide high levels of economic investment both domestically and abroad through its Belt and Road Initiative, which boost demand. Even with this boost to demand, Chinese refined copper consumption will slow because of increase uptake in scrap and slowing economic growth. Over the medium term China will see an increase in consumption from 12.2 Mt in 2020 to 13.4 Mt in 2025 at a CAGR of 1.8%. After 2025, China’s consumption will decline slightly to 13.3 Mt, a reversal of prior trends.

Developed world

Outside of China, we expect Europe to be the second most important market over the medium term. Economic drivers for Europe, which includes Russia and CIS countries are almost universally negative. Negative demographic trends mean that the working age population in Europe has peaked. CRU expects European GDP growth to drop and these countries face a risk of economic stagnation.

The silver lining for metals and in particular copper demand comes from the region's commitment to a rapid green transition. As mentioned previously in the nickel section, European EV sales grew by 144% y/y in 2020 and overtook China as the world's largest plug-in market. This growth was a result of generous subsidies in a number of major European markets. The push towards renewables is already underway and Europe additionally leads the world in the development of offshore wind farms, which requires high amounts of copper. As a result, we forecast refined copper demand in Europe to increase from 3.1 Mt in 2020 to 3.9 Mt in 2030 at a CAGR of 2.3%.

In North America, we see different trends. Unlike Europe demographics are more favourable and we expect economic growth to continue at a faster rate. Around 73% of North American copper demand comes from the USA. The USA's re-entry into the Paris Climate accord coupled with the American Jobs Plan (AJP), which has been stripped back from its original scope, signal what could be a multi-year period of US investment into green technologies.

The take up of EVs is slower in North America compared with Europe, however with sales in the medium term remaining low. As a result, CRU forecasts refined copper demand in North America to increase from 2.1 Mt in 2020 to 2.5 Mt in 2025 at a CAGR of 3.5%. After 2025, consumption of refined copper will flat line in the US, remaining at around the same level until 2030.

India

Even before Covid-19, which hit India's economy hard, growth in refined copper consumption was disappointing. India has long been the copper markets underachiever, particularly when compared with China. India's 2020 refined copper consumption is twenty-five times smaller than China's. However, there are so promising signs of change. The now expanded National Infrastructure Pipeline (\$1.8 trn), launched in 2019 and is set to finish in 2025, is a copper-intensive project and India has set ambitious goals for both EVs and renewables. As a result, we forecast refined copper consumption to increase from 0.5 Mt in 2020 to 1 Mt in 2025 at a CAGR of 7.5%.

ASEAN

Despite a rocky start to the decade as a result of Covid-19, ASEAN has all the growth drivers needed to boost metals demand and in particular, copper. GDP growth is strong in the region, as is industrial production growth and investment. ASEAN has a rising working age population and rapid urbanisation.

The associated investment in ASEAN's electricity generating capacity and grid infrastructure will be significant. Renewables will play their part, especially solar. However, much of the new generating capacity will be fossil fuel based due to the region's natural endowment of coal and natural gas, which is less copper intensive. Consumer uptake of EVs will be limited, although the region may become important for the manufacture of parts and assembly of vehicles that are then exported. The relocation of industry from Northeast Asia and even China for reasons of cost should provide a positive boost to ASEAN copper demand more generally. As a result, we forecast an increase in refined copper consumption from 1.0 Mt in 2020 to 2.0 Mt in 2030 at a CAGR of 7.1%.

Supply

Sulphide ores are processed via conventional copper smelting. Ore is crushed, ground, and concentrated by froth flotation to produce a concentrate that can vary between 25%-40% copper contained. Concentrates are fed into a smelter, where copper oxidizes at high temperatures to produce blister copper (purity of 97-99% Cu). Blister copper is cast into large slabs that are used as anodes in the electrolytic refining process which produces 99.99% pure (LME grade) copper.

Oxide ores are processed via the solvent extraction and electro winning (SX–EW) hydrometallurgical process. This process involves the leaching of the ore using sulphuric acid. SX–EW allows copper to be recovered from leaching process.

Copper scrap can be used at different stages of the copper production chain depending on its quality. Low grade scrap can be used as feedstock into integrated smelter-refinery operations that wish to increase blister production, whilst high grade scrap can be sold directly to refining only operations to be cast into copper anodes.

Mined Copper

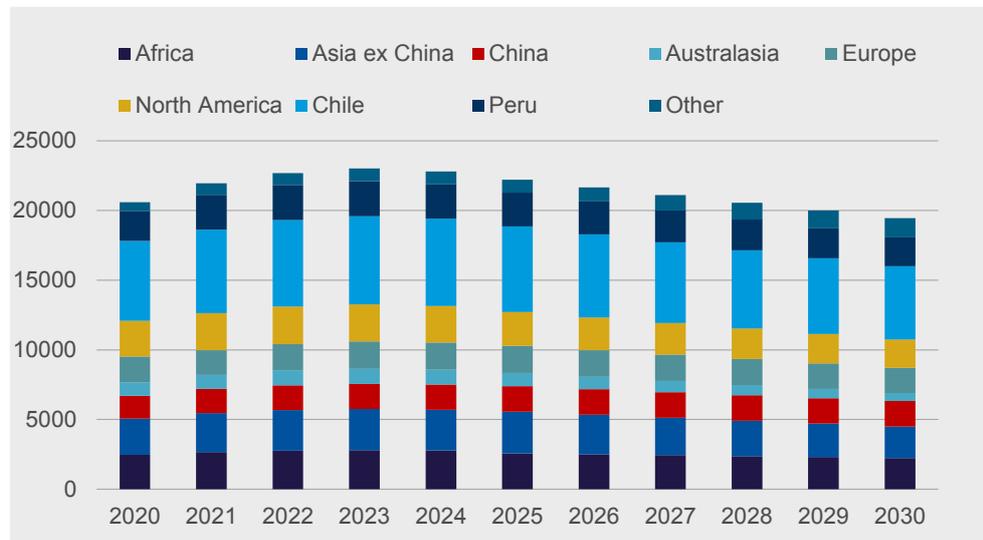
The graph below outlines our medium term forecast for mined copper production globally. Global mined production of copper is forecasted to grow at a CAGR of 1.5% from 20 Mt in 2020 to over 22 Mt in 2025. The main region over the forecasted period is in Central and South America, mainly from Chile and Peru, who accounts a substantial share of production, which will remain constant over the forecasted period. Peru will see a respectable increase in production from 2.1 Mt to over 2.4 Mt by 2025 at a CAGR of 2.6%.

After 2025, the world will see a decline in mined copper production from existing mines globally. As the graph shows, 2030 will see 19.4 Mt of production in 2030 from 22 Mt in 2025 at a CAGR of -2.6%. In absolute terms, most of the drop will come from Chile and Peru, where existing projects will dry up.

Chile is currently the largest mined copper producing country, accounting for approximately one third of world production. However, its production has remained relatively stable as new projects and expansions have barely been able to offset decreases in production from existing mines. The same applies for Chinese production, which has shown slow growth throughout the years but has ultimately not reacted in line with increasing demand. On the other hand, Peru increased production by 1.2 Mt in the last decade with the entrance of new operations such as Las Bambas, Antapaccay and Toromocho, as well as expansions in existing mines. Africa has also shown important growth in the last ten years, mainly coming from SX-EW operations in the Democratic Republic of Congo.

Considering operating mines and projects already under construction, global committed copper mining output is likely to peak at ~23 Mt in 2023. After that, committed production is expected to decline as older mines continue to deplete and new projects currently under construction are not enough to compensate for lost production.

Figure 22: Mined copper production by region, ('000 tonnes)

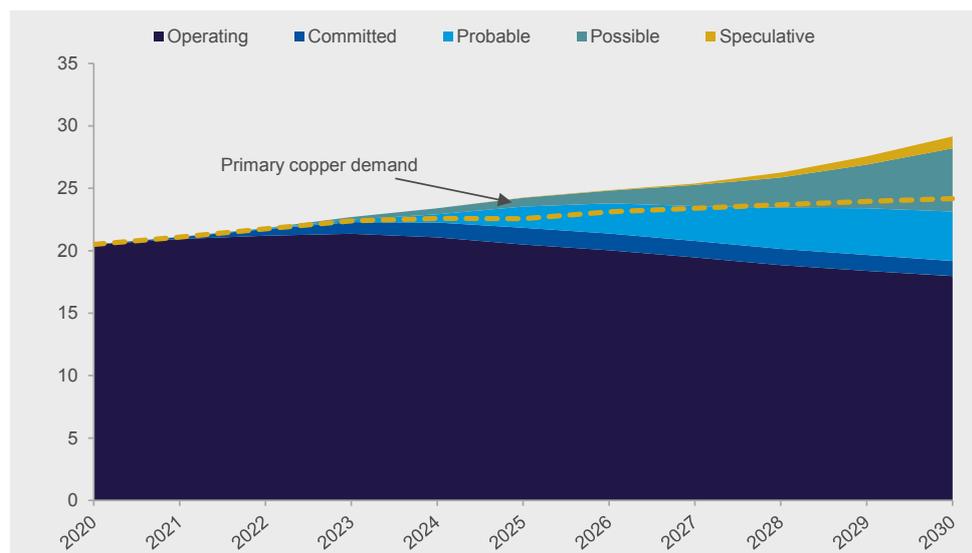


Data: CRU. Note: This represents production from existing operations.

However, given the current project pipeline, most regions have relevant potential for growth in the form of probable, possible and speculative projects. Potential mine production considering all these projects could be above 24 Mt by 2035.

The graph below is our gap analysis of mined production by status and demand. Based off of this analysis, a supply gap in committed production of ~19 kt will emerge in 2022, which will expand to almost 5 Mt by 2030. This indicates that new projects will be needed to come online by 2030 in order to meet demand for primary copper. This is likely however, as the demand comfortably lies within possible projects.³

Figure 23: Gap analysis of mined production by status and demand, Mt

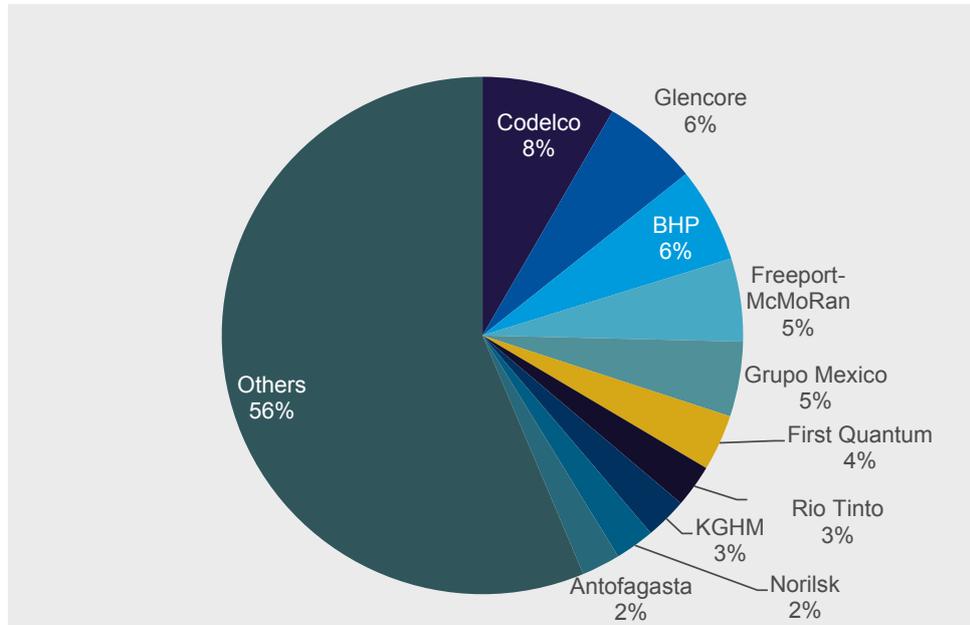


Data: CRU

³ For a more detailed breakdown of CRU's classification of projects, please see Appendix.

The top 10 copper miners accounted for 44% of mined copper supply in 2020. The chart below shows the leading producers and their market share. Codelco and Glencore are the two largest producers, with a market share of 8% and 6% respectively. The mined copper market is not particularly consolidated, with numerous producers from various regions globally and includes state-owned companies such as Codelco as well as other major mining companies, such as Glencore, BHP and Rio Tinto.

Figure 24: Top 10 mined copper producers 2020, Market Share %



Data: CRU

The largest copper mine in the world is the Escondida mine in Atacama desert, Chile. The mine is owned as a joint venture between BHP, Rio Tinto and Japanese JECO Corp. The mine produces around 1.1 Mt a year, mainly of copper concentrate, but also copper leach/SX-EW and represents around 5% of global production. The top 10 largest mines in the world represent around 24% of global production, making the production of copper highly diversified.

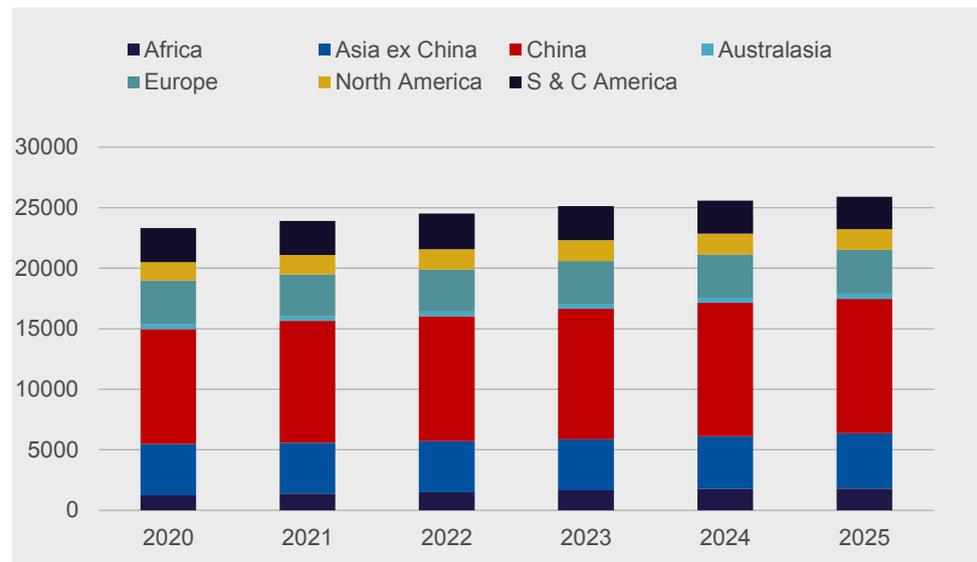
Refined copper

Between 2015 and 2020 refined copper production grew from 22.3 Mt to 23.3 Mt. Over 85% of production came from primary sources or mine production, with the remaining material coming mainly from scrap fed either to the smelter during blister production or in the anode production process.

As expected, refined copper production was impacted by Covid-19 as governments mandated shutdowns and unilateral company decisions were made to suspend or limit production. As a result, refined copper production decreased by 0.1%, the first drop in more than a decade. Beyond the relatively short-term impact of Covid-19, refined copper production is expected to continue to grow in line with demand, reaching 26 Mt by 2025, which means an increasing of ~2.4 Mt with respect to the 23 Mt produced in 2020. Mined copper production represents ~88% of refined production in 2020, a figure that will decrease slightly to 86% by 2025. This is due to an increase in scrap usage, which will make up the remaining 14% of refined copper supply by 2025.

China will continue to be the largest producer, reaching 11 Mt in 2025 of production from ~9.5 Mt in 2020 at a CAGR of 3.2% and will account for 43% of global production in 2025. Africa will also see a notable increase in production going from 1.3 Mt in 2020 to 1.8 Mt by 2025 at a CAGR of 5.9%. The rest of the world, however, will see very little production growth, going from 12.6 Mt in 2020 to 13 Mt in 2025, at a CAGR of 0.6%.

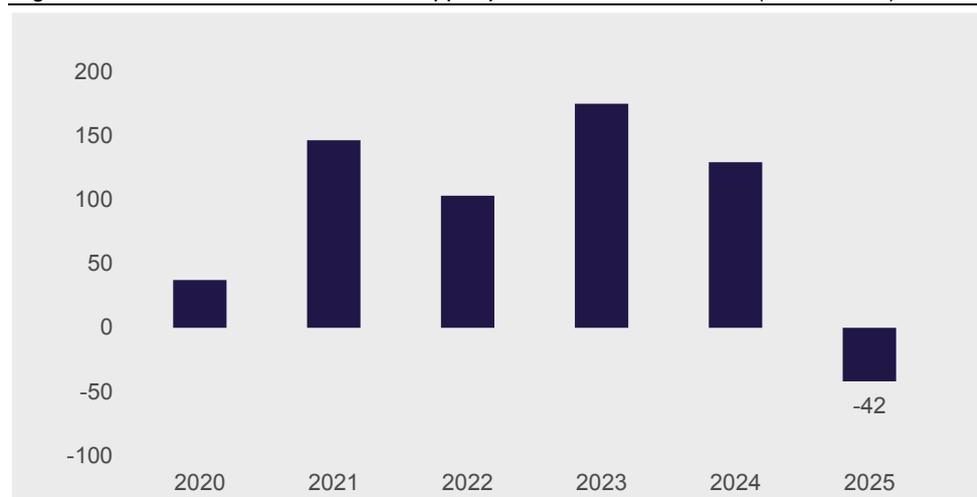
Figure 25: Refined copper production by region, ('000 tonnes)



Data: CRU

Our analysis of supply and demand for refined copper is shown in the figure below. 2021 will see a slightly higher market balance in comparison to 2020, which we expect to remain over most of the forecasted period. By 2023, we will see a peak surplus of 175 kt, after which there will be a negative market balance by 2025 of 42 kt. This analysis suggests that new production capacity is necessary in order to meet demand by 2025.

Figure 26: Market balance of refined copper production and demand, ('000 tonnes)



Data: CRU

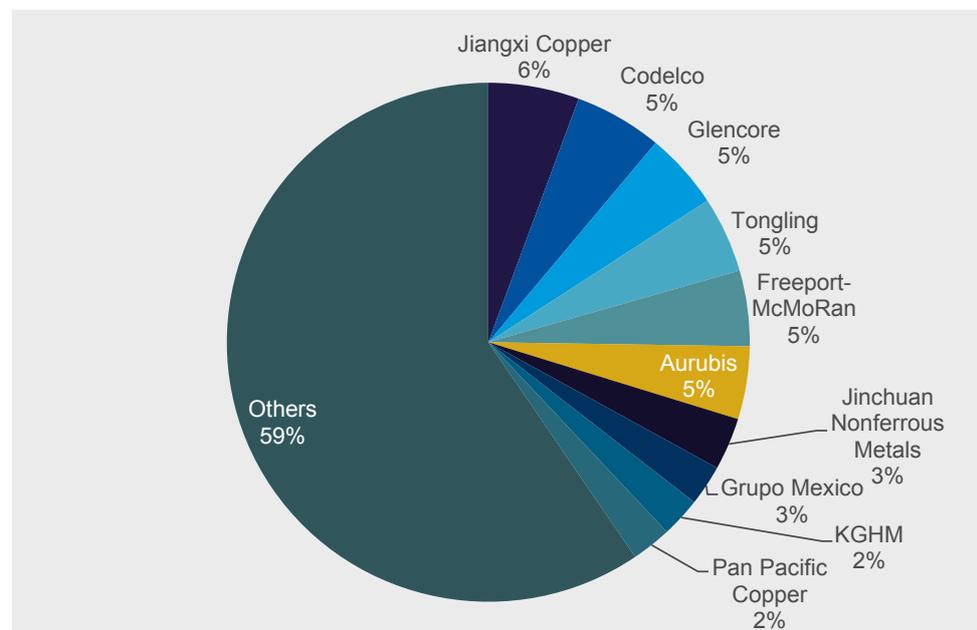
In the long term, CRU expects smelting capacity will be able to support the demand for refined copper. In case new smelting capacity is needed, smelters and refineries can be built

in only a few years if the economics make sense. Therefore, mined copper supply will act as the bottleneck to global copper market growth to 2030, and prices will need to adjust in order to incentivize investment into new mining capacity.

The top 10 refined copper producers accounted for 40% of refined copper supply in 2020. The chart below shows the leading producers and their market share. Jiangxi Copper and Codelco are the two largest producers, with a market share of 6% and 5% respectively. The refined copper market is not particularly consolidated, with numerous producers from various regions globally and includes a number of smaller Chinese copper producers, copper miners such as Codelco and large multinationals such as Glencore.

The largest copper smelter in the world is the Guixi smelter, in the Northeast of Jiangxi province, China. The smelter is owned by Jiangxi Copper, and produces around 1 Mt of refined copper a year, or about 4% of global production. Out of the top 10 largest smelters in the world, seven are in China, representing around 16% of global production, with the remaining three being located in South Korea, Japan and Chile.

Figure 27: Top 10 refined copper producers 2020, Market Share %



Data: CRU

Appendix A – CRU Gateway System for project categorisation

CRU classifies projects as either firm/committed, probable, possible, or prospect/speculative, according to the status or stage of development, and a probability of actually progressing to start up is assigned. The categories and probabilities are as follows:

- **Operating/Committed:** Projects where environmental permitting and financing have both been successfully completed. Board approval has also been received and construction may already have been started. Projects are based on sound, modern and proven technology. Except for unforeseen disasters, these projects should be operating in the very near future, within a maximum of 4 years. It should also be noted that, although these projects are in the final stages, they might very well be held up by other unforeseen factors such as political instability or sharp falls in the relevant metal(s) price(s). Although all firm projects will be built, CRU gives each a 90% chance to come on-stream. It is assumed that all firm brownfield expansions and extensions will come on stream as planned.
- **Probable:** Projects where the full/bankable/definitive feasibility study has started or is well underway and a successful outcome is expected. Environmental permitting and financing are both in progress. Although not all probable projects will be built, CRU gives each a 70% chance.
- **Possible:** Pre-feasibility studies have started or are about to start, and there are indications that the economics of the project appear sound. It is not, however, a foregone conclusion at this point that the project will advance to further stages. Although not all probable projects will be built, CRU gives each a 40% chance.
- **Speculative/Prospect:** No feasibility study has been carried out and the project may be at a relatively early stage with regard to exploration drilling. CRU gives each a 25% chance to come into production. CRU also follows developments in exploration stage projects and upgrades them to this category on the declaration of a maiden resource.





5

Independent Technical Assessment Report

*Source: iStock image, Drilling
auger used in resources exploration*



CSA Global
Mining Industry Consultants
an ERM Group company

NYANGA NICKEL-COPPER PROJECT, GABON

Independent Technical Assessment Report

REPORT N° R250.2021
14 October 2021



ARMADA METALS LIMITED
 NYANGA NICKEL-COPPER PROJECT – INDEPENDENT TECHNICAL ASSESSMENT REPORT



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Executive Summary

CSA Global (UK) Limited (CSA Global), an ERM Group company, was requested by Armada Metals Limited (“AMM” or the “Company”) to prepare an Independent Technical Assessment Report (ITAR) for use in a prospectus to support an initial public offering (IPO) of shares (40–50 million fully paid ordinary shares at an issue price of 20 cents per share to raise A\$8 million to A\$10 million) for AMM to enable a listing on the Australian Securities Exchange (ASX). The funds raised will be used for the purpose of exploration and evaluation of the project areas.

Nyanga Project (AMM 100%)

AMM has acquired a 100% interest in two granted exploration licences located on the contact between the Archaean to Paleoproterozoic Lambaréné Horst Block (LHB) and the Nyanga Basin, part of the Neoproterozoic West Congolian Supergroup (WCS), in southwest Gabon outboard of the western margin of the Congo Craton. The Project, known as Nyanga, covers an area of ca. 2,991 km². AMM’s focus will be exploration for magmatic nickel-copper-cobalt-platinum group element (PGE) sulphide mineralisation hosted in an extensive complex of ca. 900 Ma mafic ultramafic intrusive suites within the LHB.

The Project is at an early greenfields stage of exploration. CSA Global is of the opinion that results to date offer strong encouragement for further exploration for magmatic nickel-copper-cobalt(-PGE) mineralisation.

Prior to 2016, exploration activity in the vicinity of the Project focussed primarily on regional data acquisition and exploration for base metal (copper) deposits in the Nyanga Basin sequence, drawing analogies with the Bas Congo and Katanga Basin sequences in the Democratic Republic of the Congo (DRC). From 2016 onwards, Armada shifted its exploration focus to the potential for magmatic nickel sulphides within the ca. 900 Ma mafic-ultramafic intrusive complexes. This represented the first exploration work focussed on nickel conducted on the Project.

AMM has built a consistent and convincing exploration model based on key criteria for formation of magmatic nickel sulphide deposits. The mafic-ultramafic intrusions occupy a tectonic rift setting on the margin of the Congo Craton directly analogous to the favourable tectonic environments hosting the great majority of significant nickel deposits globally. The intrusive geometries and morphologies are indicative of potential magma conduits. The tholeiite geochemistry of the intrusive suites has the right characteristics that are permissive for formation of magmatic nickel-copper sulphide deposits. The presence of disseminated sulphides observed within the mafic-ultramafic intrusives locally offer good empirical evidence that the magmatic systems can form sulphide mineralisation. Conductivity results of the geophysical programs from VTEM^{Plus} and XciteTM offer compelling targets for further detailed exploration.

The Project still requires further work to demonstrate proof of concept and validate the exploration model. CSA Global is of the opinion that the results to date are permissive and that the exploration completed to date is following the right trajectory to maximise potential for discovery of magmatic nickel-copper sulphide mineralisation.

Risks

A key risk, common to all exploration companies, is that the expected mineralisation may not be present or that it may be too small to warrant commercial exploitation. The Project is at an early greenfields exploration stage. Considerable exploration is still required to determine the likelihood of discovery. If a discovery is made, significant work programs and studies are still required to test the potential of that discovery being economically mineable. Typically, such work programs are done by a stage-gate process, with the aim of each stage to incrementally increase confidence in the mineralisation and decrease uncertainty and risks towards a decision to mine. Whilst good potential exists at the Project for discovery, it is uncertain whether the work programs to be undertaken by AMM will deliver positive results. The work programs planned by AMM are

ARMADA METALS LIMITED

NYANGA NICKEL-COPPER PROJECT – INDEPENDENT TECHNICAL ASSESSMENT REPORT



designed to test the potential of the Project for discovery, thereby reducing the uncertainty and risks of the Project.

The interpretations and conclusions reached in this report are based on current scientific understanding and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond CSA Global's control and that CSA Global cannot anticipate. These factors include, but are not limited to, site-specific geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalise the operation, variations in cost elements and market conditions, developing and operating the Project in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any exploration operation.

As with most early exploration prospects, the key technical risk is that further exploration may not result in the discovery of an economic resource. The Project is early stage, and significant exploration is still required to determine the likelihood of discovery.

Use of Funds

AMM has provided CSA Global with its proposed exploration program on the Nyanga Project for the first two years of exploration and a copy of its planned expenditure for the Nyanga Project following listing on the ASX (Table 1). CSA Global is of the opinion that the proposed program represents a clear exploration strategy to further test the nickel-copper-cobalt(-PGE) potential of the Nyanga Project.

AMM has prepared staged exploration and evaluation programs, specific to the potential of the Project, which are consistent with the budget allocations, and warranted by the exploration potential of the Project. CSA Global considers that the relevant areas have sufficient technical merit to justify the proposed programs and associated expenditure. The budgeted expenditure is also considered sufficient to meet the minimum statutory expenditure on the tenements. All costs are in Australian dollars (A\$).

Table 1: Proposed exploration expenditure summary by activity

Program	A\$8 M Raising		A\$10 M Raising	
	Year 1 (A\$)	Year 2 (A\$)	Year 1 (A\$)	Year 2 (A\$)
In-country support	360,000	380,000	360,000	380,000
ESG	30,000	80,000	30,000	120,000
Drilling	1,370,000	1,940,000	1,370,000	2,730,000
Assaying and sampling	120,000	170,000	120,000	260,000
Geophysics	200,000	500,000	500,000	590,000
Regional geochemistry	110,000	200,000	200,000	240,000
Studies	-	120,000	-	120,000
Operations/Field support	370,000	460,000	370,000	500,000
Total	2,560,000	3,850,000	2,950,000	4,940,000

Notes:

- Drilling costs are calculated as all-in costs, including helicopter support, and excluding sampling and assaying.
- Operations/Field support includes costs for personnel, generative and targeting studies, and interpretations of geophysical and geochemical data.



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1 Introduction

1.1 Context, Scope and Terms of Reference

CSA Global (UK) Limited (CSA Global), an ERM Group company, was requested by Armada Metals Limited (“AMM” or the “Company”) to prepare an Independent Technical Assessment Report (ITAR) for use in a prospectus to support an initial public offering (IPO) of shares (40–50 million fully paid ordinary shares at an issue price of 20 cents per share to raise A\$8 million to A\$10 million) for AMM to enable a listing on the Australian Securities Exchange (ASX). The funds raised will be used for the purpose of exploration and evaluation of the project areas.

AMM has acquired a 100% interest in the Nyanga Project (“the Project”) situated in the Nyanga Province of the Gabonese Republic in Africa (“Gabon”). The Property is located approximately 255 km south of the capital city, Libreville (Figure 1). The Project is comprised of two exploration permits that combined cover a total area of 2,991 km². The tenements were consolidated principally based on their potential to host economic nickel-copper-cobalt(-platinum group element – PGE) mineralisation.

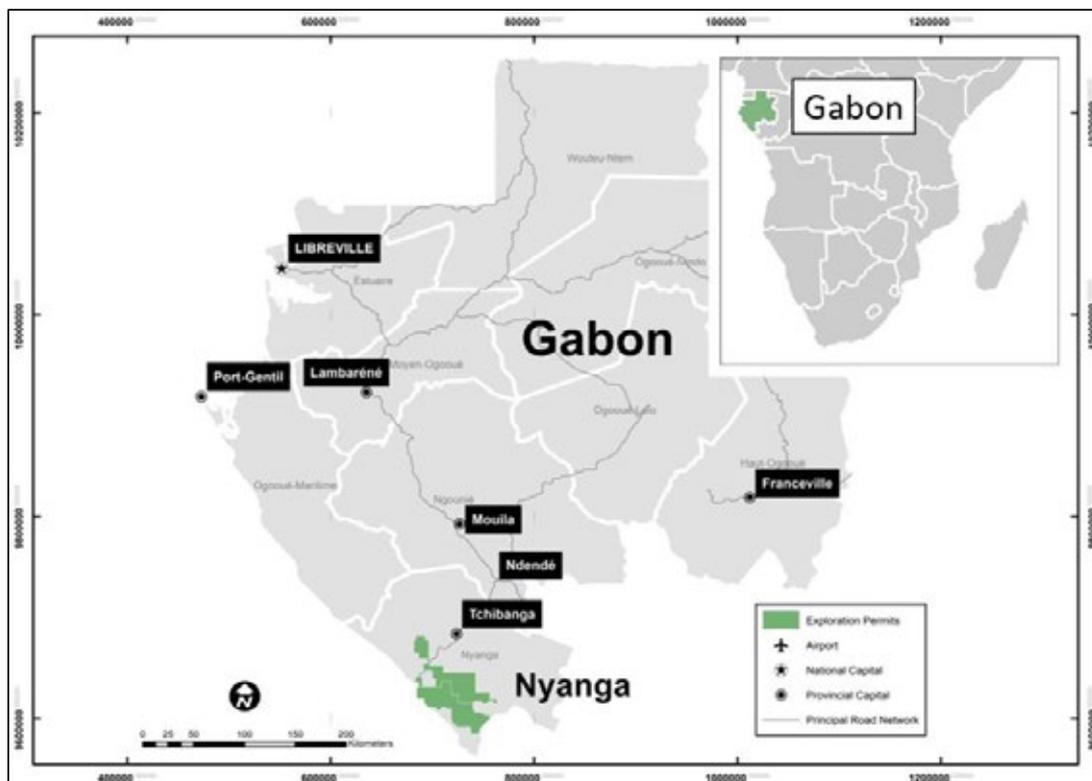


Figure 1: Nyanga Project location map, Gabon
 Datum WGS84 32S. Source: AMM

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The ITAR is subject to the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets 2015 (“VALMIN¹ Code”). In preparing this ITAR, CSA Global:

- Adhered to the VALMIN Code.
- Relied on the accuracy and completeness of the data provided to it by AMM, and that the Company made CSA Global aware of all material information in relation to the Projects.
- Relied on AMM’s representation that it will hold adequate security of tenure for exploration and assessment of the Project to proceed.
- Required that AMM provide an indemnity to the effect that AMM would compensate CSA Global in respect of preparing the report against any and all losses, claims, damages and liabilities to which CSA Global or its Associates may become subject under any applicable law or otherwise arising from the preparation of the ITAR to the extent that such loss, claim, damage or liability is a direct result of AMM or any of its directors or officers knowingly providing CSA Global with any false or misleading information, or AMM, or its directors or officers knowingly withholding material information.
- Required an indemnity that AMM would compensate CSA Global for any liability relating to any consequential extension of workload through queries, questions, or public hearings arising from the reports.

1.2 Compliance with the VALMIN and JORC Codes

The ITAR has been prepared in accordance with the VALMIN Code¹, which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC Code², and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to Independent Expert Reports.

1.3 Principal Sources of Information and Reliance on Other Experts

CSA Global has based its review of the Project on information made available to the principal authors by AMM along with technical reports prepared by consultants, government agencies and previous tenements holders, and other relevant published and unpublished data. CSA Global has also relied upon discussions with AMM’s management for information contained within this assessment. This ITAR has been based upon information available up to and including 15 October 2021.

CSA Global has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy, and completeness of the technical data upon which this ITAR is based. Unless otherwise stated, information and data contained in this technical report or used in its preparation has been provided by AMM in the form of documentation.

AMM was provided a final draft of this ITAR and requested to identify any material errors or omissions prior to its lodgement.

Descriptions of the mineral tenure; tenure agreements, encumbrances and environmental liabilities were provided to CSA Global by AMM or its technical consultants. AMM has warranted to CSA Global that the information provided for preparation of this ITAR correctly represents all material information relevant to the Project. Full details on the tenements are provided in the Independent Solicitor’s Report elsewhere in the prospectus.

¹ Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code), 2015 Edition, prepared by the VALMIN Committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. <<http://www.valmin.org>>

² Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC). <<http://www.jorc.org>>



1.4 Authors of the Report

CSA Global, an ERM Group company, is a privately owned, mining industry consulting company headquartered in Perth, Western Australia. CSA Global provides geological, resource, mining, management and corporate consulting services to the international resources sector and has done so for more than 30 years.

This ITAR has been prepared by a team of consultants sourced principally from CSA Global's Perth, Western Australia office. The individuals who have provided input to the ITAR have extensive experience in the mining industry and are members in good standing of appropriate professional institutions. The Consultant preparing this ITAR is a specialist in the field of geology and exploration, in particular relating to magmatic nickel.

The following individuals, by virtue of their education, experience, and professional association, are considered Competent Persons, as defined in the JORC Code (2012), for this ITAR. The Competent Persons' individual areas of responsibility are presented below:

- Principal author – Mr Tony Donaghy (Technical Director – Nickel with CSA Global in Perth, Western Australia) is responsible for the entire ITAR
- Peer reviewer – Ivy Chen (Manager Corporate and Principal Consultant with CSA Global in Perth, Western Australia) is responsible for the entire ITAR
- Partner in Charge – Dr Brendan Clarke (Partner, Director – Africa of CSA Global in Horsham, United Kingdom) is responsible for the entire ITAR.

Mr Donaghy is an internationally recognised expert in the global search for nickel, copper, cobalt, and PGEs and a skilled exploration geologist who is familiar with most geological environments and a broad variety of mineral commodities. He has more than 25 years' experience covering all continents and all aspects of the industry – from leading continental-scale grassroots targeting exercises, through greenfields and brownfields exploration project design and execution, mining, property evaluation and due diligence, board-level strategy development and guidance, to independent regulatory technical reporting and project valuation.

This ITAR was peer reviewed by CSA Global Manager Corporate and Principal Consultant, Ivy Chen. Ms Chen is a corporate governance specialist, with over 30 years' experience in mining and resource estimation. She served as the national geology and mining adviser for the ASIC from 2009 to 2015. Ms Chen's experience in the mining industry in Australia and China as an operations and consulting geologist includes open pit and underground mines for gold, manganese and chromite, and as a consulting geologist she has conducted mineral project evaluation, strategy development and implementation, through to senior corporate management roles. Recent projects completed include listings and other commercial transactions on the Australian, Singapore, Hong Kong and United Kingdom stock exchanges. Ms Chen is a company director and is a member of the VALMIN Committee.

This ITAR was authorised by CSA Global Partner, Director – Africa, Brendan Clarke PhD BSc (Hons), PR.SCI.NAT (SACNASP), Fellow of the Geological Society of South Africa. Dr Clarke is a Geologist with over 20 years' experience in the minerals industry and specialist skills in the design, execution and management of exploration projects globally, with a specific focus on the management of exploration projects in Africa and the Middle East. He has nickel exploration and project development experience in magmatic nickel sulphide deposits in South Africa, Botswana, Burundi and Finland.

1.5 Independence

Neither CSA Global, nor the authors of this ITAR, has or has had previously, any material interest in AMM or the mineral properties in which AMM has an interest. CSA Global's relationship with AMM is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. Fees are being charged to AMM at a commercial rate for the preparation of this ITAR, the payment of which is not contingent upon the conclusions of the ITAR. The fee for the preparation of this report is ca. A\$37,000.



No member or employee of CSA Global is, or is intended to be, a director, officer, or other direct employee of AMM. No member or employee of CSA Global has, or has had, any shareholding in AMM.

There is no formal agreement between CSA Global and AMM as to the Company providing further work for CSA Global.

1.6 Declarations

1.6.1 Purpose of this Document

This ITAR has been prepared by CSA Global at the request of, and for the sole benefit of AMM. Its purpose is to provide an ITAR of AMM's Gabon tenements.

The ITAR is to be included in its entirety or in summary form within a prospectus to be prepared by AMM in connection with an IPO. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

The statements and opinions contained in this ITAR are given in good faith, and in the belief, that they are not false or misleading. The conclusions are based on the reference date of 15 October 2021 and could alter over time depending on exploration results, mineral prices, and other relevant market factors.

1.6.2 Competent Person's Statement

The information in this ITAR that relates to Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results is based on information compiled and conclusions derived by Mr Tony Donaghy, a Technical Director and an employee of CSA Global.

Mr Donaghy is a Registered Professional Geoscientist with the association of Professional Geoscientists of Ontario, a Recognised Professional Organisation, and has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Donaghy consents to the inclusion in the ITAR of the matters based on his information in the form and context in which it appears.

1.6.3 Site Inspection

No site visit was made to the Project, as the author has sufficient knowledge of these regions to assess the Project. In CSA Global's professional judgement, a site visit is unlikely to materially improve its understanding of the Project, due to the Project's early stage of exploration activity.

1.7 About this Report

This ITAR describes the prospectivity of AMM's Nyanga Project, located in Gabon, Africa. The geology and mineralisation for the Project is discussed, as well as the exploration work done, and the results obtained there from.

No valuation has been requested or completed for the Project.



2 Tenement Position and Geography

2.1 Tenement Position

AMM has acquired a 100% interest in the Nyanga Project situated in the Nyanga Province of Gabon. The Project is located approximately 255 km south of the capital city, Libreville (Figure 1). Tenement details are listed in Table 2. CSA Global is not qualified to give opinions on legal matters pertaining to tenement status or liabilities. CSA Global relies on the legal opinion of legal firms Simmons and Simmons of Paris and Project Lawyers of Libreville. AMM has advised CSA Global that the due diligence on matters in respect of the Project's tenure is covered by an Independent Solicitor's Report prepared by these firms that appears in the Prospectus.

Table 2: Tenement information for AMM's Nyanga Project

Tenement	Status	Holder	Grant date	End date	Area* (km ²)
G5-150	Granted	Armada Exploration Gabon SARL	2 Jul 2015	9 Jul 2022	1,496
G5-555	Application for renewal*	Armada Exploration Gabon SARL	25 Apr 2018	25 Apr 2021	1,495
Total					2,991

*Application for renewal of G5-555 was lodged with the Gabon Ministry of Mines prior to the listed date of permit expiry.

Source: AMM

The Project (Figure 2) is comprised of two exploration permits (G5-150 and G5-555). The two tenements combined cover a total area of 2,991 km².

G5-150 was renewed for a further three years of exploration on 9 July 2019. An application for a renewal for another three-year period may be lodged prior to expiry of the current permit on 9 July 2022.

G5-555 is currently under application with the Gabon Ministry of Mines to renew the exploration permit for a further three years. CSA Global is unaware of any factors that could preclude renewal of the exploration permit G5-555. Upon successful renewal, the permit is granted for three years from the date of the grant of renewal, with the opportunity to apply for an extension of another three years beyond that.

The exploration licences comprising the Nyanga Project are wholly held by Armada Exploration Gabon SARL, a wholly owned subsidiary of Armada Exploration Limited, in turn a wholly owned subsidiary of the Company.

2.2 Location and Access

The Nyanga Project is in southern Gabon (Figure 1) on the border with the Republic of the Congo and on the Atlantic Coast. The AMM exploration base is in Tchibanga town, the closest urban centre to the Project (Figure 2). There is an international airport at Libreville and a regional airport at Tchibanga. Tchibanga can be reached by air from Libreville with chartered flights.

The principal road link to the Project is through Tchibanga along the RN6 highway from the town of Ndende. Ndende can be reached from Libreville, via Lambaréné, by the RN1 highway, on tarmac roads suitable for heavy goods vehicles throughout the year. Road travel from Libreville to Tchibanga takes approximately nine hours. From Tchibanga there is a highway link to the coastal town of Mayumba. A future deep-water port is proposed for Mayumba.

Principal roads within the Project are gravel or laterite covered forest tracks. These roads are sparse and serviceable in the dry season, which is typically May to December.

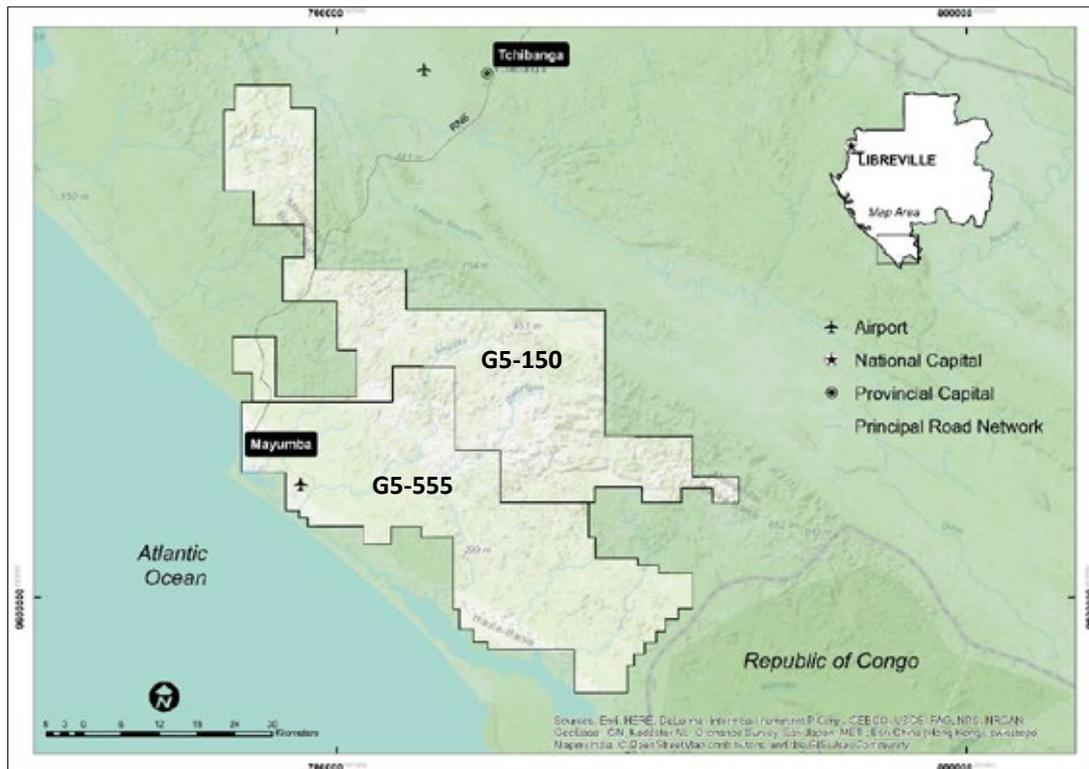


Figure 2: Tenement map for the Nyanga Project
 Datum UTM WGS84 32S. Source: AMM.

2.3 Physiography and Climate

The Project lies along the boundary between the erosional, well incised Mayombian basement terrain and the coastal depositional terrain. The north of the Project is dissected by the Sanga Pleine, comprising a subdued but locally hilly terrain incised by numerous small to medium-sized perennial rivers with small catchment areas. The Nyanga River and the town of Tchibanga are at about 300 m above sea level. Within the Project area the Mayombian Chaine has highest points reaching around 400 m above sea level in the main working area with peaks between 750 m and 800 m above sea level along the centre of the Project. Resistive quartzite units form the highest peaks that often have steep to near-vertical flanks.

The streams are of moderate to high energy in the upper reaches exposing the bedrock along narrow beds. The streams become lower in energy and meandering in the lower reaches towards the Nyanga River.

Surface cover sequences (laterite) blanket bedrock in the Sanga Pleine. Outcrops in the Mayombian basement terrain are mainly restricted to incised riverbeds and a few resistive units such as the quartzites.

Except for a limited number of man-made clearances, the southern portion of the Project is uniformly covered by equatorial rainforest with a high diversity fauna.

The climate is a wet, tropical climate with distinct dry seasons. The average monthly temperature of 25–30°C is relatively consistent throughout the year with highest temperatures occurring during the rain seasons. Average annual rainfall is around 3,000 mm. Two dry seasons with almost no rainfall but high humidity (December-January and May-September) and two wet seasons with heavy thunderstorms followed by dry spells (February-April and October-November) typically occur over the year. The best working conditions are during the long dry season from May to September, although field activities can be carried out all year-round with adequate operational support.



2.4 Local Infrastructure and Services

The population density on the Project is very low, with most people living in Tchibanga or along the national highway to the town of Mayumba. Tchibanga town is local market centre. The main economic activities in the area include logging and small-scale commercial trade. The SIAT Group (www.siat-group.com) own and manage a cattle ranch in the flat plains of the Nyanga Basin, east of Tchibanga. Exploration activities have not been hindered by the presence of the SIAT Group. Commercial-scale agriculture is otherwise absent in the Project.

The Project is currently isolated from public infrastructure. As many as three cellular phone network providers provide coverage across the Nyanga Province in proximity to urban centres. Satellite phone coverage is currently required for the Project.

Temporary tented camp sites have been used for the exploration programs conducted to date. Water sources include the local river systems. Potable water has been brought into the tented camps for human consumption.



3 Regional Geology

The geology of Gabon and its constituent lithologies has been studied in detail by Tack et al. (2001), Schluter (2006), Thiéblemont et al. (2009a), Tourlière et al. (2009), Van Hinsbergen et al. (2011), and Weber et al. (2016). The following is a synopsis of their work. In the following, “Ma” refers to million years before the present day and “Ga” refers to billion years before the present day.

Gabon is situated at the north-western margin of the Congo Craton, a stable block of Archean crust formed ca. 3.6 Ga (Figure 3). The Congo Craton boundary is demarcated by the Iko-ikobe Suture Zone. The Archean Congo Craton block comprises the bedrock to more than half of Gabon. The craton is mainly composed of granitoids (diorite, tonalite, granodiorite, granite, syenite and charnockitic suites) and medium- to high-grade metamorphic gneisses.

AMM’s Nyanga Project straddles the contact between two distinct geological terranes in southwest Gabon outboard of the western margin of the Congo Craton:

- The Lambaréné Horst Block (LHB), a tectonically reworked Archean to Paleoproterozoic basement block
- The Nyanga Basin, which contains the north-western-most segment of the Neoproterozoic West Congolian Supergroup (WCS).

The LHB comprises a series of Mesoarchean to Palaeoproterozoic high-metamorphic grade lithologies from migmatitic and granitoid gneisses which are dated ca. 2.45 Ga, to a series of calc-alkaline to tonalitic-trondhjemitic felsic intrusives, gabbros, dolerites and meta-dolerites which are dated 2.08–2.00 Ga. The latter is thought to provide evidence for rifting of the older LHB sequence during the Paleoproterozoic Eburnean Event ca. 2.1–2.0 Ga. The same Eburnian rift events affected the Congo Craton to the east, with the initiation of Eburnian aged rift basins of the Franceville Supergroup unconformably overlying the older cratonic basement rocks.

The Araçuaí-West Congo Orogen (AWCO) is now preserved adjacent to the São Francisco Craton in Brazil, and the West Congo Mobile Belt (WCMB) in central Africa. The African part of the Neoproterozoic AWCO, the WCMB, forms a more than 1,400 km-long belt, running from Gabon in the north to Angola in the south, parallel to the South Atlantic. In Gabon, the belt comprises rocks of the Nyanga Basin and partially reworked portions of the Archean-Paleoproterozoic basement. The WCS forms part of the Pan African series of rift basins developed across Africa during the break-up of Rodinia in the Neoproterozoic. The WCS includes a sequence of highly deformed and metamorphosed magmatic/volcanic and sedimentary terranes.

The interpreted WCS stratigraphic succession commences at the base with the metagneous/metavolcanic Mayumba Complex which lies unconformably on the Paleoproterozoic rocks of the LHB. The mafic units of this complex are dated ca. 902 ± 5 Ma, with felsic units dated ca. 867 ± 4 Ma. The Mayumba Complex is interpreted as the onset of active rifting and the formation of the initial basin. The series continues stratigraphically upwards with a sequence of detrital units (conglomerates, arkoses, quartzites, pelites) and more juvenile units (pelitic schists, chloritic schists) deposited between ca. 900 Ma and 710 Ma. The series ends with the deposition of diamictites (the Niari Group) correlated with the conglomerates at the end of the Cryogenian glaciation, at ca. 635 Ma.

A new, local phase of rifting in the northernmost end of the Nyanga Basin led in a widening of the sedimentary domain towards the east and deposition of the carbonate-bearing sequence of the Schisto-calcaire Group overlying the Niari Group. Sedimentation in this local portion of the Nyanga Basin ended with the formation of the detrital arkosic sequence of the Schisto-grésseux Group, possibly relating to the onset of tectonic uplift, basin inversion and deformation of the sequence by the Pan African Orogeny.

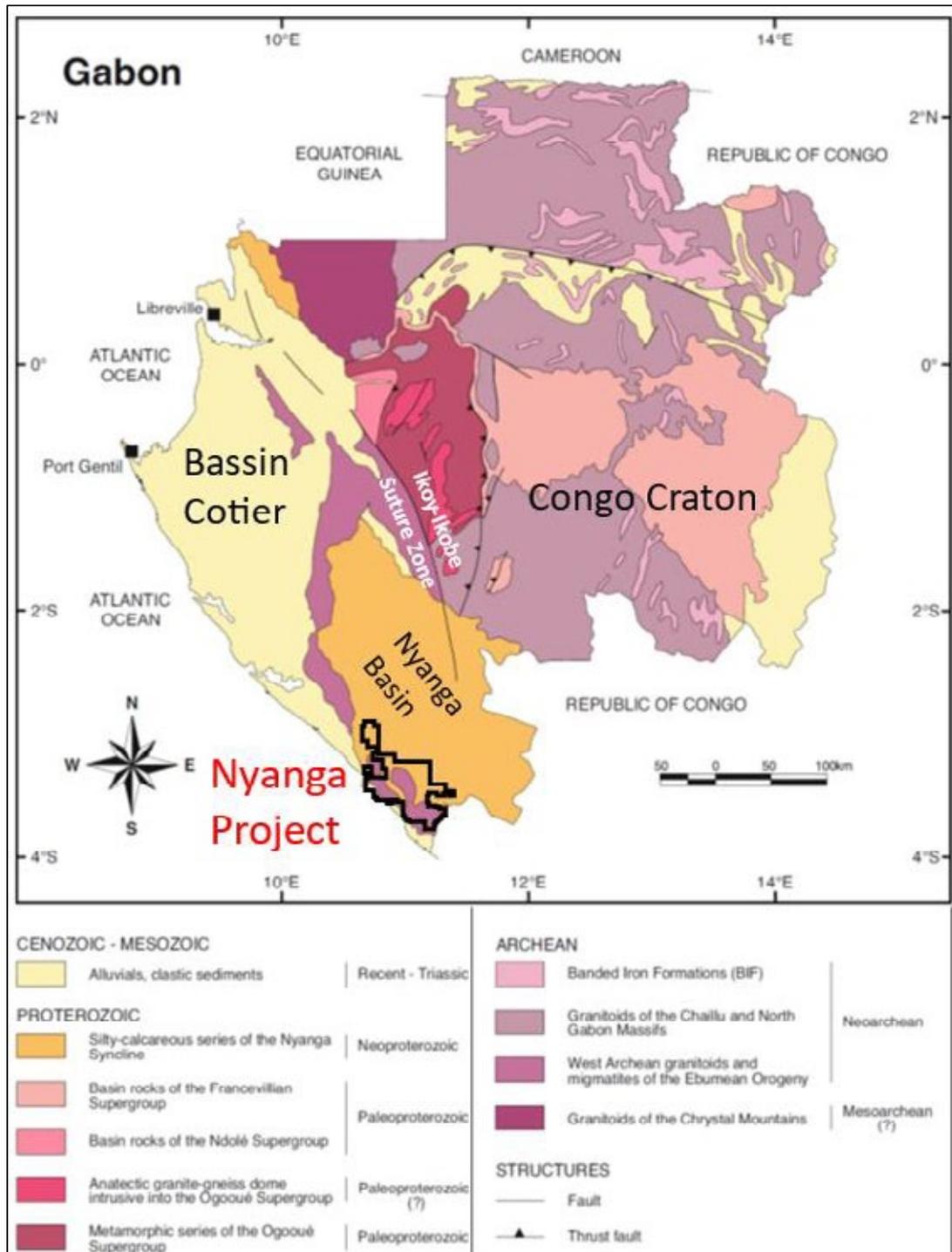


Figure 3: Simplified tectonic element geology of Gabon
 Source: After Schluter (2006)



The WCMB acquired its structure during the Neoproterozoic to Cambrian Pan-African orogeny when the western margin of the Congo Craton collided with the active São Francisco Craton eastern margin, thus forming the AWCO. Locally, the final stages of the orogeny are dated at ca. 566 Ma. In the northeast of the WCMB, the strata are practically undeformed, whereas to the southwest folding and metamorphism increase progressively, reaching a maximum in the Project area where the Lambaréné Block is interpreted to overthrust the Loukoula Group at the base of the Neoproterozoic Mayumba Complex sequence. The regional metamorphism is relatively low-grade greenschist facies.

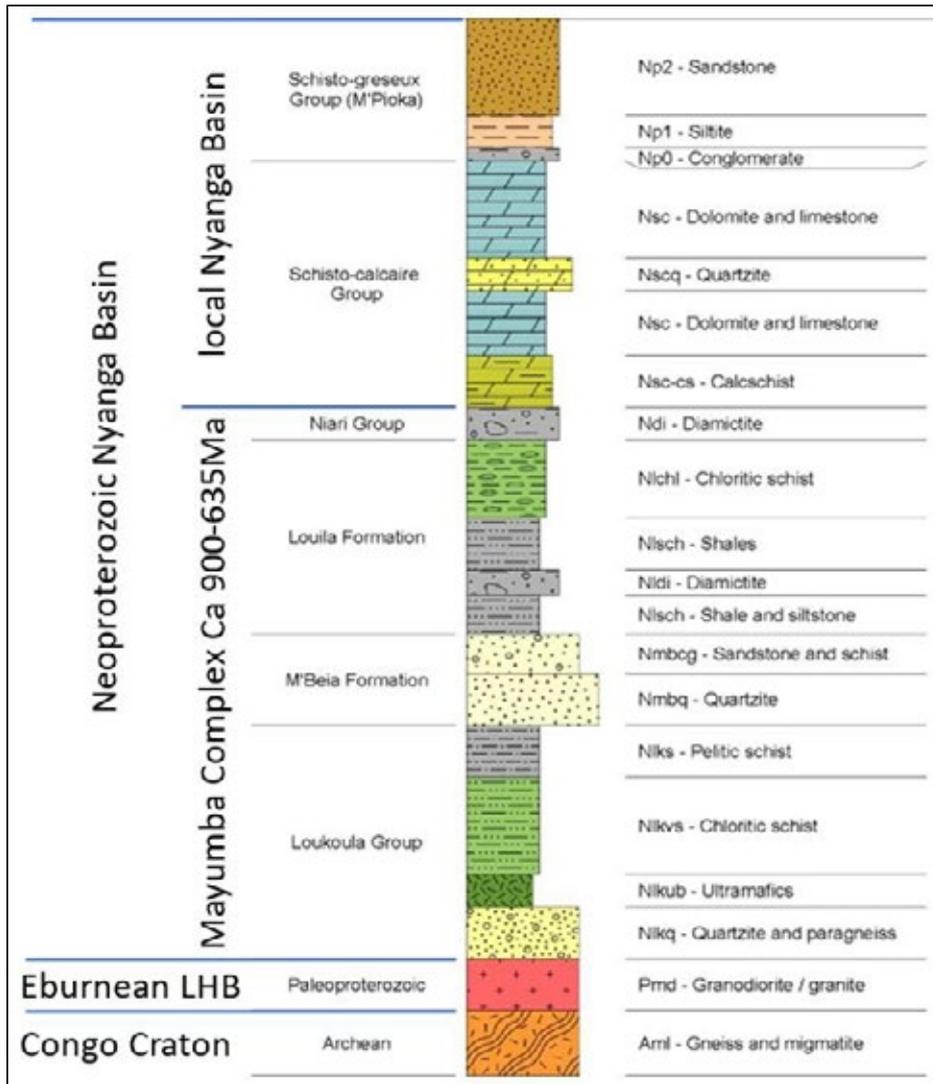


Figure 4: Stratigraphic column for southwest Gabon regional geology in the vicinity of the Nyanga Project
 LHB – Lambaréné Horst Block. Other codes correspond to Gabon 1:200,000 geological map legends. Cf. Figure 8.
 Source: AMM.

Overlying and outboard to the west of the Neoproterozoic terranes, the Bassin Côtier was formed during the opening of the Atlantic Ocean that rifted apart the AWCO between Africa and Brazil. The basal units are Permian and Jurassic in age with most sediments deposited from middle Cretaceous to Quaternary. The sediments deposited in the eastern sub basins are dominantly continental and lacustrine, whereas the outer basins to the west consist mainly of marine deposits.

4 Mineralisation Styles

AMM is exploring the Nyanga Project for intrusive-hosted magmatic nickel-copper-cobalt sulphides, with possibility for significant PGE by-product credits.

The geology of magmatic nickel sulphide deposits has been reviewed extensively by Naldrett (2004, 2010), Barnes and Lightfoot (2005), Begg et al. (2010), Li and Ripley (2011), and Barnes et al. (2016). The following is a synthesis of their work.

In simplest terms, intrusive-hosted magmatic nickel sulphide deposits are formed by a process of (Figure 5):

- Forming a significant volume of mafic to ultramafic melt within the Earth's mantle, from melting of the olivine content of the mantle. Such melting processes are thought to be initiated by hot mantle plumes that rise through the mantle to the base of the crust.
- The ascendance of that melt from the mantle through/into the Earth's crust.
- The contamination of that magma by incorporating crustal rocks into the melt during the passage of the melt through the Earth's crust.
- The saturation of the magma with sulphur because of contamination by incorporation of crustal rocks, and the subsequent formation of a sulphide liquid phase within the magma.
 - The simplest means of saturating the magma with sulphur is the incorporation of sulphide-bearing wall rocks into the magma as it passes through the crust.
 - However, this is by no means critical as several significant nickel sulphide deposits globally may have sulphur saturated by other means associated with crustal contamination without addition of external sulphur into the system.
 - Sulphur saturation may occur at any depth in the system as the magma transits the crust, and the resultant sulphide phase may be entrained within the moving magma some distance (tens of kilometres) from the site of sulphur saturation to the eventual site of sulphide deposition.
- This sulphide phase scavenges and concentrates those metals within the magma that preferentially bond with sulphur such as nickel, copper, cobalt, and PGEs.
- The precipitation, and accumulation of nickel-copper-cobalt(-PGE) sulphides via various processes as the magma cools and crystallises to eventually form mineralised mafic-ultramafic intrusive rocks.

The formation of magmatic nickel sulphide deposits requires the efficient extraction of the target metals. This involves taking concentrations of nickel and copper from the tens to hundreds of parts per million in the original magma and concentrating them by several orders of magnitude into accumulations typically within the 1–10% range in the deposit. This process is dependent on a variety of factors.

The extraction and significant upgrading concentration of the metals in question requires generation and throughput of voluminous magma through the system. All significant magmatic sulphide deposits have accumulated more metal in sulphide than could possibly have been sourced from the volume of the host intrusive system as seen today. Simple mass balance necessitates additional magma to have passed through the system as a conduit and be stripped of its metal content as it passes through to account for the metal contents observed in the sulphide deposit(s) within the intrusive.

The probability of finding such significant magmatic nickel sulphide deposits is observed to be greater in terranes that allows and focusses rapid and voluminous ascent of melted mantle rocks through the crust. Mafic-ultramafic Large Igneous Provinces located on the (at the time of formation) rifted margins of old, stable cratonic masses are the most favourable tectonic environments. Such structures are long-lived and have a history of multiple re-activation over time, implying they represent fundamental breaks in whole-crustal architecture. Nearly all the world's significant magmatic nickel sulphide deposits are located in such tectonic regimes on cratonic margins.

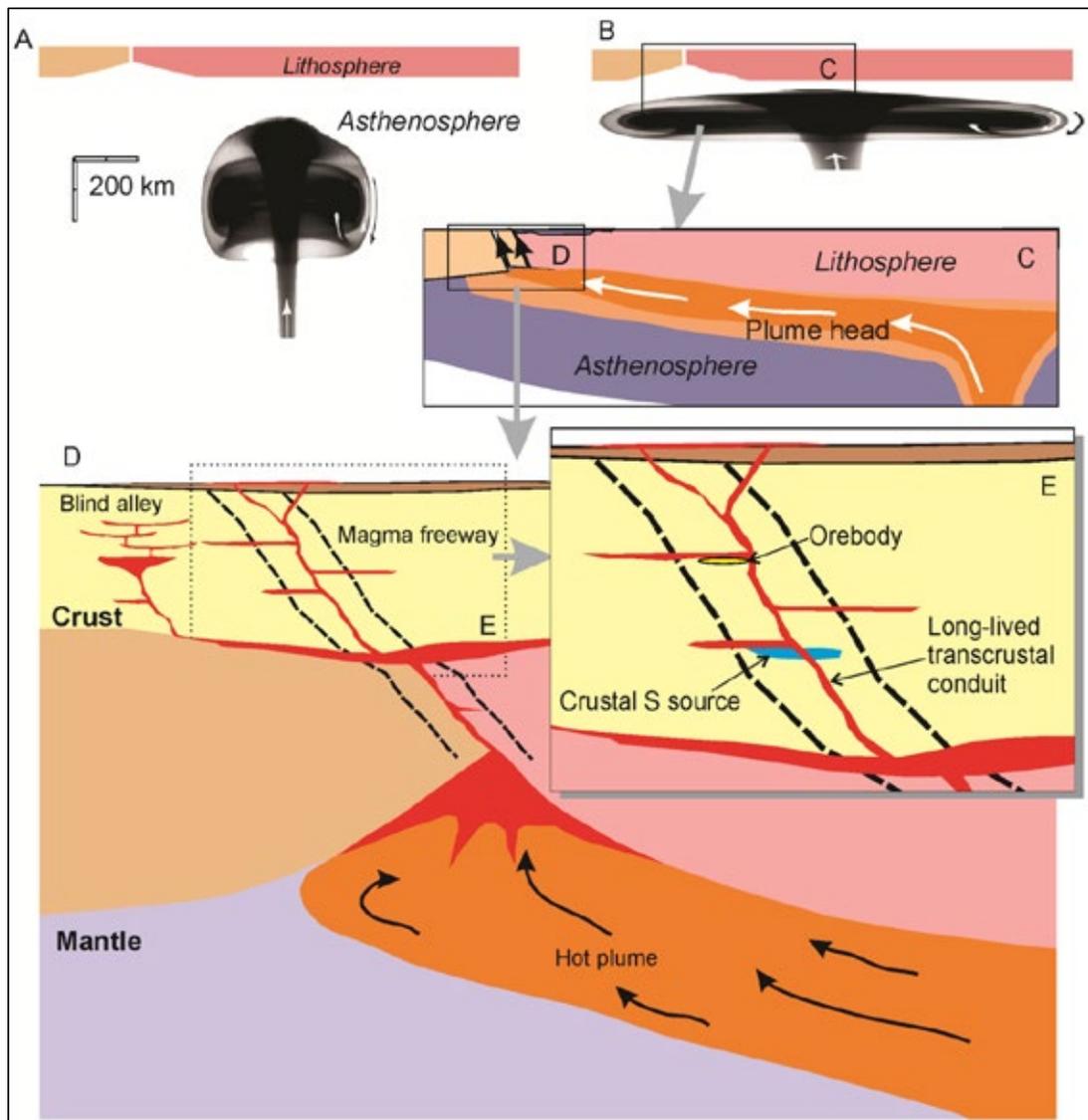


Figure 5: Stylised model for formation of magmatic nickel sulphide deposits.
 (A) Starting plume ascending beneath an old cratonic crustal block, within a few hundred kilometres of an original craton boundary. (B) Impingement and flattening of plume head beneath the crust. (C) Channelling of melt to thinnest crust at craton margin, generation of continental rifting centered on original suture. (D) Development of favourable environments for mineralisation above the melting zone, showing the combination of long-lived mantle-tapping structure and high magma production giving rise to high flux “magma freeways” with potential for assimilation of crustal material, transport and deposition of magmatic sulphide ores.

Source: After Barnes et al. (2016)

Within the intrusive system, sulphide is typically accumulated in geometries of constricted and dynamic magma flow such as tube-like chonoliths, laterally penetrating blade dykes, and linked dyke and sill complexes (Figure 6). Such systems typically have cross-sectional dimensions in the range of tens of metres to 1–2 km at most. Rarely is any appreciable sulphide content found to be associated with large, relatively passive and layered intrusive complexes with scales in the tens to hundreds of kilometres. However, sulphide deposits are found in smaller satellite intrusive bodies associated with such large complexes and may potentially feed as conduits into the larger bodies.

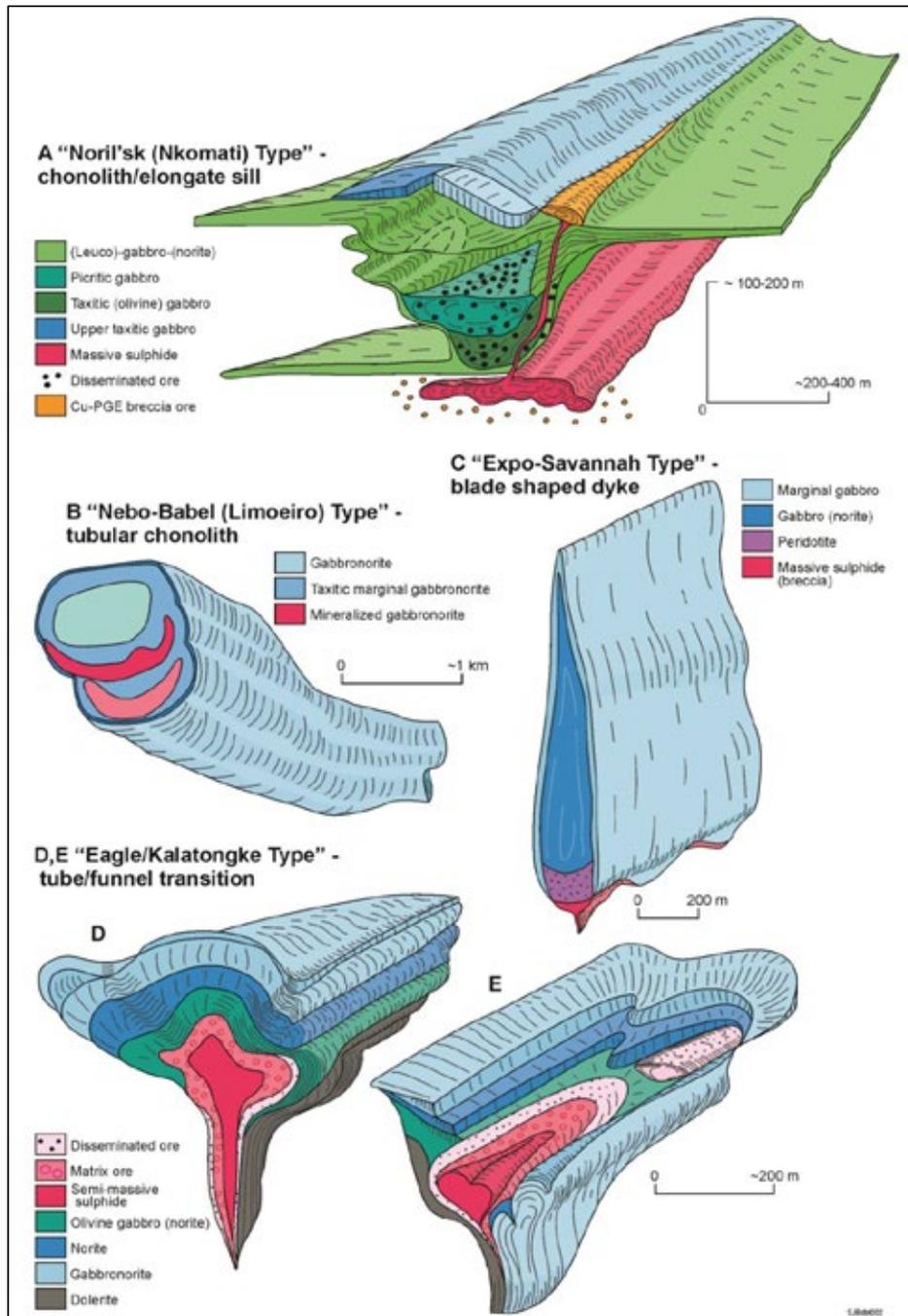


Figure 6: Schematic illustration of intrusions known to host magmatic Ni-Cu-PGE sulphide mineralisation. Depicting the spectrum of characteristic geometries of composite mafic and mafic-ultramafic intrusions. Source: After Barnes et al. (2016)

In terms of magma composition, nickel sulphide deposits are found in a range of mafic-ultramafic magma types. Any sufficiently mafic to ultramafic parental magma (except for, for reasons beyond the scope of this discussion, Island Arc Tholeiites and Ocean Island Basalts) can be considered fertile under the right conditions as discussed above to form magmatic nickel sulphide deposits.



Figure 7 depicts the distribution of the principal known intrusive related nickel sulphide deposits of Sub-Saharan Africa relative to Archean-Paleoproterozoic craton margins. This illustrates an apparent fundamental relationship between nickel deposits discovered to date in Sub-Saharan Africa and the margins of the older cratonic elements at the time of deposit formation. The location of the Nyanga Project off the western margin of the older Archean component of the Congo Craton is shown for comparison.

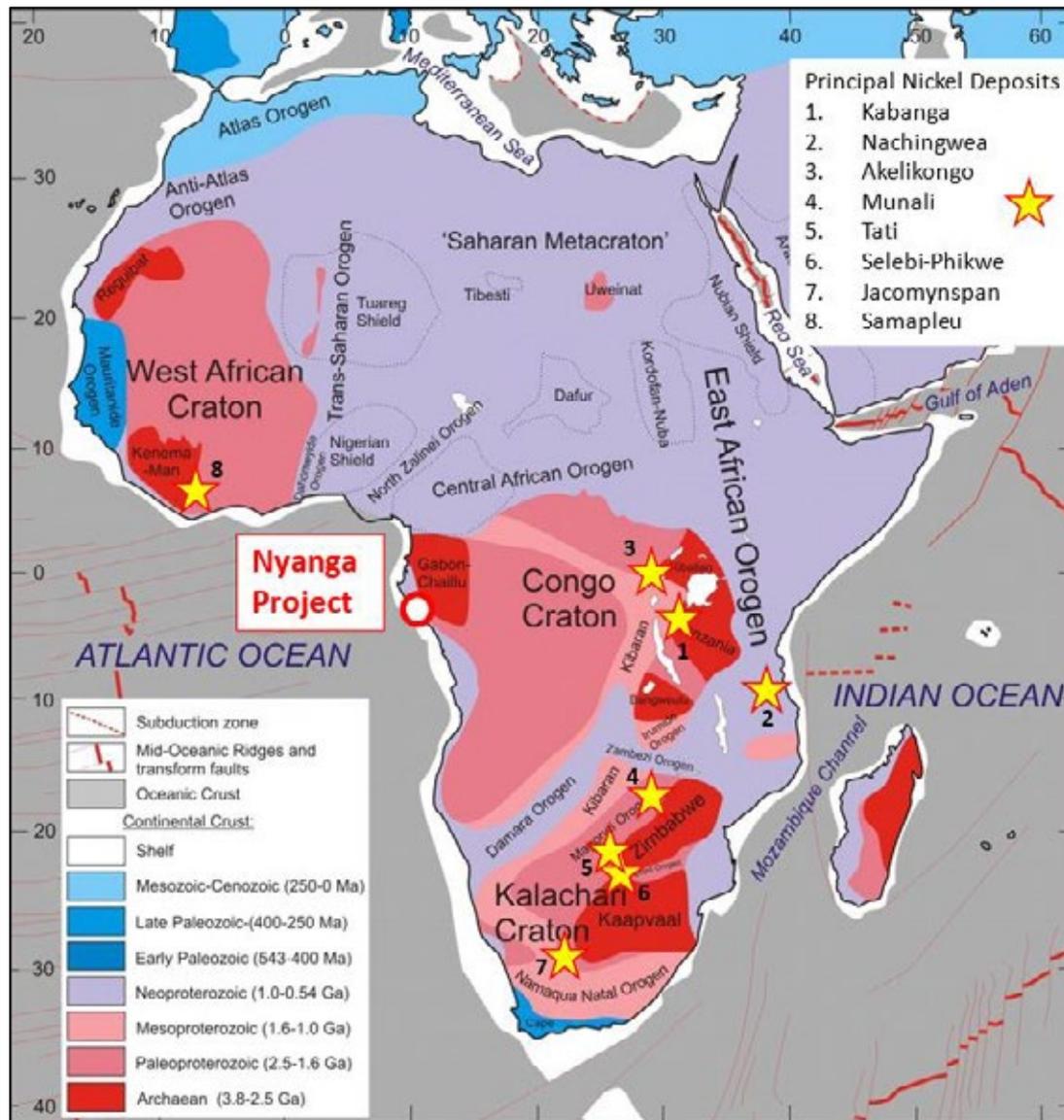


Figure 7: Schematic illustration of the distribution of principal known nickel sulphide deposits of Africa
 Source: Modified after Van Hinsbergen et al. (2011)

5 Nyanga Project

5.1 Local Geology

The local geology around the Nyanga Project area is developed and discussed by Thiéblemont et al. (2009b, 2009c), Tourlière et al. (2009), Weber et al. (2016), Haynes, (2015, 2016a, 2016b, 2017), Hornsey (2018), and AMC (2018). The following is a synopsis of their reports. In the following, “Ma” refers to million years before the present day and “Ga” refers to billion years before the present day.

The Nyanga Project sits on the western margin of the Nyanga Basin where the basin onlaps and is also structurally juxtaposed against the Archean to Eburnian basement rocks of the LHB (Figure 8). Due to the nature of vegetative cover and the deep weathering laterization profile, interpretation of the pre-Neoproterozoic bedrock geology is often conjectural with a variety of interpretations proposed by different workers in the area. Much of the geological interpretation is based on interpretation of geophysical airborne magnetic and radiometric data.

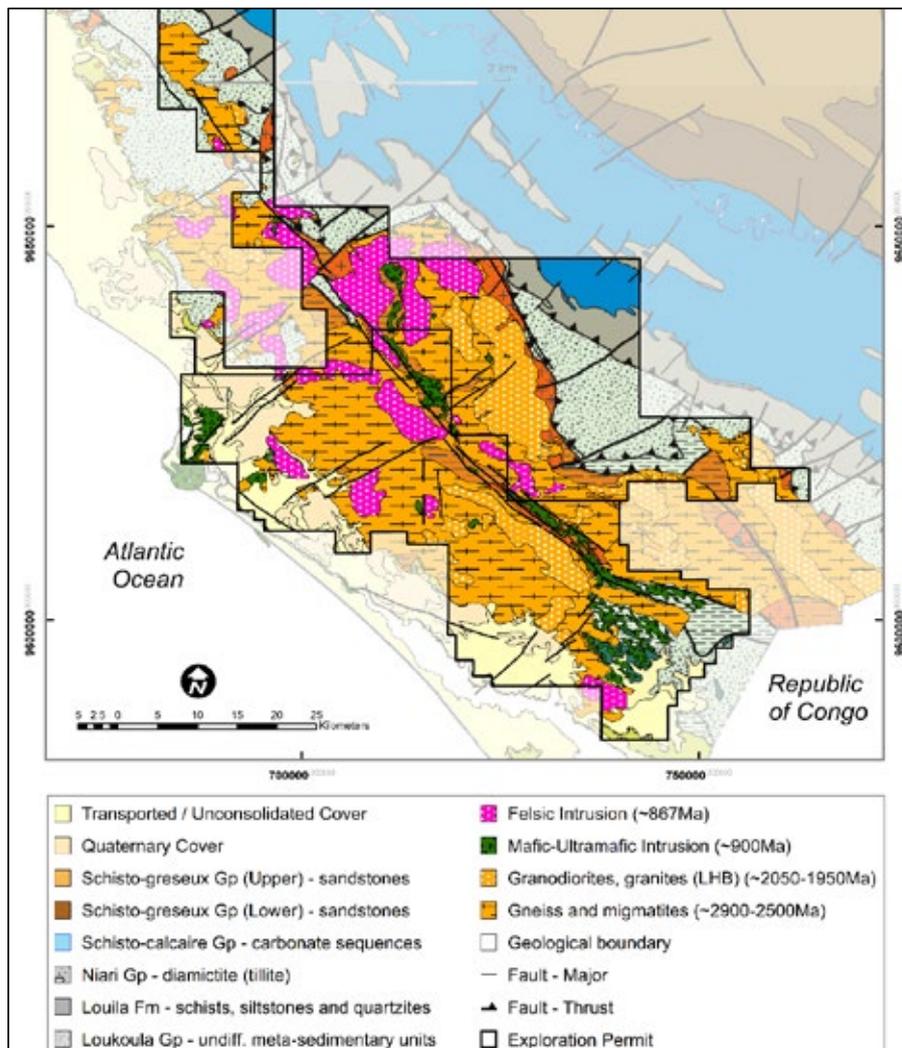


Figure 8: Local geology of the Nyanga Project
 Datum WGS84 32S. Source: AMM

ARMADA METALS LIMITED

NYANGA NICKEL-COPPER PROJECT – INDEPENDENT TECHNICAL ASSESSMENT REPORT



There have been two types of Mesoarchean to Eburnean LHB basement rocks proposed within the Project area, although the distinction between the two has been debated by other workers and is conjectural. The first comprises a “heterogeneous” sequence of (Mesoarchean?) migmatitic gneisses intruded by the younger Eburnean (2.1–2.0 Ga) granitoids. The second association comprises a “homogeneous” sequence of (Mesoarchean?) migmatites with amphibolite (metabasic) orthogneiss, paragneiss, quartzite and iron-formation.

A prominent northwest-trending structure is observed within the basement gneissic complex running through the middle of the project area, along the boundary between the two exploration permits. This has been interpreted as a potential fundamental tectonic break separating possible Mesoarchean micro-continental fragments. It has been proposed that these micro-continental fragments amalgamated during the Eburnean Orogeny; however, this tectonic interpretation is again conjectural.

This prominent structure has apparently controlled emplacement of a series of mafic- to ultramafic tholeiite intrusive complexes along the northeast trend. Other buried mafic-ultramafic intrusive complexes are inferred from interpretation of geophysical data (Figure 9), intruded within the LHB basement complex. A gabbroic body near the township of Mayumba yielded some zircons that were U-Pb age dated at 904 ± 6 Ma, interpreted to be the intrusive age of the rocks. Textures within these mafic-ultramafic bodies are essentially undeformed and unaltered with minor recrystallisation. Well preserved igneous cumulus textures are observed in microscope petrography of fresh samples with mineral compositions comprising varying amounts of olivine, pyroxene, and plagioclase.

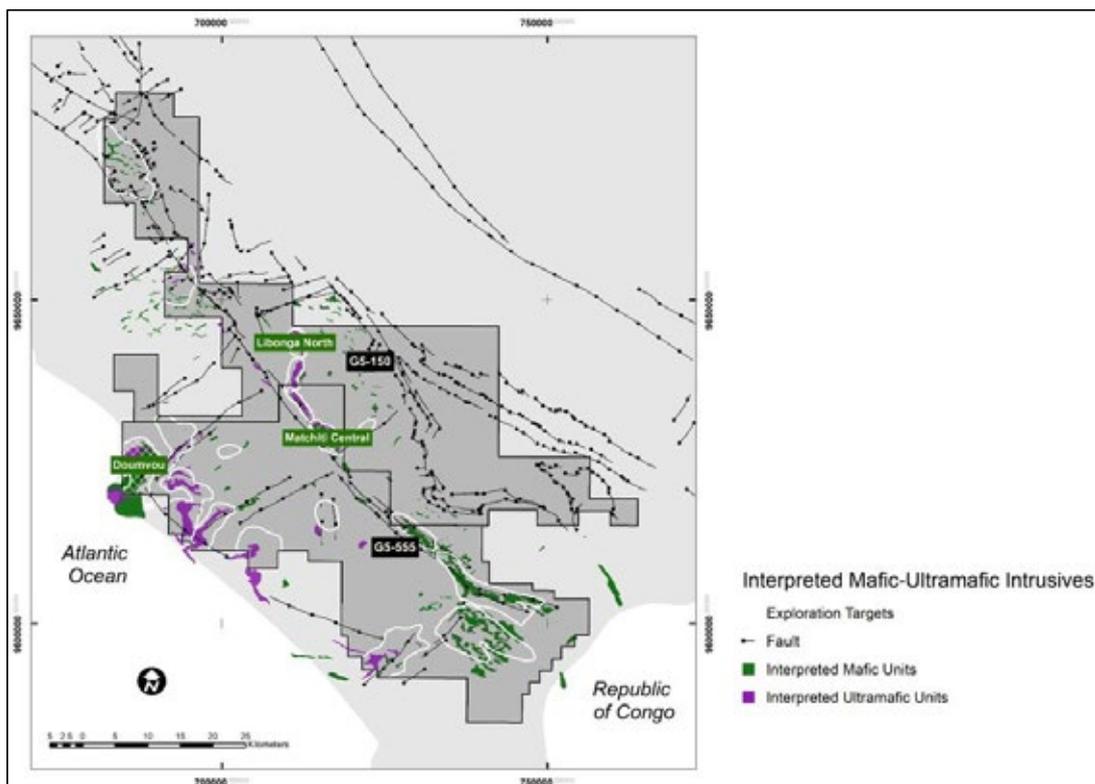


Figure 9: Interpreted mafic-ultramafic intrusive complexes, Nyanga Project
Datum WGS84 32S. Source: AMM.

The unaltered igneous textures and mineralogy led many workers to ascribe these intrusive rocks to a much younger age, potentially Cambrian late Pan-African orogeny or even Cretaceous aged contemporaneous with the opening of the Atlantic Ocean. However, they are clearly overlain in several locations by sedimentary



units of the Nyanga Basin, and the one age date determined above points to a Neoproterozoic age. They are thought to be synchronous, if not direct correlatives, with calc-alkaline mafic-ultramafic sequences in the basal portion of the Mayumba Complex in Gabon, and 1,600–2,400 m thick tholeiitic basaltic sequences observed in the basal Mayumba Complex in the Bas Congo stratigraphy of the DRC. These tholeiitic intrusive complexes are thus thought to be emplaced synchronous with Neoproterozoic initiation of the Pan African Rift event and first opening of the overlying Nyanga Basin. The apparent lack of Neoproterozoic to Cambrian Pan African deformation textures within, or structural disruption of, the mafic-ultramafic sequence may be the result of the rocks forming competent rheological masses that resisted the deformation affecting the surrounding sequences, preserving internal primary igneous textures.

It is these Neoproterozoic tholeiitic mafic-ultramafic intrusive complexes that are the target of AMM's exploration activities for magmatic nickel sulphide deposits. In all diagrams within this ITAR, reference to "exploration targets" refers to interpreted mafic-ultramafic intrusive complexes within the Project area.

5.2 Exploration History

Previous exploration activity is covered extensively by Cole et al. (2009), Tourliere et al. (2009), Brummer and Nigel (2009), Geotech Airborne (2015), Haynes (2015, 2016a, 2016b, 2017), Remote Exploration Services (2017), Hornsey (2018), AMC (2018), AMC (2020), and Xpotential (2021). The following is a synopsis of their reports. Previous exploration is summarised in Table 3 where past exploration activities by other explorers overlap the current AMM exploration permits, and in Table 4 for AMM exploration activities to date on the Project.

Table 3: Summary of previous exploration over the Nyanga Project

Year/s	Company	Activity	G5-150	G5-555	Total
1980	BRGM	Stream sediment sampling	346 samples	-	346 samples
2005 to 2009	SYSMIN	Stream sediment sampling	17 samples	145 samples	162 samples
		Soil sampling	621 samples	1,940 samples	2,561 samples
		Airborne magnetics and radiometrics	Yes	Yes	-
		Geological mapping leading to the publication of revised countrywide 1:1,000,000 and 1:200,000 scale geological maps	Yes	Yes	-
2006 to 2008	Phelps Dodge Gabon SARL	Stream sediment sampling	140 samples	-	140 samples
		Soil sampling	989 samples	-	140 samples
		Whole-rock geochemistry	9 samples	-	9 samples
2009	BHP Billiton	Airborne FALCON® gravity gradiometry, magnetics and radiometrics	Part of 6,316 line-km	No	Part of 6,316 line-km

Table 4: Summary of AMM exploration activity over the Nyanga Project

Years	Company	Activity	G5-150	G5-555	Total
2013 to 2021	Armada Exploration	Stream sediment sampling	1,523 samples	-	1,523 samples
		Soil sampling (pXRF)	14,480 samples	3,352 samples	17,832 samples
		Soil sampling (ICP check)	724 samples	-	724 samples
		Rock sampling	342 samples	424 samples	766 samples
		VTEM ^{Plus} airborne EM (Sed Cu)	4,264 line-km	-	4,264 line-km
		Ground gravity	Matchiti, Libonga	Doumvou	1,377 stations
		Drilling (Sed Cu)	9 holes, 3,144 m	-	9 holes, 3,144 m
		Geological mapping	Matchiti, Libonga	Doumvou	-
		Whole-rock geochemistry	Matchiti, Libonga	Doumvou	341 samples
		Test pits	10 on Libonga North	-	10 on Libonga North
		Xcite™ airborne HTDEM	Libonga-Matchiti Trend (LMT) 551 line-km	Doumvou 156 line-km	708 line-km



Prior to 2016, exploration activity in the vicinity of the Project focussed primarily on regional data acquisition and exploration for base metal (copper) deposits in the Nyanga Basin sequence, drawing analogies with the Bas Congo and Katanga Basin sequences in the DRC. From 2016 onwards, Armada shifted its exploration focus to the potential for magmatic nickel sulphides within the ca. 900 Ma mafic-ultramafic intrusive complexes. This represented the first exploration work focussed on nickel conducted on the Project.

5.3 Previous Explorers

5.3.1 1980 French Geological Survey (BRGM)

The BRGM carried out stream and soil campaigns over the southwest part of the Nyanga Basin. Surface sampling was conducted on a 4 km x 200 m grid for soils, and alluvium exploration with heavy minerals counting. AMM was able to retrieve data for 346 stream samples, covering the northern portion of the Property (Figure 10 and Figure 11). This program generated areas of elevated copper in streams that are coincident with basal lithologies of the Nyanga Basin.

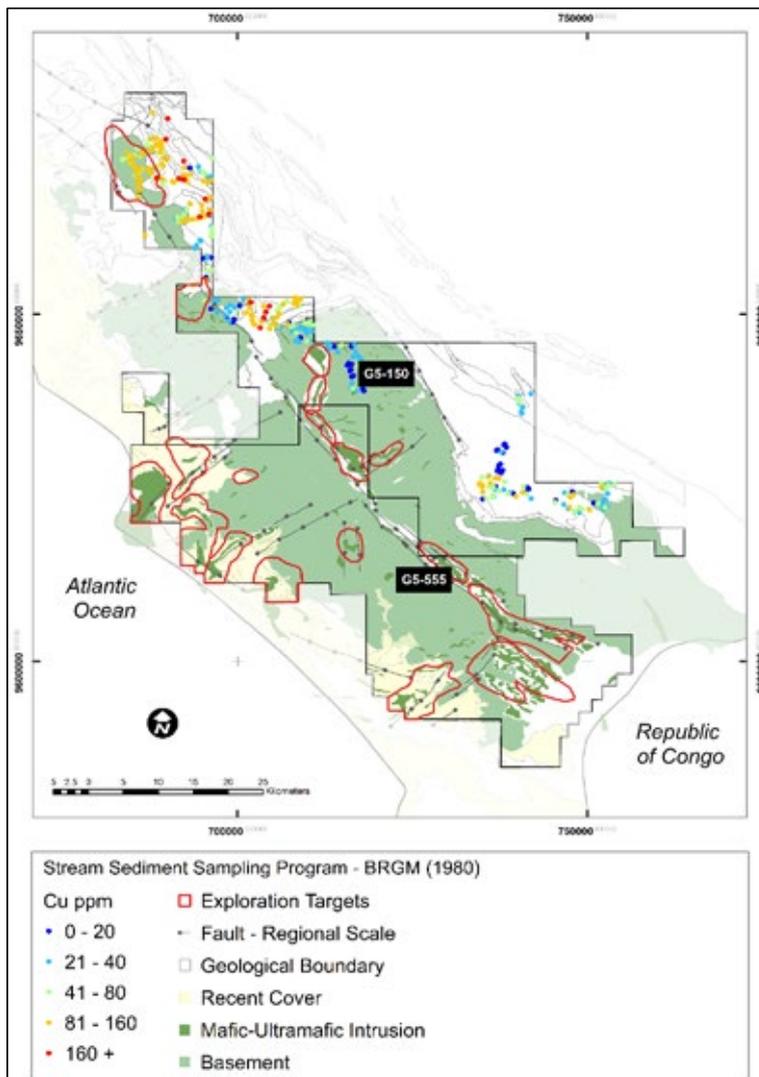


Figure 10: BRGM stream sediment copper results, Nyanga Project
 Datum WGS84 32S. Source: AMM.

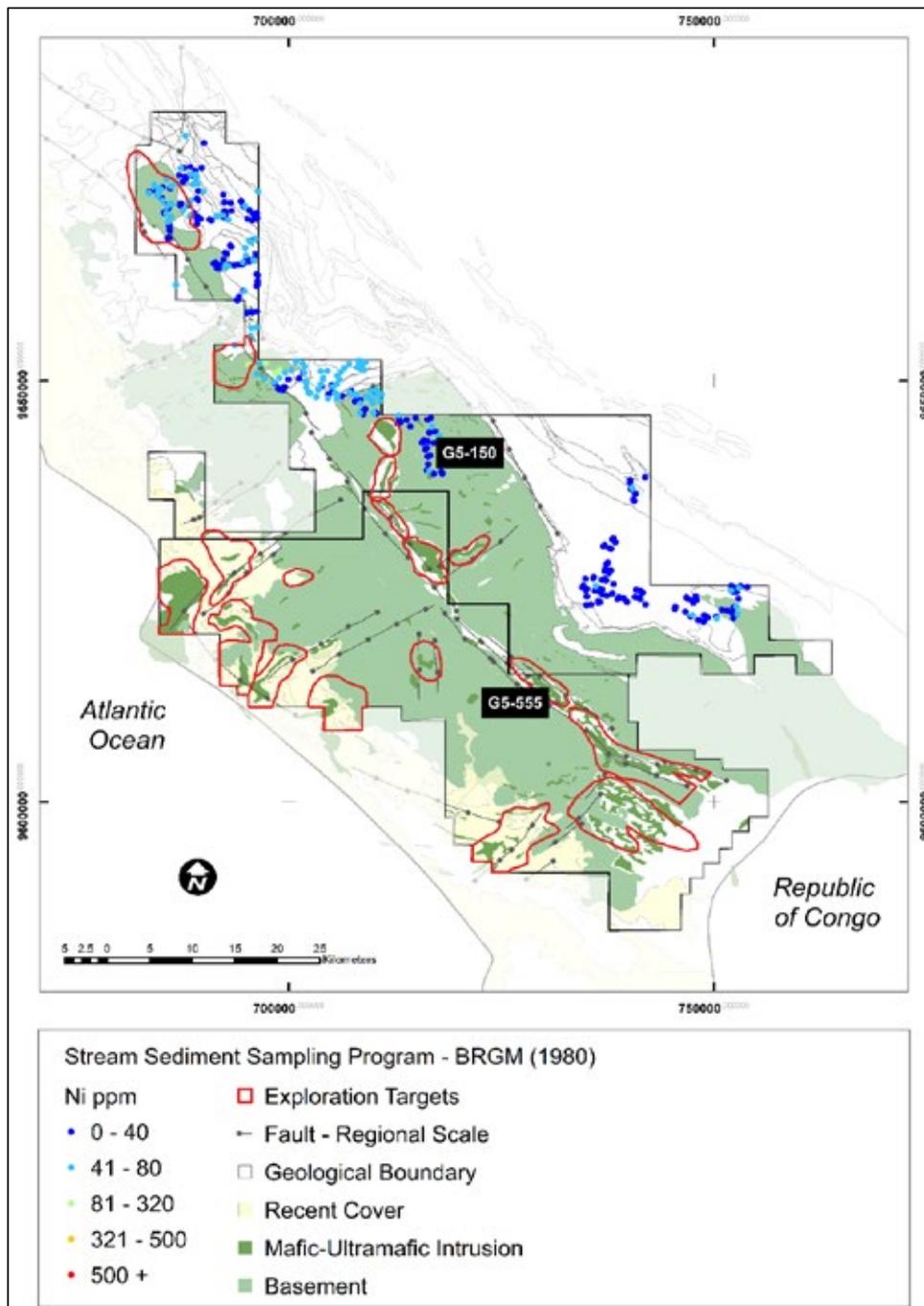


Figure 11: BRGM stream sediment nickel results, Nyanga Project
 Datum WGS84 32S. Source: AMM.

5.3.2 2005 to 2009 SYSMIN

During the period from 2005 to 2009, a dual geological and geophysical survey program (SYSMIN) was conducted under European Union funding by the French, South African and Gabonese Geological Surveys to outline the mineral prospectivity of Gabon.



Datasets covering the Project included airborne geophysical data acquisition on 500 m spaced lines, geological mapping and regional geochemical stream sediment and soil sampling. The complete datasets were acquired from the Department of Geology and Mines (DGDM), Libreville, Gabon by AMM and results covering the Project are depicted in Figure 12 to Figure 17.

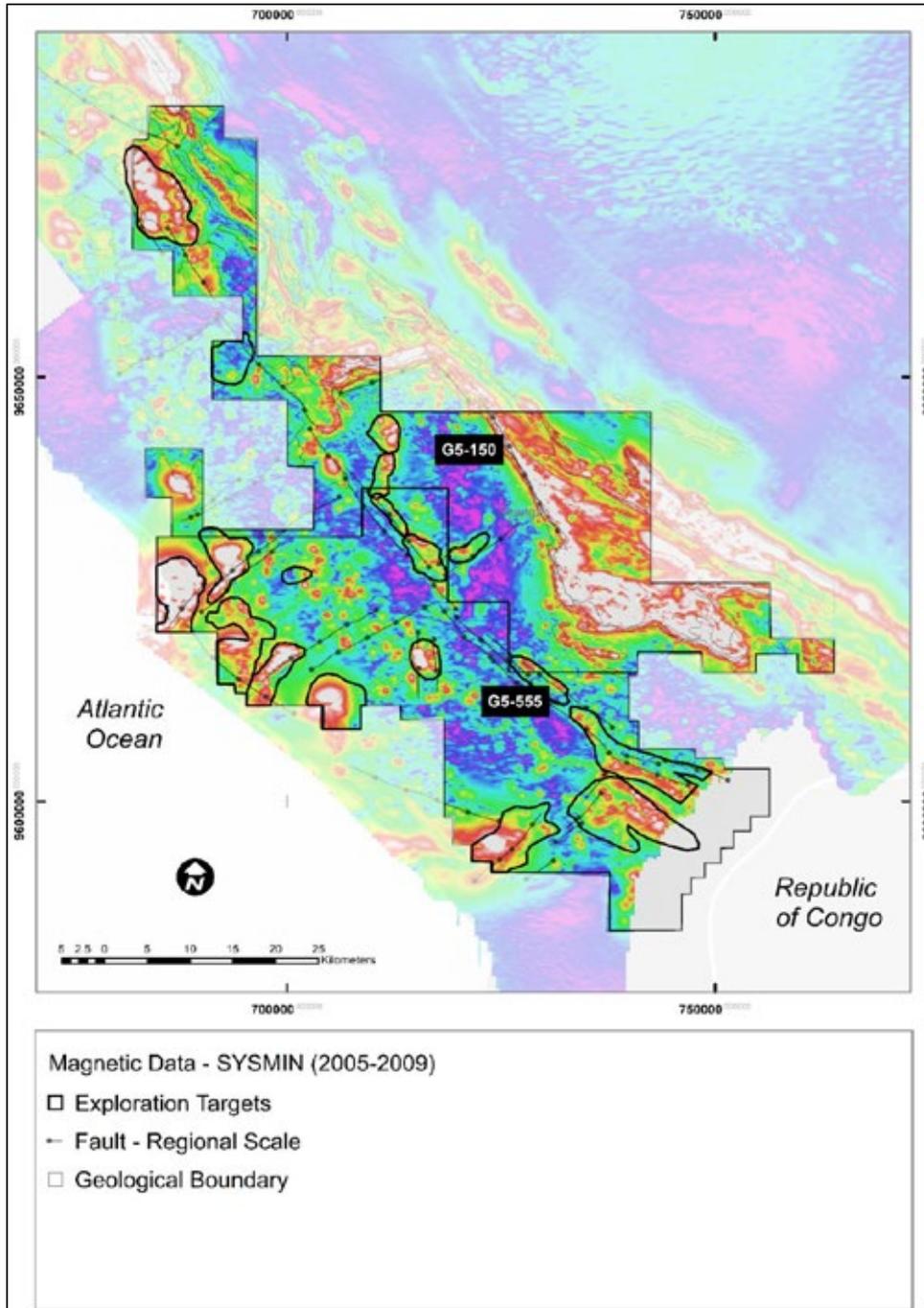


Figure 12: SYSMIN aeromagnetic data (Total Magnetic Intensity RTP), Nyanga Project
 Datum WGS84 32S. Source: AMM

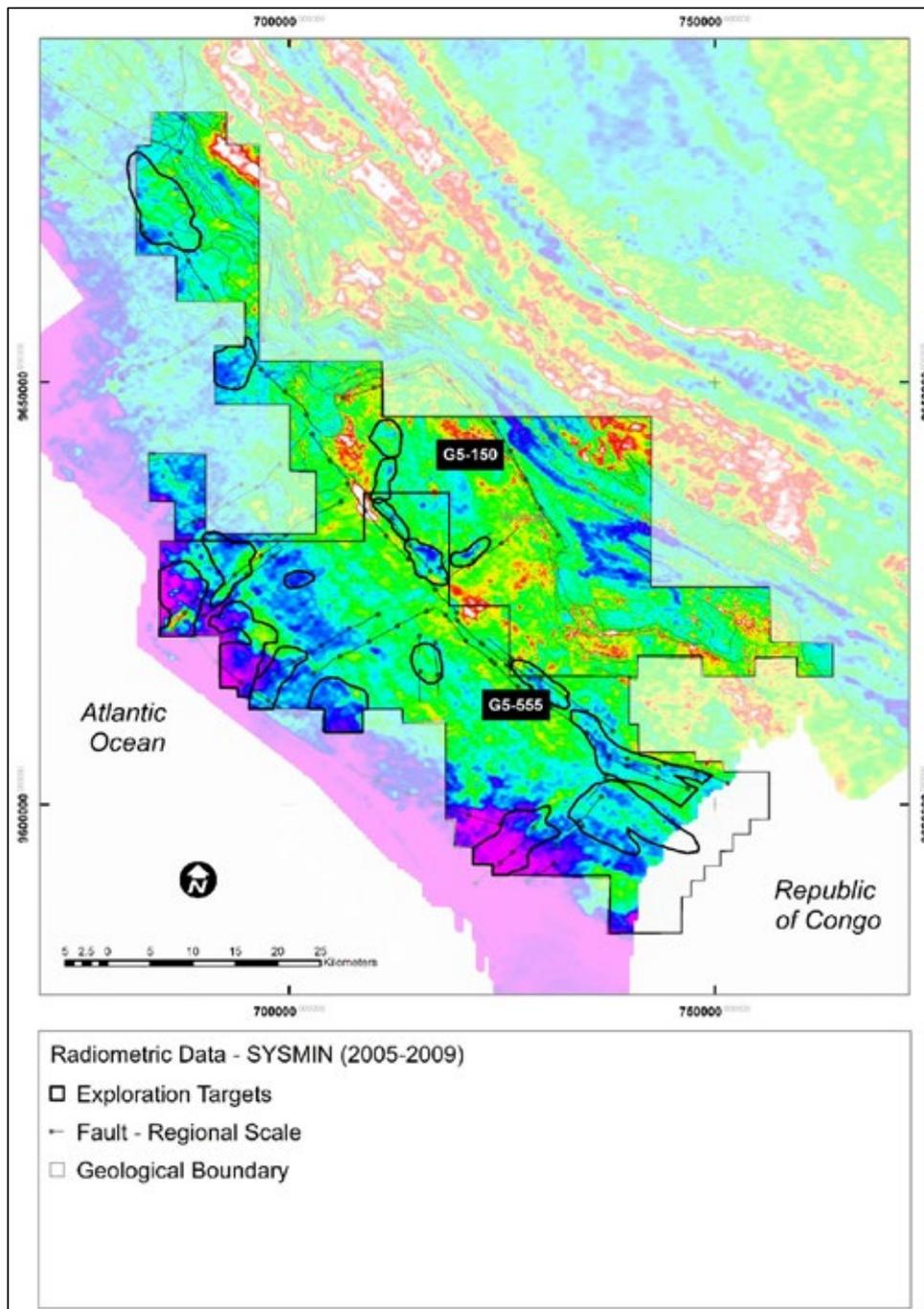


Figure 13: SYSMIN radiometric data (Ternary U-Th-K), Nyanga Project
Datum WGS84 32S. Source: AMM

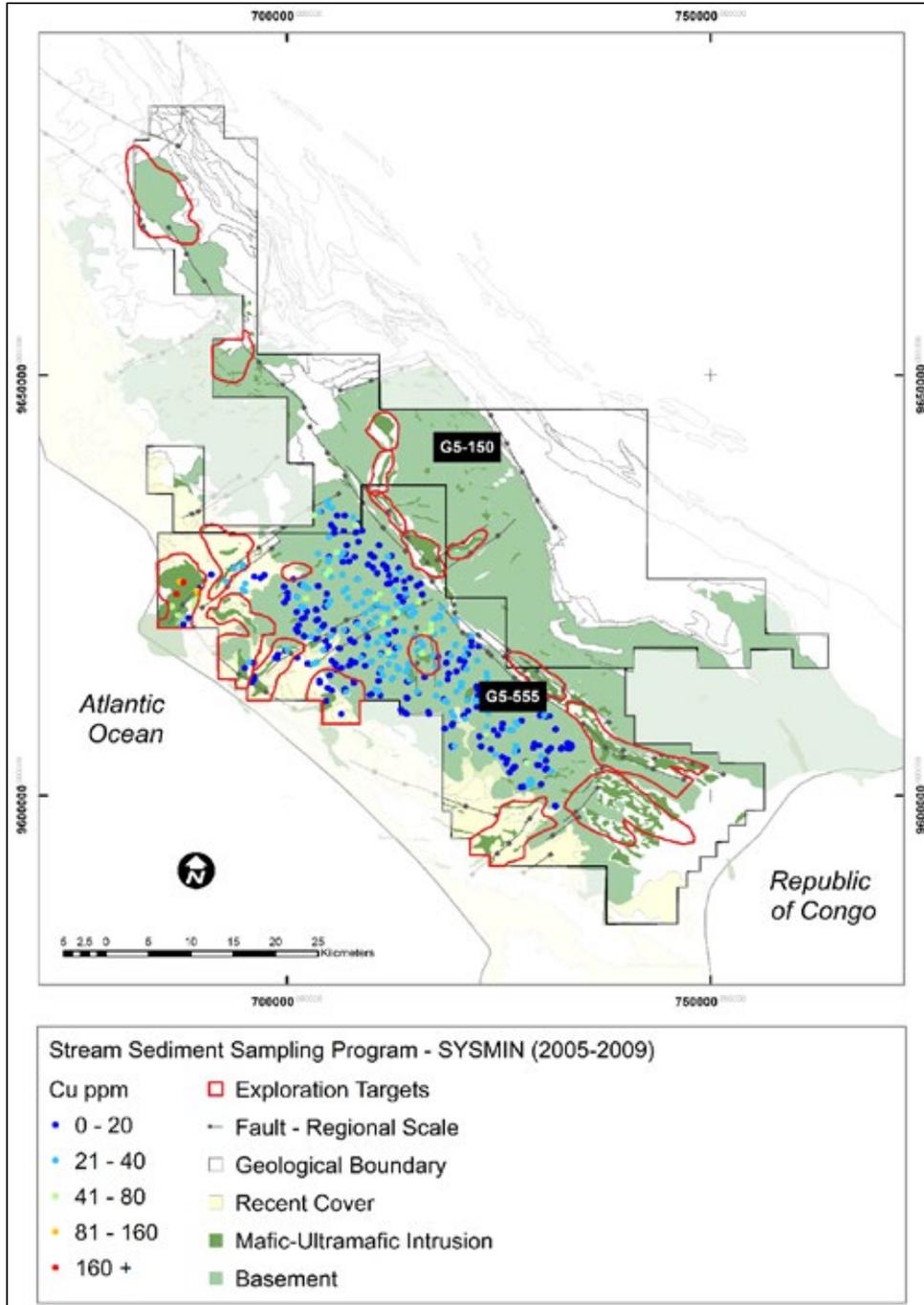


Figure 14: SYSMIN stream sediment sampling copper results, Nyanga Project
 Datum WGS84 32S. Source: AMM

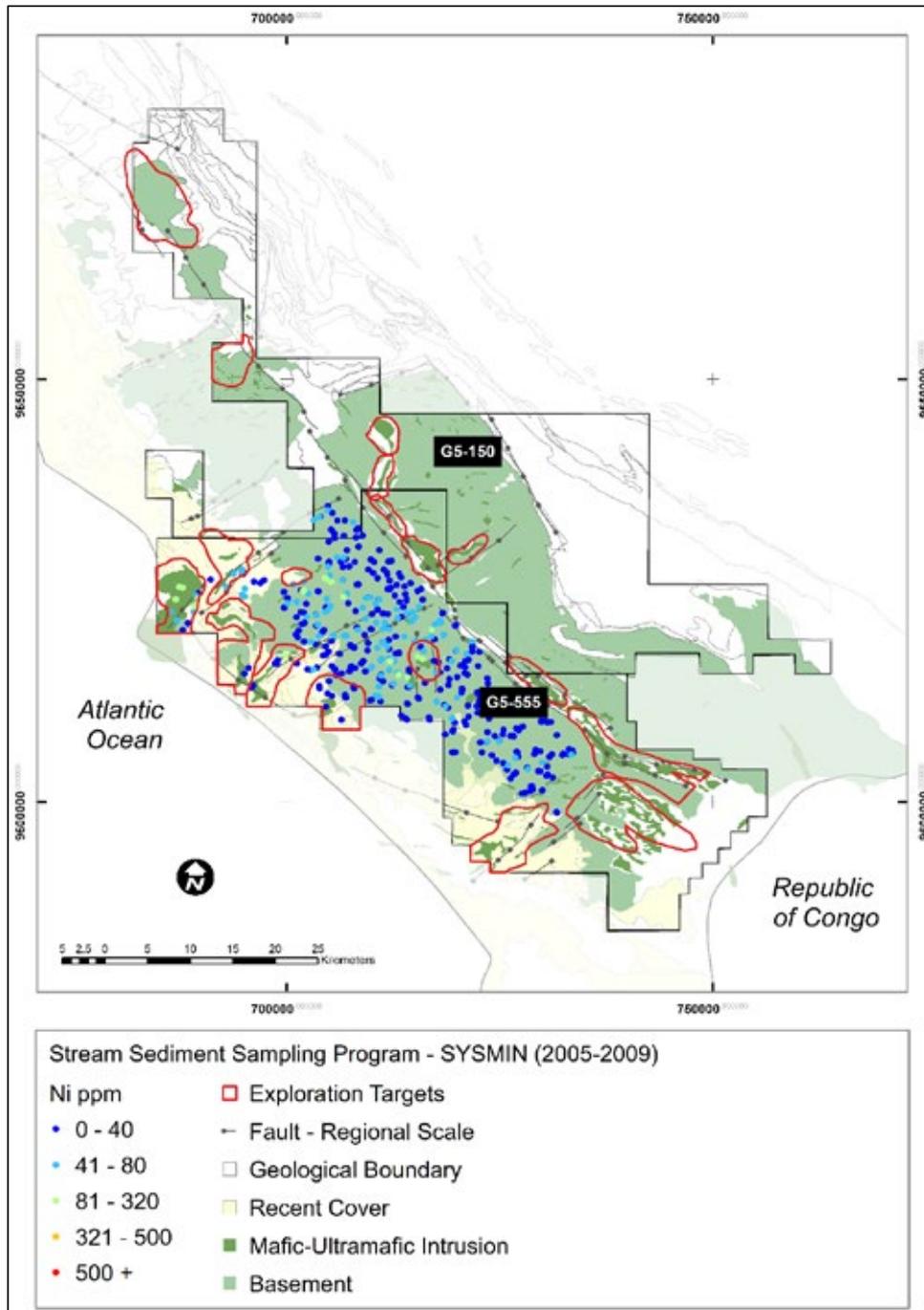


Figure 15: SYSMIN stream sediment sampling nickel results, Nyanga Project
 Datum WGS84 32S. Source: AMM

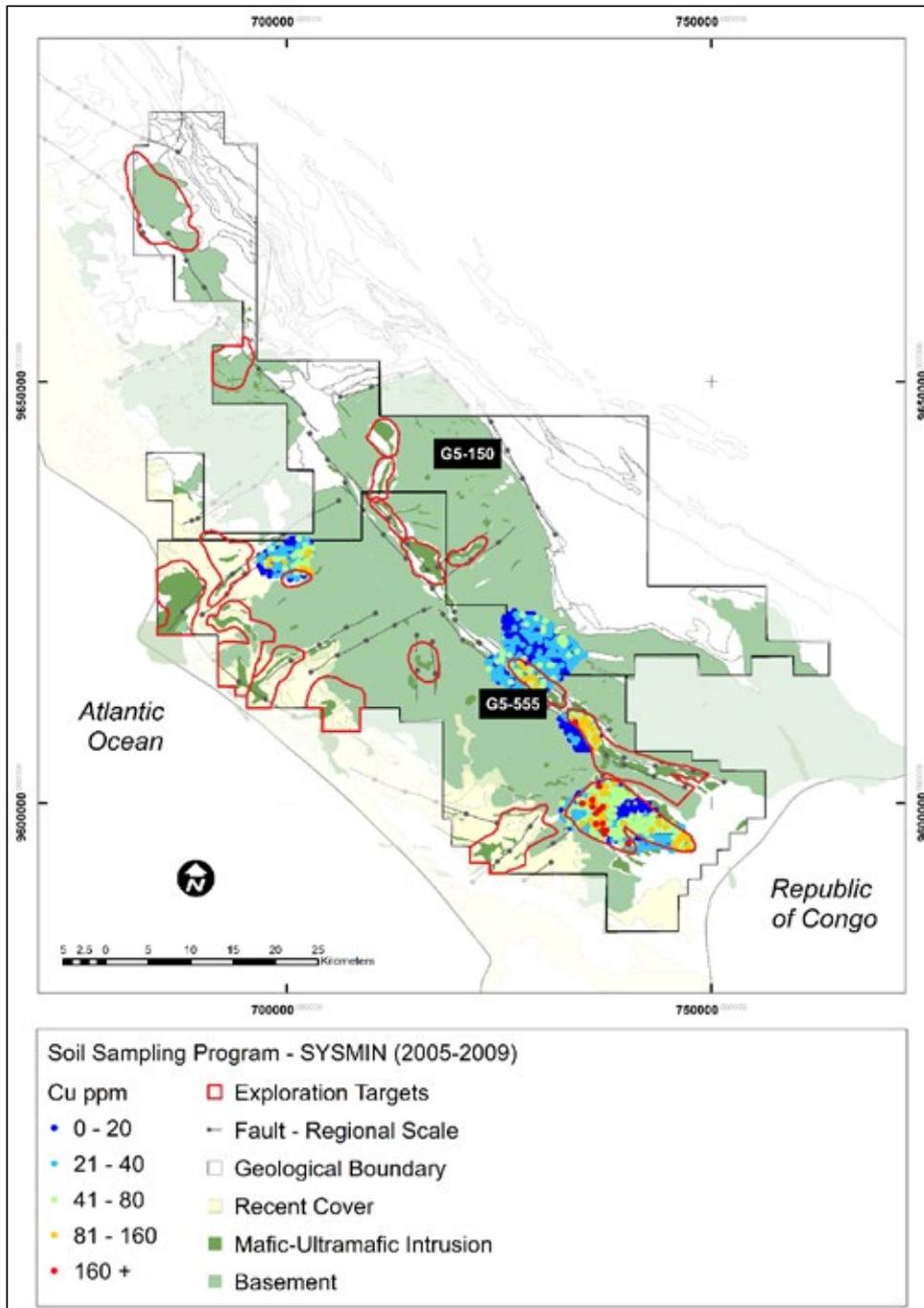


Figure 16: SYSMIN soil sampling copper results, Nyanga Project
 Datum WGS84 32S. Source: AMM

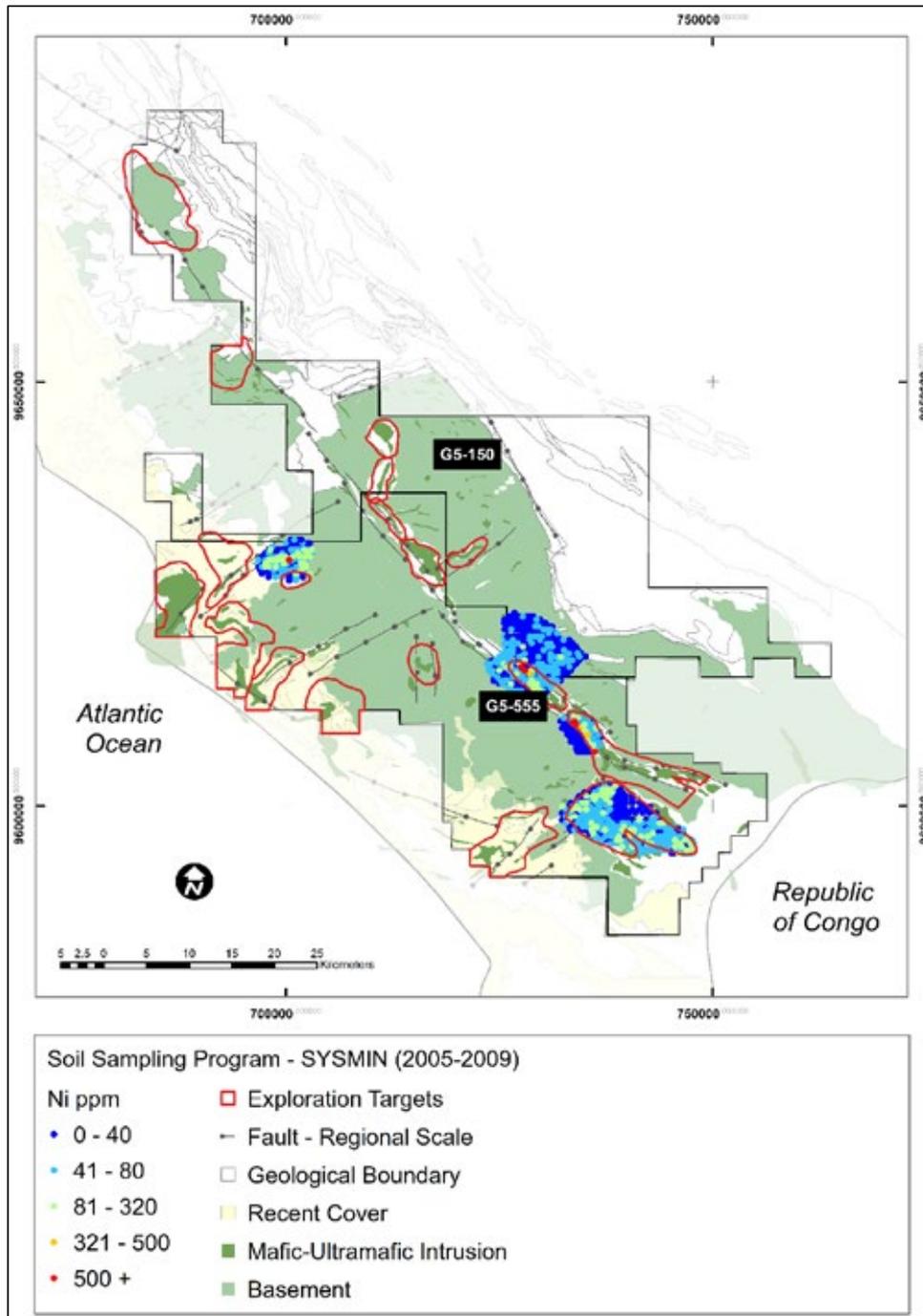


Figure 17: SYSMIN soil sampling nickel results, Nyanga Project
 Datum WGS84 32S. Source: AMM



5.3.3 2006 to 2008 Phelps Dodge Gabon SARL

Phelps Dodge Gabon SARL (Phelps Dodge) aimed to follow-up anomalous stream results from the BRGM surveys in the north of the Project area. The principal target type was sediment-hosted base metal mineralisation. Exploration consisted of regional and semi-regional soil data points on 100–400 m line spacing, stream sediment data points on an approximate 1–2 km² density spacing; and auger samples taken across areas of anomalous soil samples to test the regolith profile. Results covering the Project are depicted in Figure 18 to Figure 21.

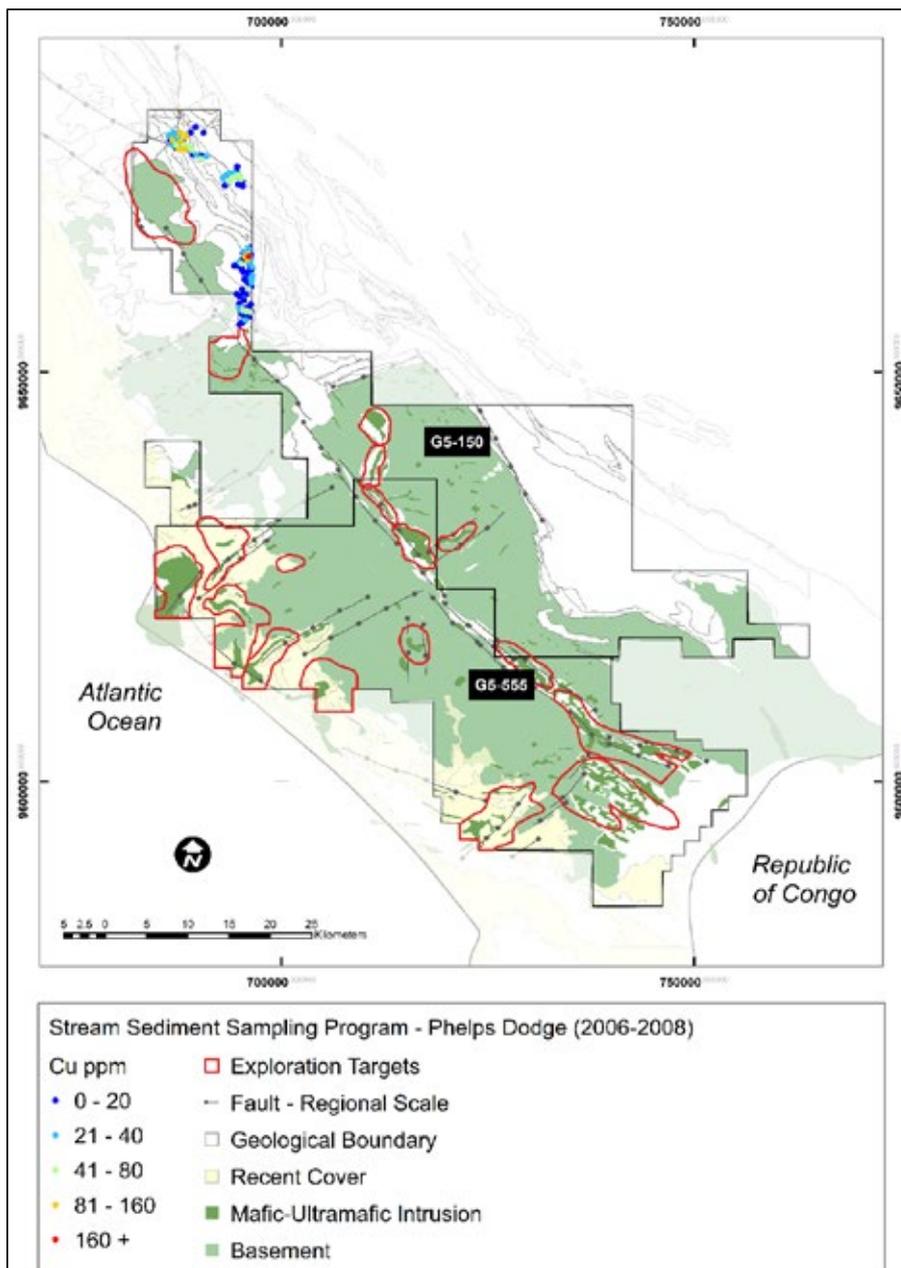


Figure 18: Phelps Dodge stream sediment sampling copper results, Nyanga Project
 Datum WGS84 32S. Source: AMM

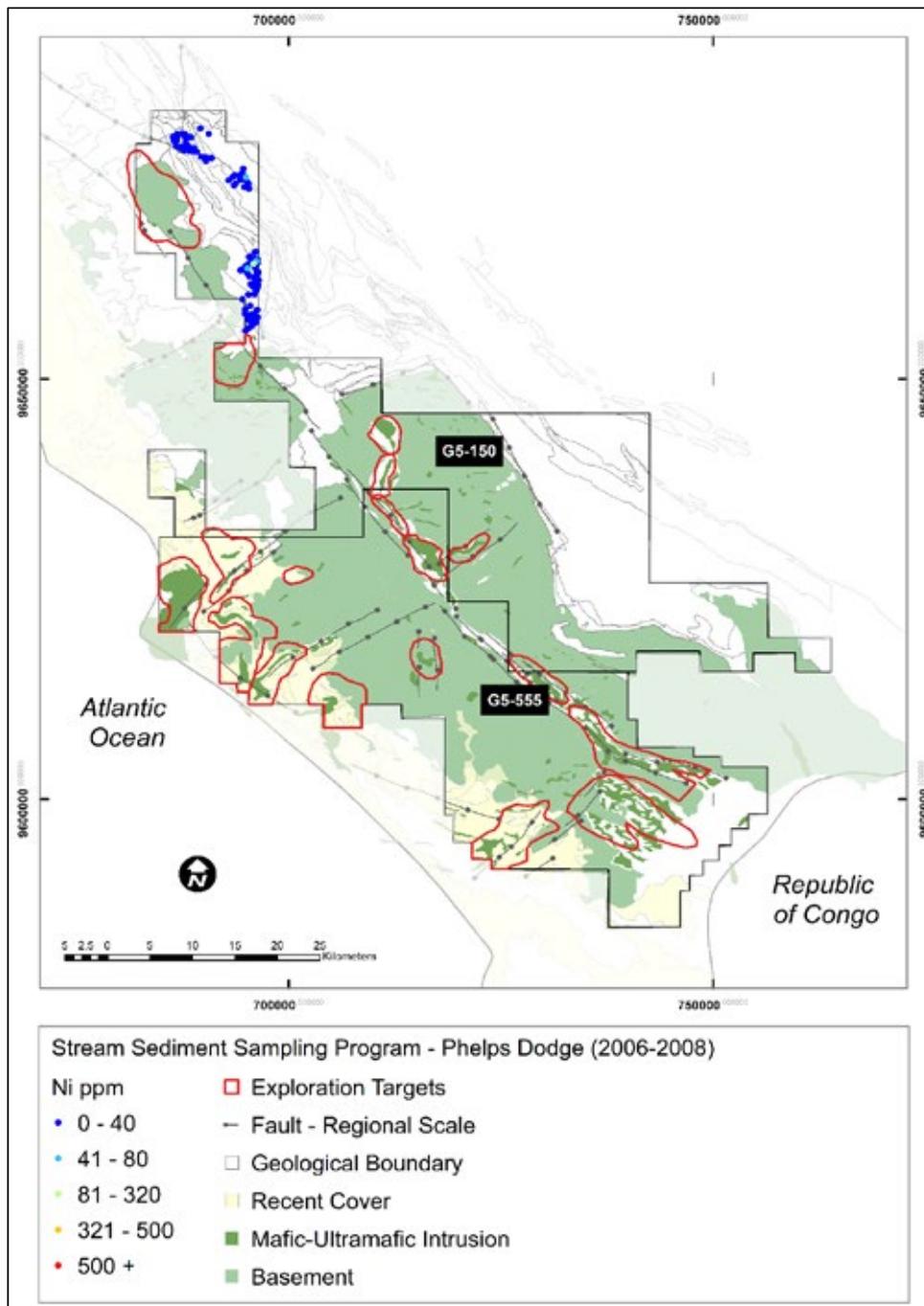


Figure 19: Phelps Dodge stream sediment sampling nickel results, Nyanga Project
 Datum WGS84 32S. Source: AMM

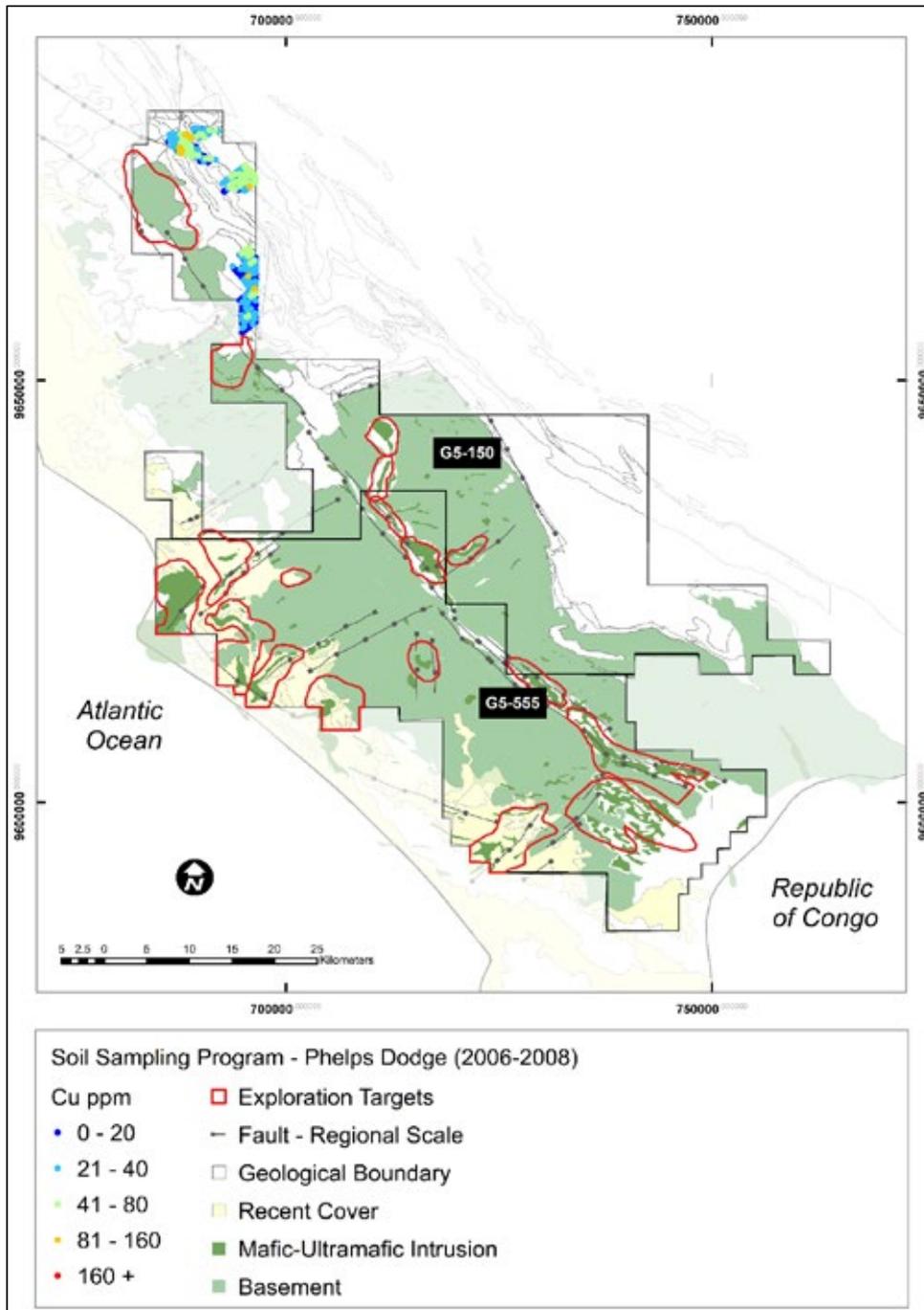


Figure 20: Phelps Dodge soil sampling copper results, Nyanga Project
 Datum WGS84 32S. Source: AMM

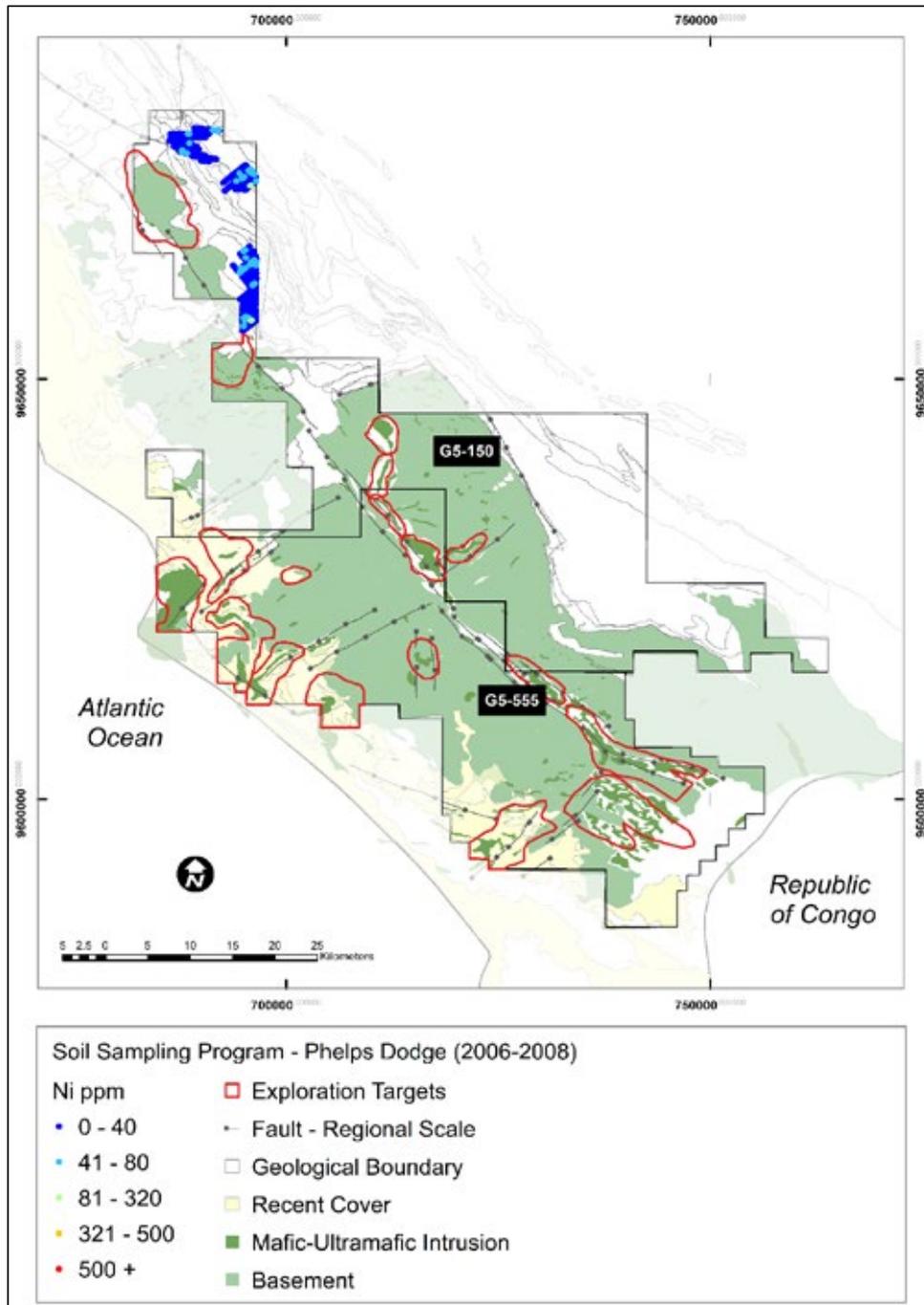


Figure 21: Phelps Dodge soil sampling nickel results, Nyanga Project
 Datum WGS84 32S. Source: AMM



5.3.4 2009 BHP Billiton

BHP Billiton completed a FALCON® airborne gravity/magnetic survey in 2009, flying the southern margin of the Nyanga Basin on the northern margin of the Project (Figure 22). The survey was completed on a 250 m line spacing at an average ground clearance of 130m. AMM acquired the data from the DGDM.

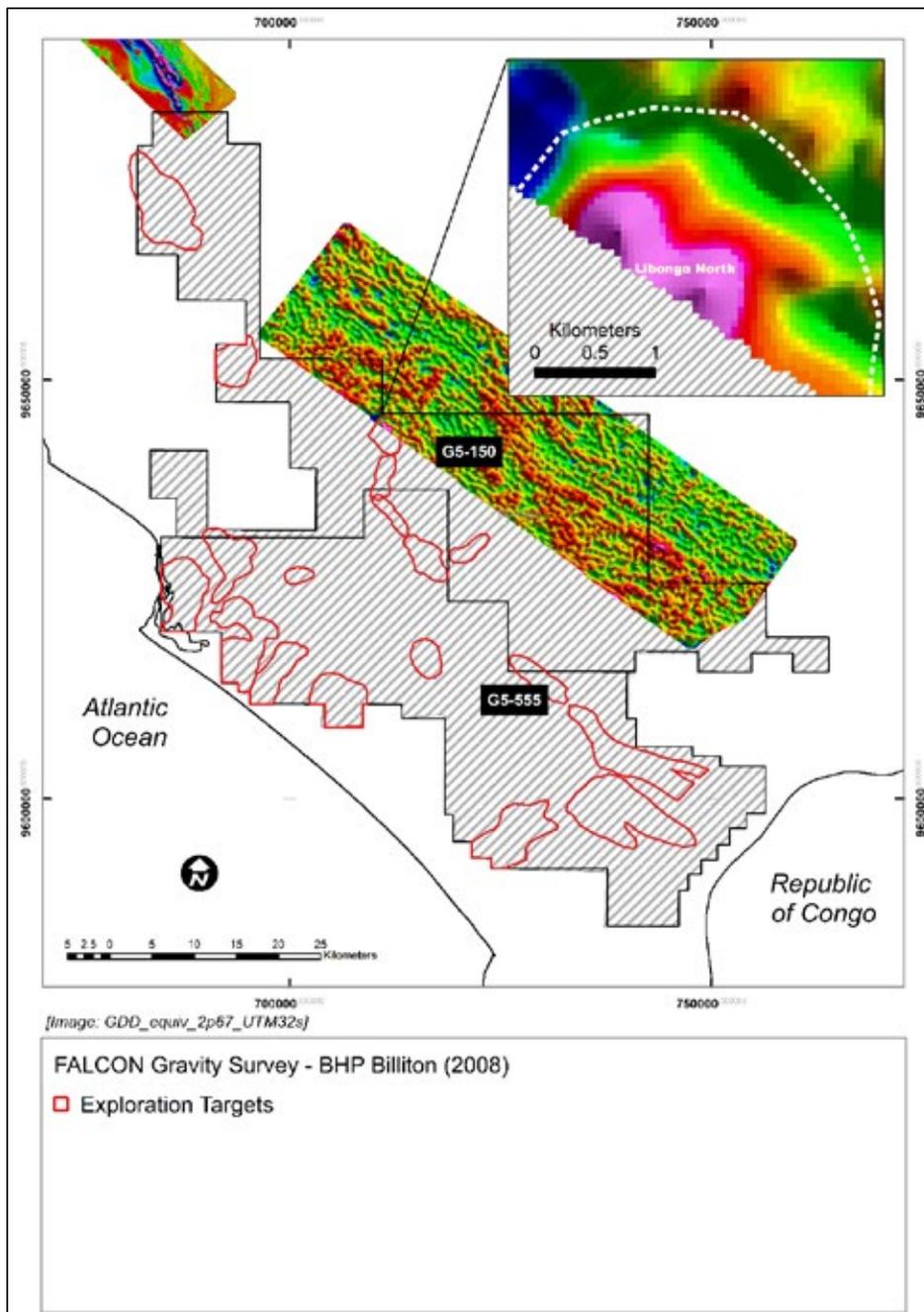


Figure 22: BHP Billiton airborne FALCON® Airborne Gradiometry Gravimetric (AGG) data, Nyanga Project
 Inset shows gravity data coverage of the Libonga North target area. Datum WGS84 32S. Source: AMM

5.4 Armada Exploration Activity (2013 to 2021)

AMM exploration activity is summarised in Table 4. AMM’s early exploration activity on the Project focused exclusively on base metal exploration within the Neoproterozoic Nyanga Basin sequence. AMM flew a VTEM^{Plus} survey (Figure 23), conducted stream and soil sampling programs (Figure 24 and Figure 25), and exploration culminated in 2014–2021 with drilling nine diamond drillholes for 3,144 m total drilling targeting potential for copper mineralisation in three locations (Figure 26). While minor anomalous copper and zinc values were encountered, no significant results were returned from the sediment-hosted copper exploration program. Sediment-hosted copper exploration was then discontinued.

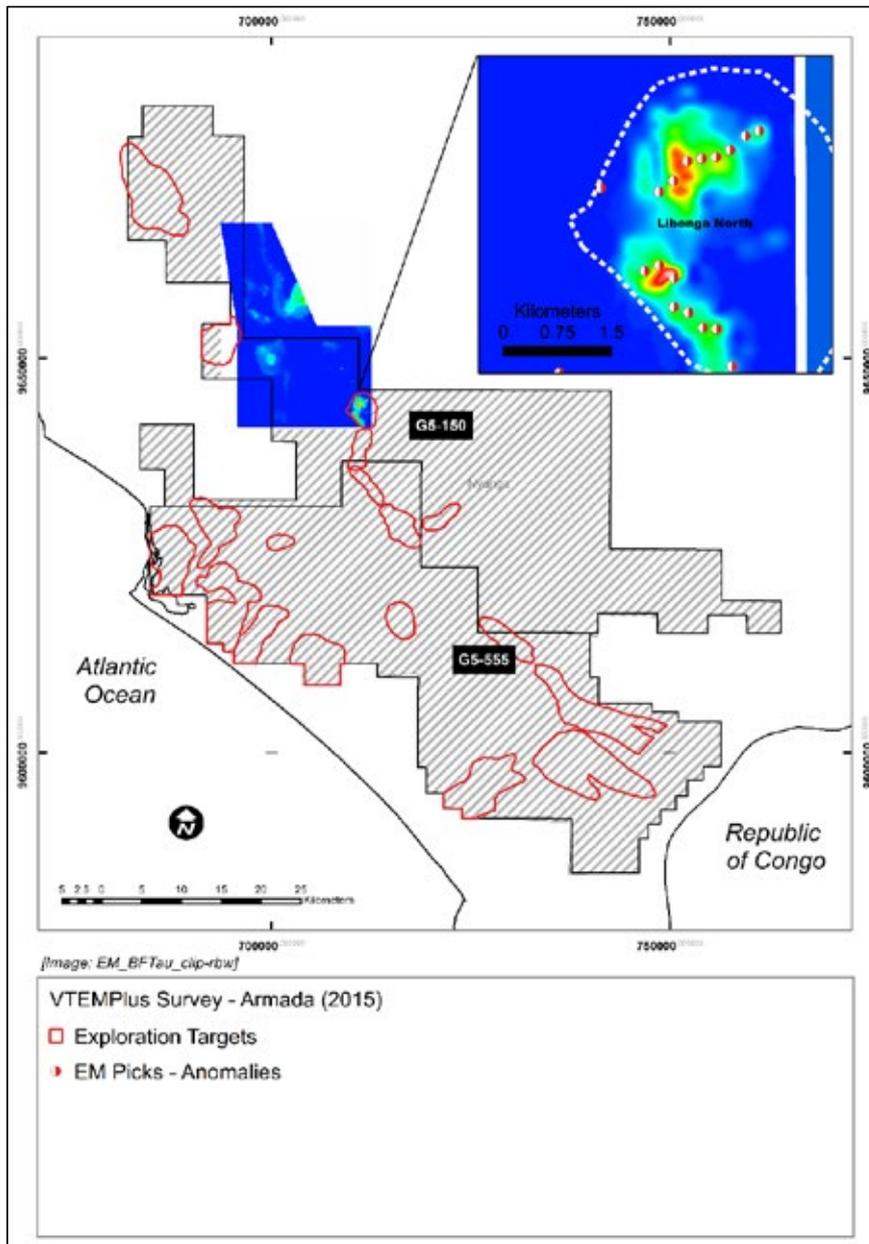


Figure 23: VTEM^{Plus} Late-time BFTau response data, Nyanga Project
 Inset shows VTEM^{Plus} conductivity response of the Libonga North target area. Datum WGS84 32S. Source: AMM

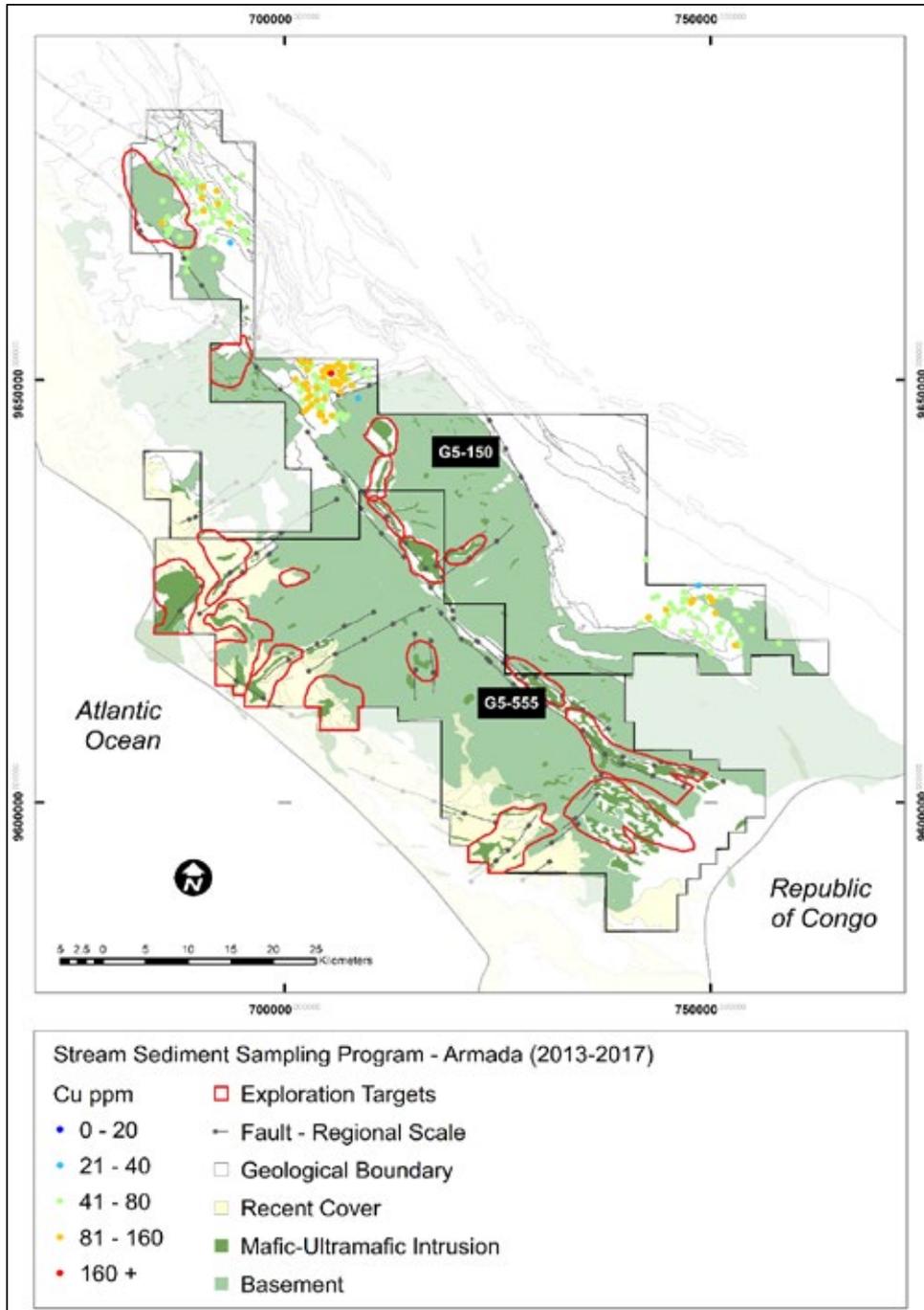


Figure 24: AMM stream sediment sampling copper results, Nyanga Project
 Datum WGS84 32S. Source: AMM

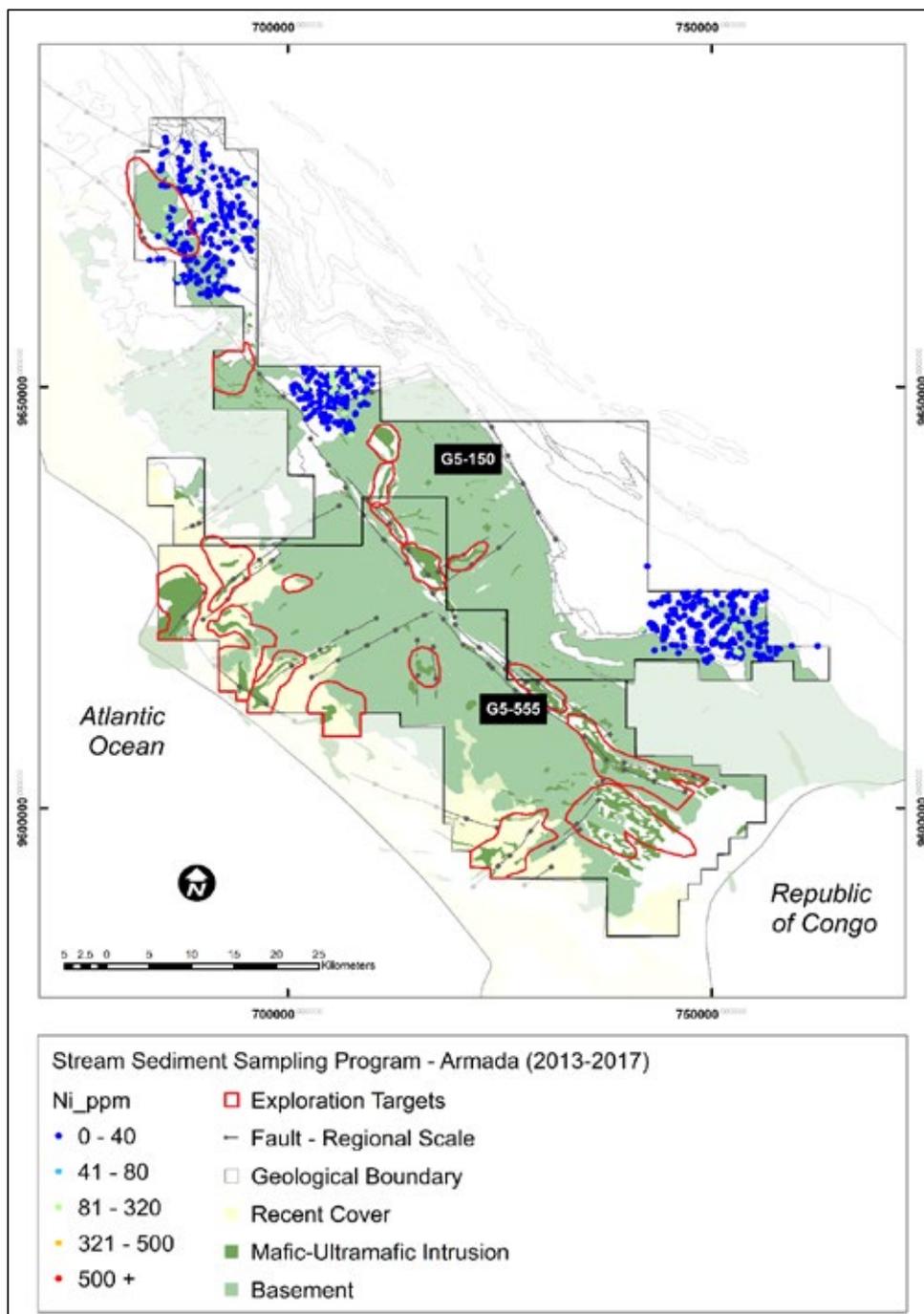


Figure 25: AMM stream sediment sampling nickel results, Nyanga Project
 Datum WGS84 32S. Source: AMM

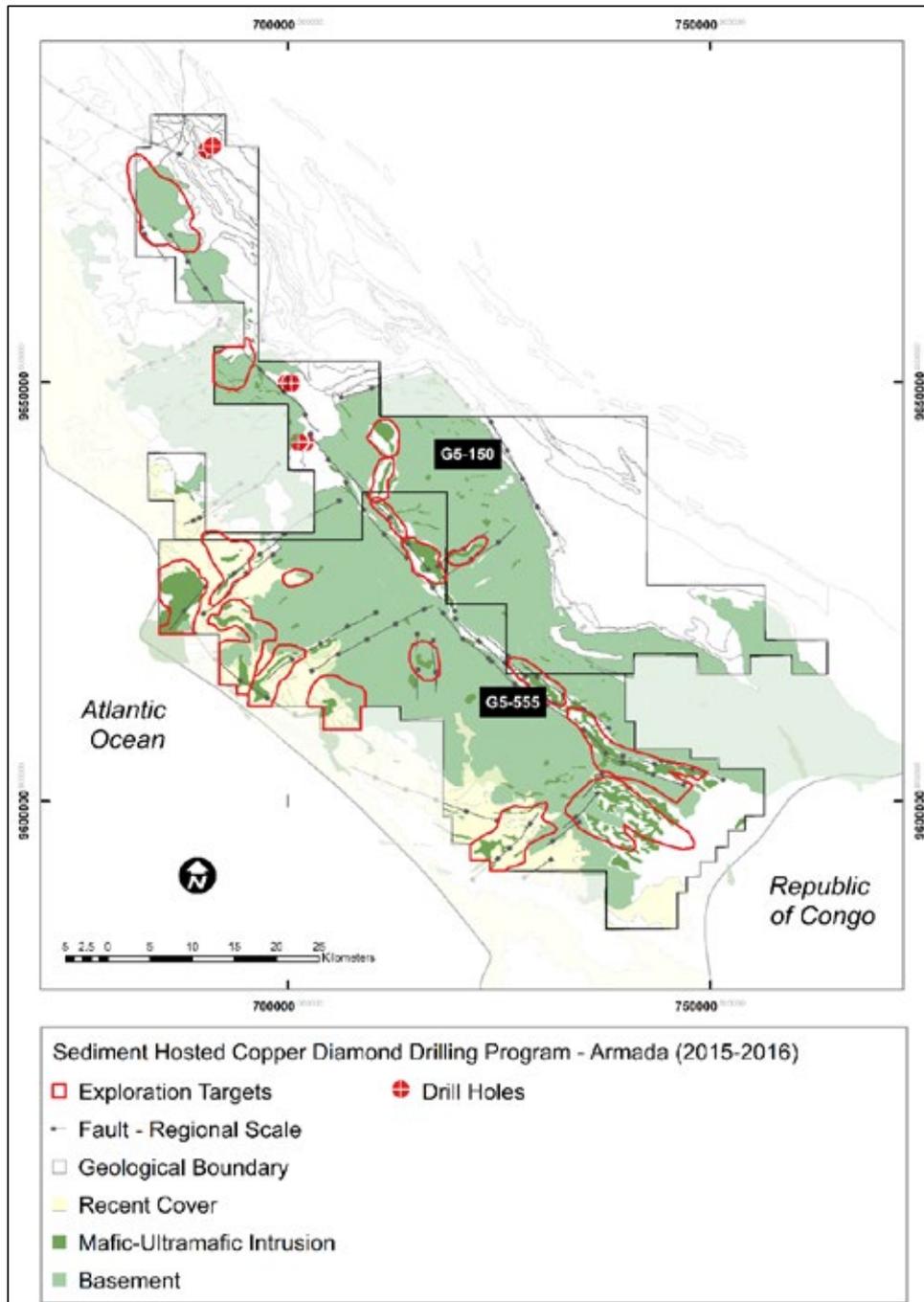


Figure 26: AMM base metal diamond drillhole locations in the Nyanga Basin sequence, Nyanga Project
 Datum WGS84 32S. Source: AMM

In 2016, AMM re-assessed the Project and focussed exploration activities into searching for nickel-copper sulphide mineralisation associated with the ca. 900 Ma mafic-ultramafic intrusive complexes within the LHB basement terrane. It included a re-evaluation of both the regional SYSMIN airborne geophysical data and the additional high-resolution surveys flown with the VTEM^{plus} program in 2015.

A lithostratigraphical and structural re-interpretation of the LHB basement and the western flank of the West Congolian Group sequences was completed to delineate potential mafic-ultramafic intrusive targets for further field exploration during the 2016–2017 field seasons.

The data re-assessment delineated 18 target areas potentially comprising mafic-ultramafic intrusive complexes with potential to host nickel-copper sulphide mineralisation (Figure 27 and Table 5). Three of these target areas (Libonga North, Matchiti Central, and Doumvou) were prioritised for immediate follow-up geological mapping, geochemical sampling, ground gravity surveys across selected targets, and geophysical modelling of various datasets accumulated.

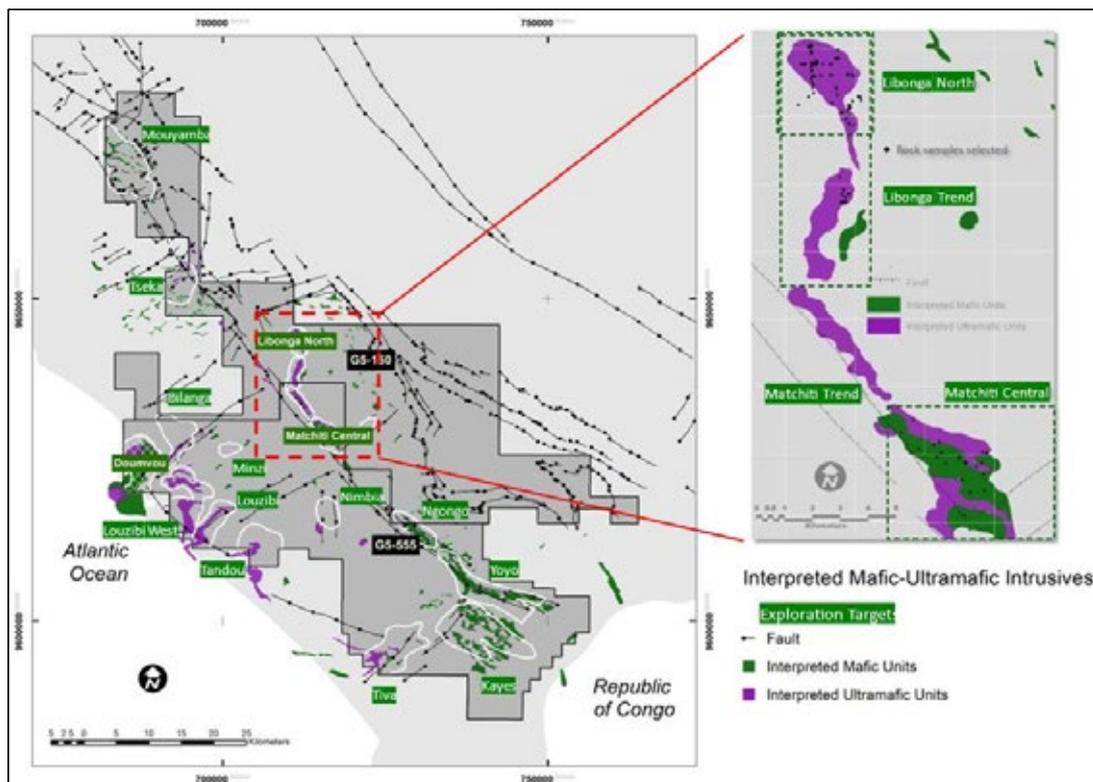


Figure 27: AMM interpreted mafic-ultramafic intrusive hosted nickel-copper targets, Nyanga Project Datum WGS84 32S. Source: AMM

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Table 5: Target evaluation for mafic-ultramafic intrusive complexes, Nyanga Project (targets identified in 2016, ranked according to results of subsequent exploration activity)

Name	Exploration Target maturity						Next steps
	Technical rank score (2021)	Magnetics and radiometrics	Geochemical survey	Gravity survey	EM survey	Identified Cu and/or Ni mineralisation (at surface)	
Matchiti Central	121	Yes	Yes	Yes	Yes	Yes	Diamond drilling and ground geophysics
Libonga North	114	Yes	Yes	Partial coverage	Yes	Yes	Diamond drilling and ground geophysics
Yoyo	106	Yes	Yes				Field reconnaissance and regional airborne geophysics
Ngongo	102	Yes	Yes				Field reconnaissance and regional airborne geophysics
Doumvou	102	Yes	Yes	Partial coverage	Yes	Yes	Field reconnaissance and regional airborne geophysics
Louzibi	101	Yes					Regional airborne geophysics
Tandou	100	Yes	Yes				Regional airborne geophysics
Tiva	98	Yes					Regional airborne geophysics
Libonga South	98	Yes	Yes		Yes		Diamond drilling and ground geophysics
Tseka	97	Yes					Regional airborne geophysics
Louzibi West	95	Yes					Regional airborne geophysics
Mouyamba	95	Yes	Yes				Regional airborne geophysics
Bilanga	94	Yes	Yes				Regional airborne geophysics
Kayes	94	Yes	Yes				Regional airborne geophysics
Matchiti North	88	Yes	Yes		Yes		Field reconnaissance
Matchiti East	85	Yes	Yes		Yes		Field reconnaissance
Nimbia Central	82	Yes	Yes				Regional airborne geophysics
Minzi Central	78	Yes	Yes				Regional airborne geophysics

The ground gravity surveys (Figure 28), follow-up surface mapping and soil geochemistry mapped buried mafic-ultramafic intrusive complexes at the three priority target areas of Libonga North, Matchiti Central, and Doumvou. The soil sampling data confirmed that in areas not covered by the Bassin Côtier the soils are residual and soil geochemistry (Figure 28 and Figure 29) mapped underlying geology of the intrusive sequences.

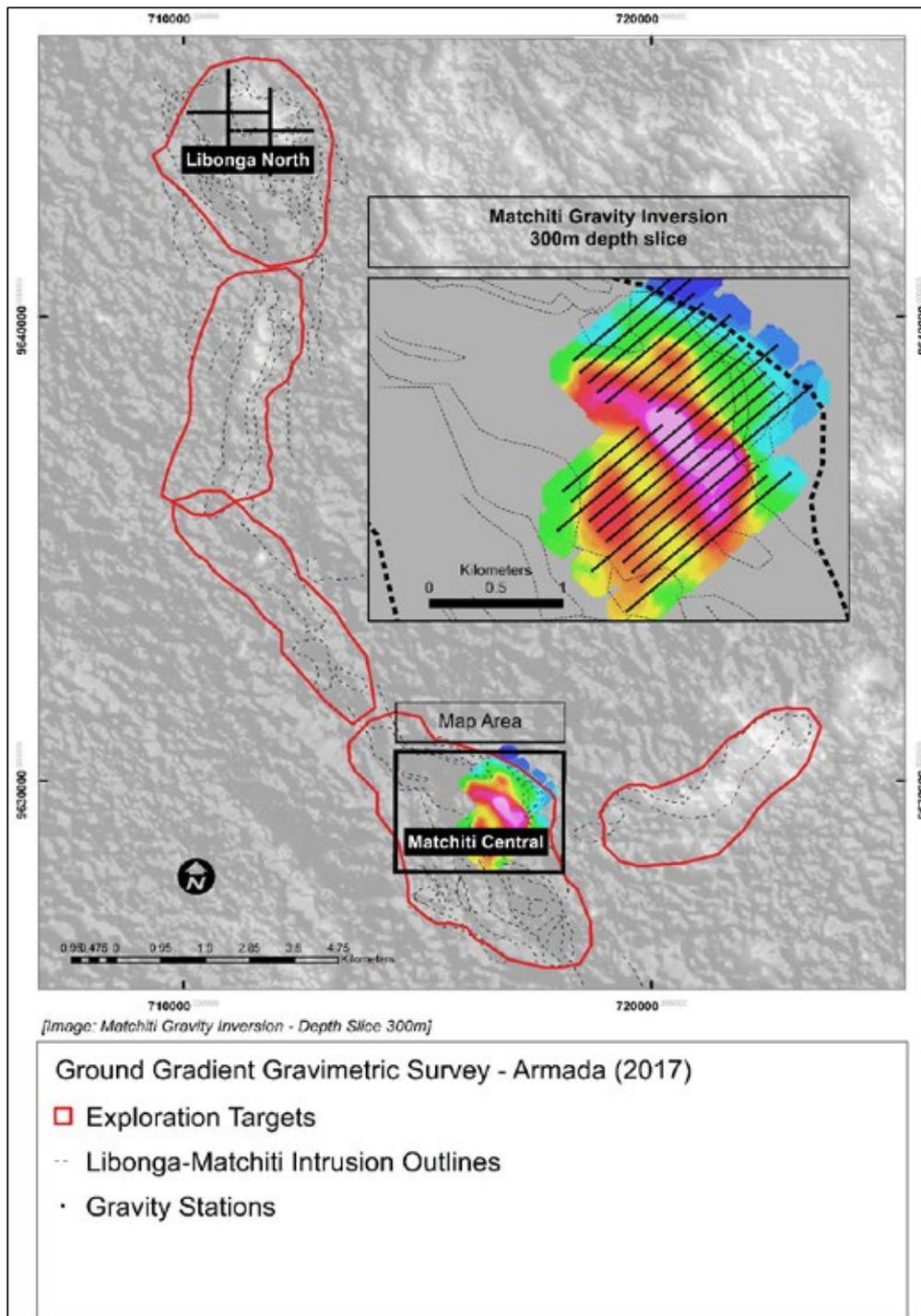


Figure 28: AMM ground gradient gravimetric (GGG) survey results, Nyanga Project
 Datum WGS84 32S. Source: AMM

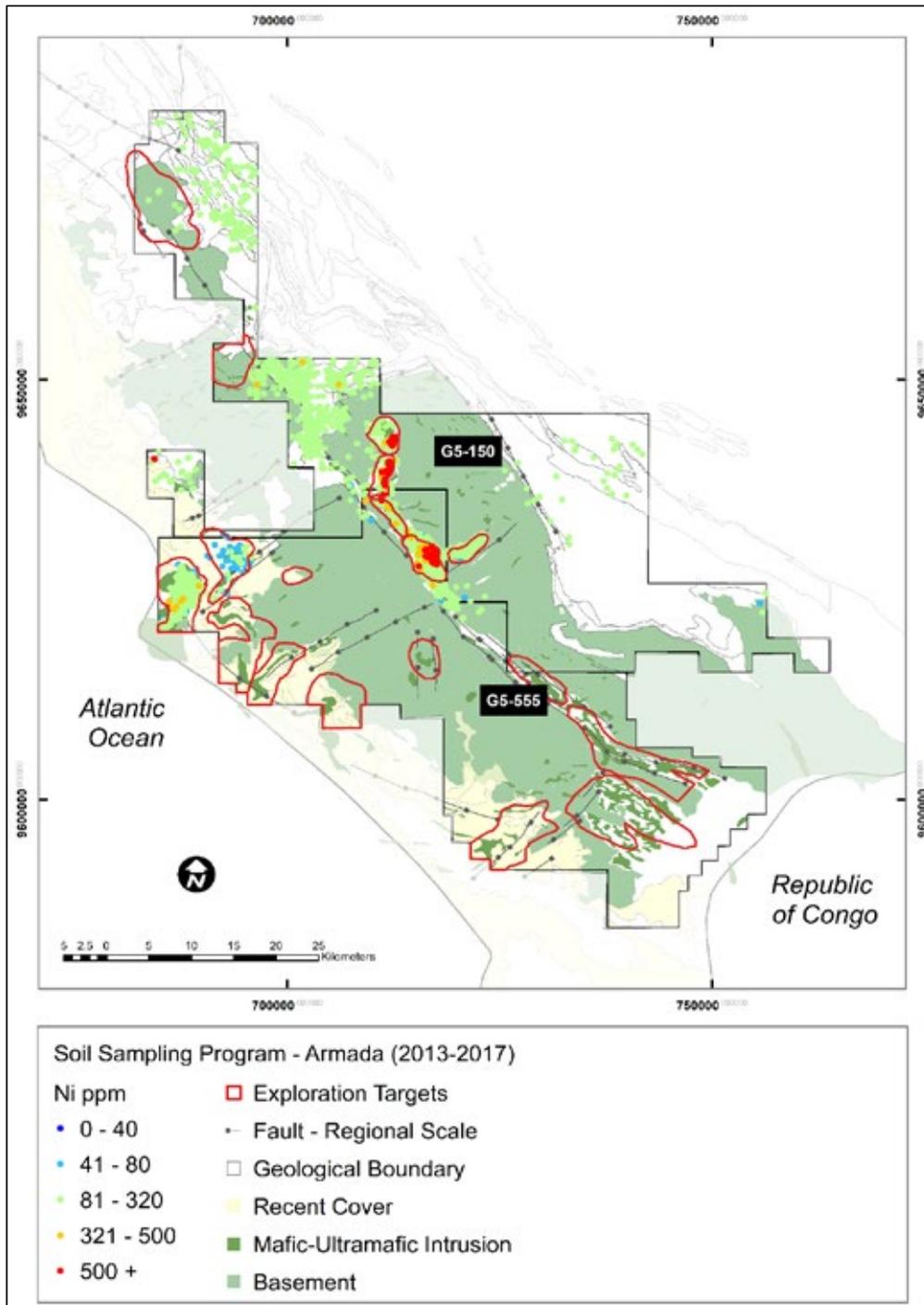


Figure 29: AMM soil sampling nickel results, Nyanga Project
 Datum WGS84 32S. Source: AMM

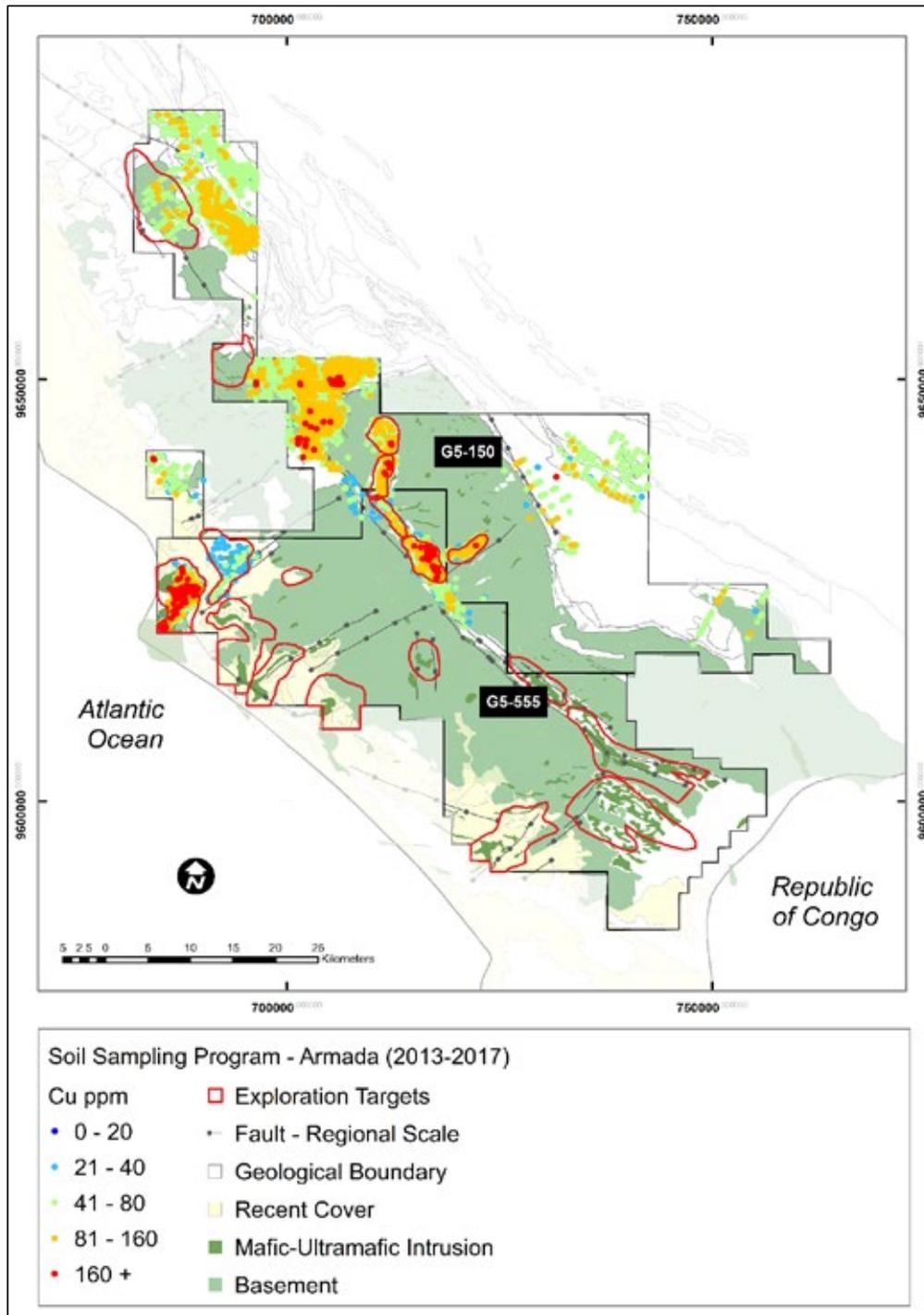


Figure 30: AMM soil sampling copper results, Nyanga Project
 Datum WGS84 32S. Source: AMM

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Analysis of the soil and whole-rock geochemical sampling of Doumvou, Libonga North and Matchiti Central indicates that Libonga North and Matchiti Central are the most anomalous prospects for chromium and nickel indicating a more ultramafic suite. Doumvou is the most anomalous intrusion for copper, indicating a more fractionated suite. Copper vs nickel plots indicate that all intrusions potentially host a minor sulphide component, but that each intrusion is slightly different. Whole-rock geochemistry indicates the intrusives are derived from a shallow mantle source that may have some component of mantle fertile for producing chalcophile element enriched magma. Fractionation within and between the various prospects has occurred, with Doumvou reflecting the most evolved magma, and Libonga North the most primitive. Matchiti Central has both components. The chalcophile element data indicates that crustal contamination has occurred that may have led to sulphide immiscibility, and derivation of a chalcophile element enriched sulphide phase. Follow-up work at Doumvou, Matchiti Central and Libonga North has identified fresh disseminated sulphides in fresh rock at surface and within test pits, with pyrite, pyrrhotite and chalcopyrite observed in the mafic-ultramafic intrusive lithologies.

Other targets such as Mouyamba, Ngongo, Yoyo, and Kayes display anomalous trends in nickel, copper, and cobalt. Sampling has not been conducted in target areas covered by Quaternary sand cover (the Bassin Côtier). The Louzibi, Louzibi West, Tandou and Tiva targets remain untested by conventional surface geochemical sampling.

Inversion of aeromagnetic geophysical data, particularly on the Libonga North and Matchiti Central targets, are indicative of chonolithic or conduit-style intrusive geometries for the mafic-ultramafic complexes. Such geometries are highly favourable for nickel-copper sulphide exploration.

AMM has followed up the Doumvou and Libonga-Matchiti Trend with an airborne electromagnetic (EM) survey using the Xcite™ heliborne time-domain electromagnetic (HTDEM) system. The Libonga-Matchiti Trend (LMT) comprises the Libonga North, Libonga South, Matchiti North, Matchiti Central, Matchiti South and Matchiti East targets. AMM contracted New Resolution Geophysics (NRG™) of South Africa in early 2021 to fly Doumvou, and the LMT. The flight was flown with a sensor height of 60–70 m above ground with an average transmitter-receiver array of 30–40 m. Survey details are given in Table 6.

Table 6: 2021 NRG™ Xcite™ airborne HTDEM survey parameters, Nyanga Project

Survey block	Line spacing (m)	Line-km	Flight direction
Libonga A	Flight: 200 and 400	240	090°
	Tie line: 2,000		180°
Libonga B	Flight: 200 and 400	249	053°
	Tie line: 2,000		143°
Libonga C	Flight: 400	62	150°
	Tie line: 2,000		240°
Doumvou	Flight: 400	156	090°
	Tie line: 4,000		180°
Total		707	

Interpretation of the data has revealed a bedrock conductivity anomaly trend along the LMT aeromagnetic feature interpreted as mafic ultramafic intrusive complexes (Figure 31 and Figure 32). Twenty-eight HTDEM conductivity plate models have been derived using Maxwell software (Table 7 and Figure 32 to Figure 34) as well as layered earth three-dimensional (3D) inversions of the data. These targets are a high priority for ground follow-up as part of AMM's planned exploration activities.



Table 7: 2021 Xcite™ airborne HTDEM survey modelled conductivity plates, Nyanga Project

Plate ID	Rank	East WGS84 32S	North WGS84 32S	Depth from surface (m)	Dip	Dip direction	Conductance (m/S)	Length (m)	Depth extent	Conductor model
X-LBN05	1	710555	9644030	80-110	50	95.00	100	400	200	B
X-LBN04	1	710600	9644220	80-110	50	90.00	100	300	200	B
X-LBN06	1	710470	9642835	80-130	40	90.00	100	300	250	C
X-LBN01	1	710935	9644435	80-130	30	90.00	85	250	450	A
X-LBN02	1	710960	9644225	80-130	35	95.00	80	300	350	A
X-LBN03	1	711025	9644040	80-130	25	100.00	80	300	300	A
X-LBS12	1	711335	9640225	25-100	60	290.00	50	400	300	E
X-LBS13	1	711180	9640025	25-100	65	290.00	50	400	400	E
X-MTC21	1	717470	9629850	80-90	40	230.00	40	600	200	I
X-LBS14	1	710840	9639230	25-100	70	260.00	35	400	250	E
X-LBS16	1	711015	9638630	25-100	80	90.00	35	400	200	E
X-LBS15	1	711035	9638830	25-100	65	90.00	30	400	200	E
X-LBN07	1	710450	9642630	80-130	30	90.00	25	300	300	C
X-MTC20	2	715970	9630480	40	60	212.50	35	800	350	H
X-MTC23	2	715715	9628060	30-60	75	270.00	30	400	200	J
X-MTC24	2	717430	9627595	10-30	50	60.00	25	600	400	K
X-MTC26	2	717490	9626860	20	80	52.50	25	600	250	L
X-MTC22	2	715835	9628630	30-60	70	272.50	25	600	150	J
X-MTC25	2	717950	9627205	10-30	80	60.00	20	600	500	K
X-LBS18	3	710400	9637830	30-40	90	290.00	40	300	200	F
X-LBS17	3	710475	9638030	30-40	80	110.00	30	400	200	F
X-LBN08	3	711415	9642030	80-140	75	270.00	25	300	200	D
X-LBN11	3	711760	9641230	80-140	50	265.00	25	300	400	D
X-MTS27	3	719530	9623400	100	60	235.00	20	400	400	M
X-LBN09	3	711535	9641835	80-140	60	260.00	20	300	300	D
X-MTN19	3	712820	9632610	60-70	70	232.50	15	800	450	G
X-MTS28	3	719020	9623000	40	80	233.00	15	500	500	N
X-LBN10	3	711505	9641625	80-140	40	260.00	10	400	350	D

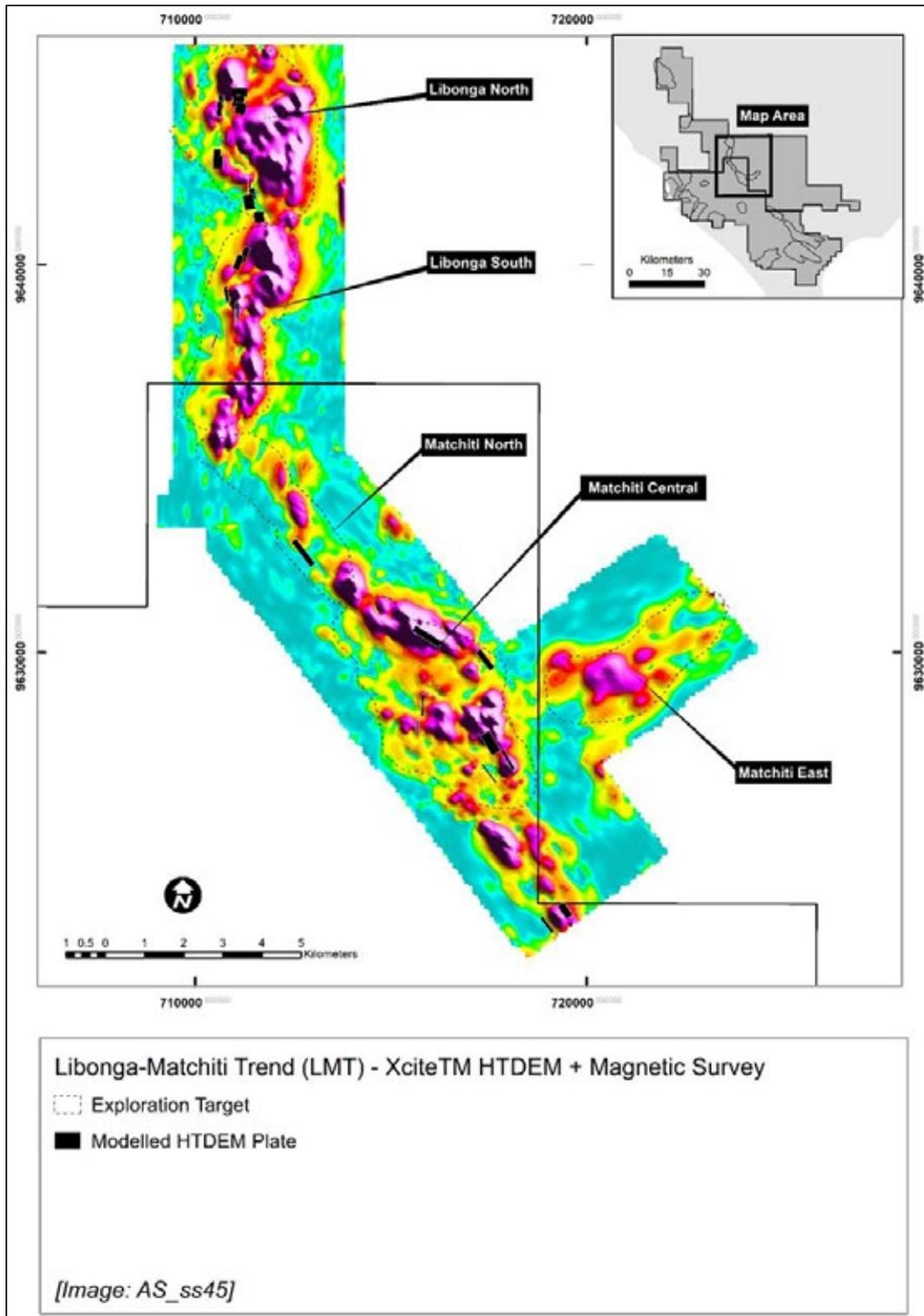


Figure 31: Xcite™ modelled HTDEM plates on analytical signal aeromagnetic data, Nyanga Project
 Datum WGS84 32S. Source: AMM

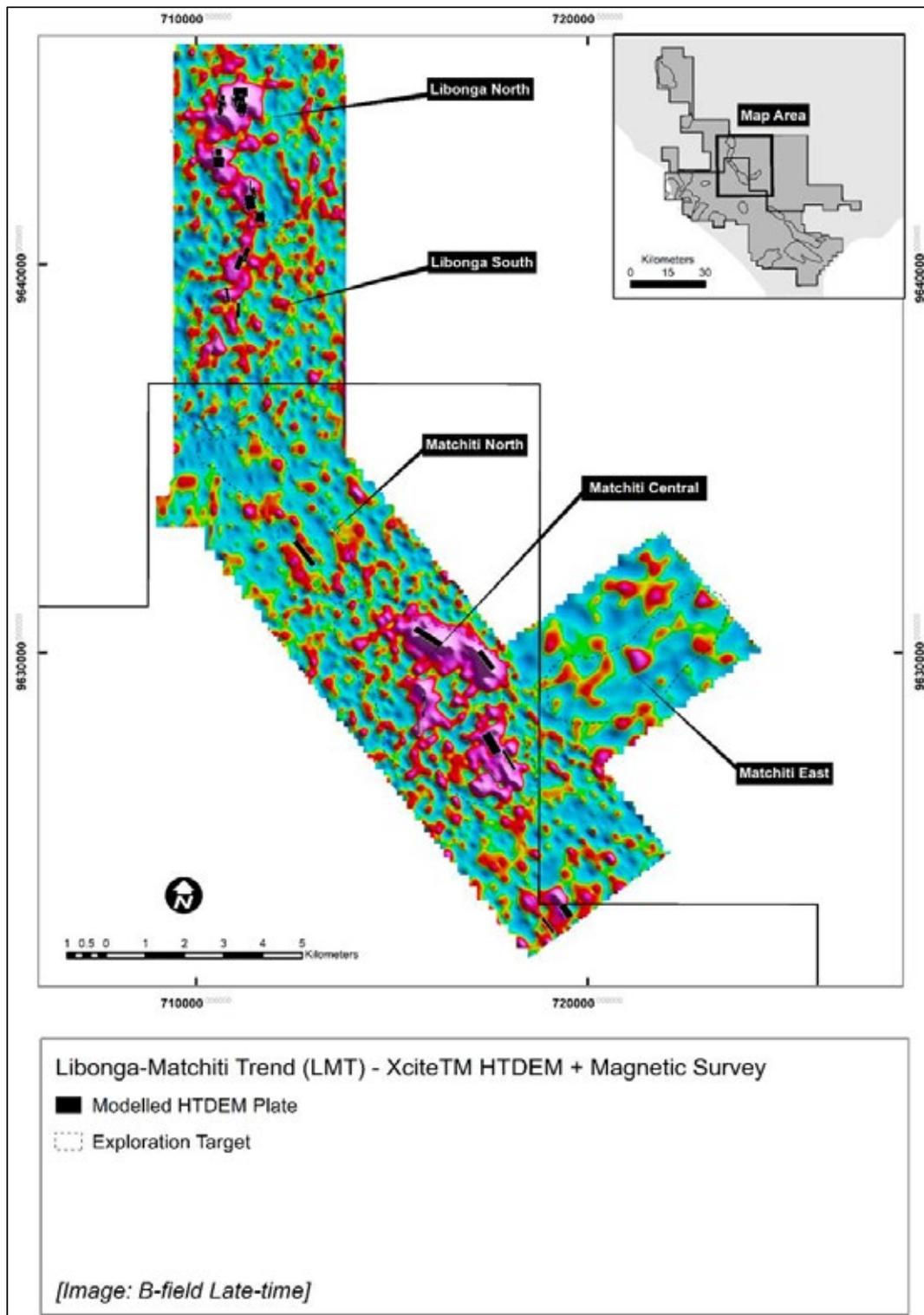


Figure 32: XciteTM modelled HTDEM plates on gridded B-field late-time conductivity, Nyanga Project
 Datum WGS84 32S. Source: AMM

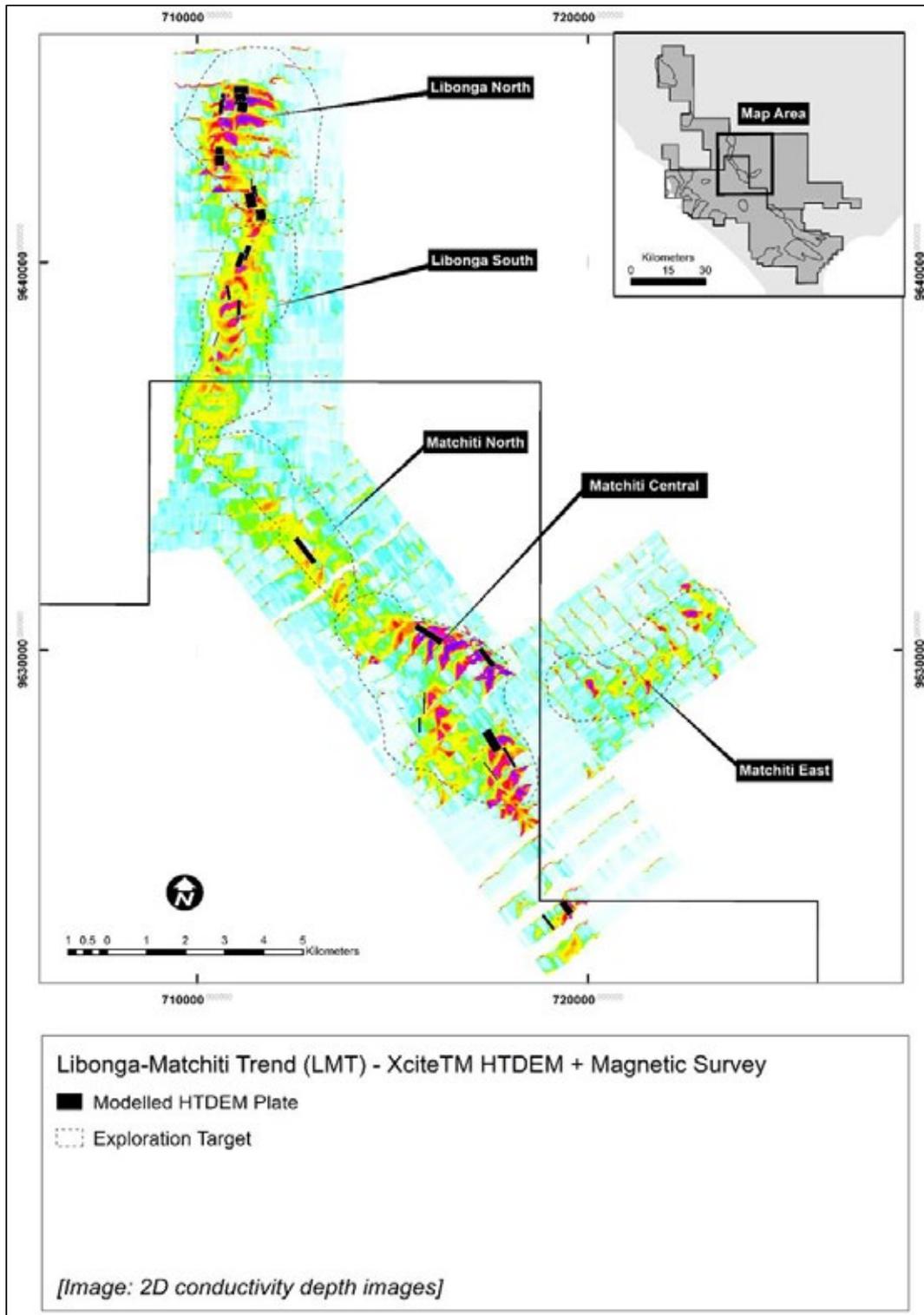


Figure 33: Xcite™ modelled HTDEM plates on GALEI 2D conductivity depth images, Nyanga Project
 Datum WGS84 32S. Source: AMM

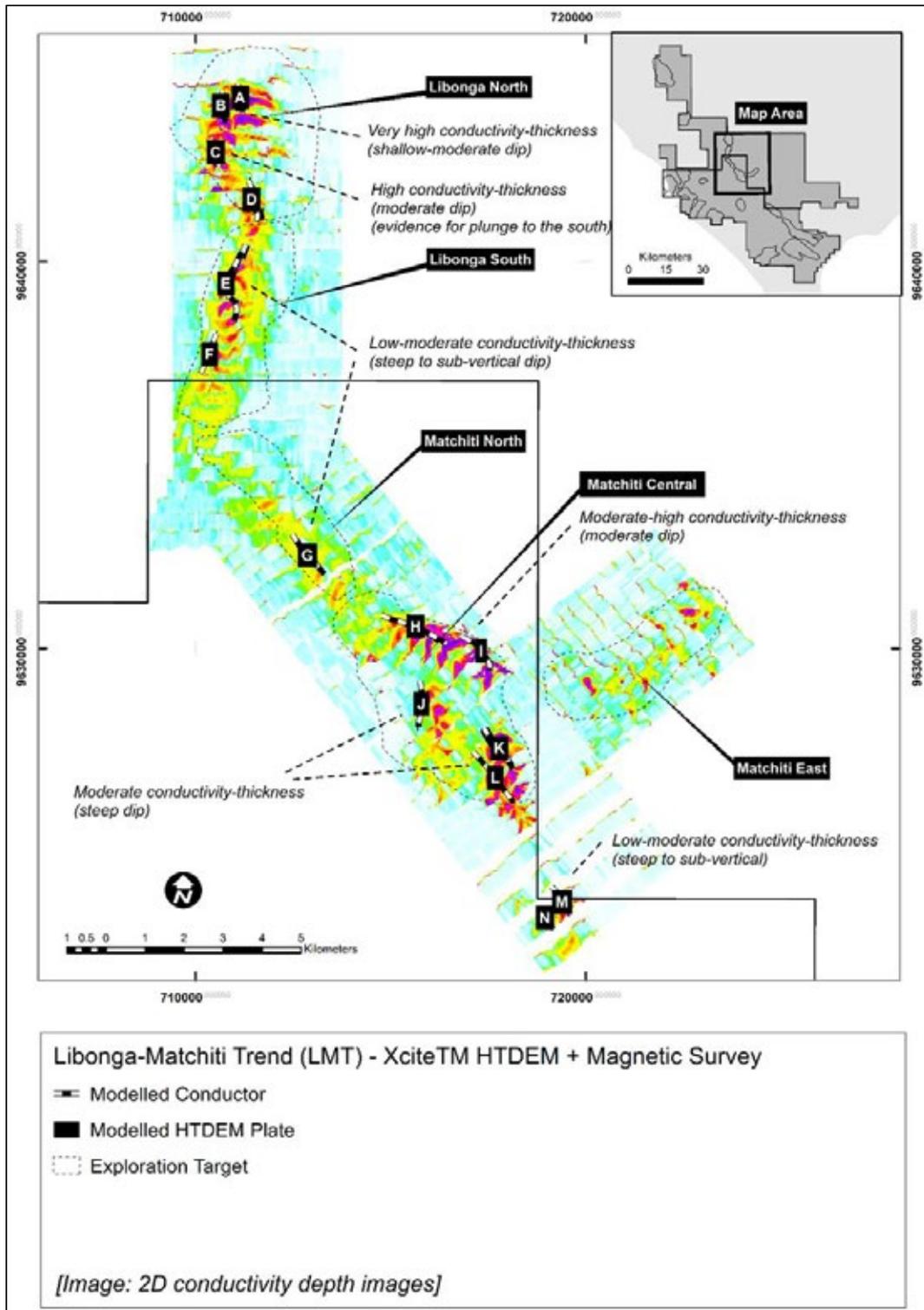


Figure 34: Xcite™ modelled HTDEM conductors on GALEI 2D conductivity depth images, Nyanga Project
 Refer to Table 7 for modelled conductor properties. Datum WGS84 32S. Source: AMM



5.5 Summary and Discussion

The Project is at an early greenfields stage of exploration. CSA Global is of the opinion that results to date offer strong encouragement for further exploration for magmatic nickel-copper-cobalt(-PGE) mineralisation.

AMM has built a consistent and convincing exploration model based on key criteria for formation of magmatic nickel sulphide deposits. The mafic-ultramafic intrusions occupy a tectonic setting on the margin of the Congo Craton with what appears to be a regionally voluminous suite of mafic-ultramafic magma(s) intruding at the time of rifting initiation of the West Congo Supersuite. This is directly analogous to the favourable tectonic environments hosting the great majority of significant nickel deposits globally. The intrusive geometries observed are closely aligned and spatially associated with known regional crustal penetrative structures, with local intrusive body morphologies indicative of potential magma conduits.

The tholeiite geochemistry of the intrusive suites has the right characteristics that are permissive for formation of magmatic nickel-copper sulphide deposits. The presence of disseminated sulphides observed within the mafic-ultramafic intrusives at Doumvou, Libonga North and Matchiti Central offer good empirical evidence that the magmatic systems can form sulphide mineralisation.

The conductivity results of the geophysical programs from VTEM^{Plus} at Libonga North and Xcite™ along the LMT, offer compelling targets for further detailed exploration.

Results to date represent grassroots exploration that have built a valid model for mineralisation to be tested, but still require further work to demonstrate proof of concept and validate the exploration model. CSA Global is of the opinion that the results to date are permissive and that the exploration completed to date is following the right trajectory to maximise potential for discovery of magmatic nickel-copper sulphide mineralisation.

5.6 Proposed Exploration Strategy

AMM has provided CSA Global with its proposed exploration program on the Nyanga Project for the first two years of exploration. CSA Global is of the opinion that the proposed program represents a consistent and logical exploration strategy to systematically test the nickel-copper potential of the Nyanga Project. Exploration budget allocation has been given to tenement G5-150 for the first two years of operation, pending a formal approval of renewal by the Gabon Ministry of Mines for tenement G5-555. Once renewal has been approved, budget will be re-allocated accordingly to advance targets on G5-555 and meet statutory expenditure commitments.

Immediate targets to be tested in the first year of exploration activity include the priority targets at Libonga North and Libonga South along the LMT. Within the first year of exploration, AMM propose diamond drilling with multi-element assay data at:

- Libonga North Target: A minimum of six holes are planned between 100 m and 400 m depth for 1,500 m total drilling. Planned hole depths are modelled from the Xcite™ HTDEM and FALCON® AGG data.
- Libonga South Target: A minimum of six holes are planned between 100 m and 400 m depth for 1,500 m total drilling. Planned hole depths are modelled from the Xcite™ HTDEM and FALCON® AGG data.
- Borehole EM on drilling at Libonga North and South, depending on results from drilling.

Helicopter support of diamond drilling mobilisation and logistical assistance is planned to facilitate the operation in areas with limited ground accessibility.

During the first year, AMM also propose to undertake further regional reconnaissance mapping, rock sampling and soil sampling programs on the other target areas such as Ngongo and Matchiti East where historical stream sediment and soil sampling identified nickel and copper anomalism, as well as Mayoumba. This regional reconnaissance program will be ongoing throughout the first two years' exploration to systematically prioritise and advance as many targets as possible along the project pipeline. Positive results from the reconnaissance sampling and mapping will be targeted for more detailed exploration such as detailed soil geochemistry, geophysics, and eventually drilling.



Following results of the initial diamond drilling program, a targeted NRG™ Xcite™ HTDEM survey is planned to expand and infill geophysical coverage across the additional targets advanced in the exploration pipeline such as Matchiti East and Mayoumba.

Work programs in the second year will be largely dependent on the results from the first year's exploration activities and ongoing reconnaissance programs. It is planned to continue infill and step-out drilling at areas delineated in the first-year drill program, accompanied by surface and downhole EM geophysical surveys. In addition, AMM will expand programs of drilling to test any significant geophysical anomalies identified during the first year from the follow-up HTDEM survey over the other target areas.

Should the renewal of G5-555 be granted within the first two years of operation, exploration programs can be revisited to include work programs such as:

- Drilling on the Matchiti Central Target. Planned hole depths will be modelled from the Xcite™ HTDEM and GGG data.
- Expansion of the reconnaissance mapping and rock and soil sampling to cover targets such as Ngongo and Yoyo onto G5-555 where historical stream sediment and soil sampling identified nickel and copper anomalism.
- Potential expansion of NRG™ Xcite™ HTDEM surveys onto other targets identified within G5-555.



6 Risks

A key risk, common to all exploration companies, is that the expected mineralisation may not be present or that it may be too small to warrant commercial exploitation. The Project is at an early greenfields exploration stage. Considerable exploration is still required to determine the likelihood of discovery. If a discovery is made, significant work programs and studies are still required to test the potential of that discovery being economically mineable. Typically, such work programs are done by a stage-gate process, with the aim of each stage to incrementally increase confidence in the mineralisation and decrease uncertainty and risks towards a decision to mine. Whilst good potential exists at the Project for discovery, it is uncertain whether the work programs to be undertaken by AMM will deliver positive results. The work programs planned by AMM are designed to test the potential of the Project for discovery, thereby reducing the uncertainty and risks of the Project.

The interpretations and conclusions reached in this ITAR are based on current scientific understanding and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond CSA Global's control and that CSA Global cannot anticipate. These factors include, but are not limited to, site-specific geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalise the operation, variations in cost elements and market conditions, developing and operating the Project in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any exploration operation.

As with most early exploration prospects, the key technical risk is that further exploration may not result in the discovery of an economic resource. The Project is early stage, and significant exploration is still required to determine the likelihood of discovery.



7 Proposed Exploration Budget Summary

AMM provided CSA Global with a copy of its planned expenditure for the Project for an initial two-year period following listing on the ASX (Table 8). CSA Global understands the budget in Table 8 will be scaled proportionally based on any oversubscription funds raised.

All costs included are in Australian dollars (A\$).

Table 8: Proposed exploration expenditure summary by activity

Program	A\$8 M Raising		A\$10 M Raising	
	Year 1 (A\$)	Year 2 (A\$)	Year 1 (A\$)	Year 2 (A\$)
In-country support	360,000	380,000	360,000	380,000
ESG	30,000	80,000	30,000	120,000
Drilling	1,370,000	1,940,000	1,370,000	2,730,000
Assaying and sampling	120,000	170,000	120,000	260,000
Geophysics	200,000	500,000	500,000	590,000
Regional geochemistry	110,000	200,000	200,000	240,000
Studies	-	120,000	-	120,000
Operations/Field support	370,000	460,000	370,000	500,000
Total	2,560,000	3,850,000	2,950,000	4,940,000

Notes:

- Drilling costs are calculated as all-in costs, including helicopter support, and excluding sampling and assaying.
- Operations/Field support includes costs for personnel, generative and targeting studies, and interpretations of geophysical and geochemical data.

The proposed budget is considered consistent with the exploration potential of AMM's Project and is considered adequate to cover the costs of the proposed program. The budgeted expenditure is also considered sufficient to meet the minimum statutory expenditure on the tenements.

The mineral properties held by AMM are considered to be "exploration projects" that are intrinsically speculative in nature. The Project is at the "grassroots exploration" stage. CSA Global considers, however, that the Project has sound technical merit and to be sufficiently prospective, subject to varying degrees of exploration risk, to warrant further exploration and assessment of its economic potential, consistent with the proposed programs.

At least half of the liquid assets held, or funds proposed to be raised by AMM, are understood to be committed to the exploration, development, and administration of the mineral properties, satisfying the requirements of ASX Listing Rules 1.3.2(b) and 1.3.3(b). CSA Global also understands that AMM has sufficient working capital; to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(a).

AMM has prepared staged exploration and evaluation programs, specific to the potential of the Project, which are consistent with the budget allocations, and warranted by the exploration potential of the Project. CSA Global considers that the relevant areas have sufficient technical merit to justify the proposed programs and associated expenditure, satisfying the requirements of ASX Listing Rule 1.3.3(a).



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9 Glossary

For further information or for terms, please refer to internet sources such as Wikipedia (www.wikipedia.org).



10 Abbreviations and Units of Measurement

%	percent
°C	degree Celsius
2D	two-dimensional
3D	three-dimensional
A\$	Australian dollars
AGG	Airborne Gradiometry Gravimetric
AIG	Australian Institute of Geoscientists
AMC	African Mining Consultants
AMM	Armada Metals Limited
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
AWCO	Araçuaí-West Congo Orogen
BRGM	Bureau de Recherches Géologiques et Minières – French Geological Survey
ca.	circa
Co	cobalt
CSA Global	CSA Global (UK) Limited
Cu	copper
DGDM	Department of Geology and Mines
DRC	Democratic Republic of the Congo
EM	electromagnetic(s)
Ga	billion years ago
Gabon	Gabonese Republic of Africa
HTDEM	heliborne time-domain electromagnetic(s)
IPO	initial public offering
ITAR	Independent Technical Assessment Report
JORC	Joint Ore Reserves Committee
km	kilometre(s)
km ²	square kilometre(s)
LHB	Lambaréné Horst Block
LMT	Libonga-Matchiti Trend
m	metre(s)
M	million(s)
Ma	million years ago
mm	millimetre
Ni	nickel



NRG™	New Resolution Geophysics
PGE	platinum group element(s)
ppm	parts per million
pXRF	portable x-ray fluorescence
VALMIN	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets
VTEM ^{Plus}	Versatile Time-Domain Electromagnetic Plus – a proprietary airborne electromagnetic system
WCMB	West Congo Mobile Belt
WCS	West Congolian Supergroup
Xcite™	a proprietary airborne electromagnetic system

Appendix A JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>A stream sediment sampling program was used to obtain samples from which 2 kg per sample site was collected. Stream sediment samples were dried and sieved (to -180 micron) in the field to produce 100 g pulps. A 50 g pulp was used for either portable x-ray fluorescence (pXRF) or commercial laboratory multi-element analysis. The remaining 50 g is archived at the Armada exploration camp in Tchibanga, Nyanga Province, Gabon.</p> <p>Sample sites were selected based on a regular 1–2 km² drainage patterns.</p> <p>Phased soil sampling programs were used to obtain samples from exploration targets. A 2 kg soil field sample was collected. Samples were collected from the B horizon (at approximately 40 cm depth). Samples were dried and then sieved (to -180 micron) at the Armada exploration camp to produce 100 g pulps. A 50 g pulp was used for either pXRF or commercial laboratory multi-element analysis. The remaining 50 g is archived at the Armada exploration camp in Tchibanga, Nyanga Province, Gabon.</p> <p>Samples were collected on 800 m x 100 m, 400 m x 100 m, 100 m x 50 m sample arrays.</p> <p>Systemic rock sampling programs were designed to provide coverage across principal geochemical and geophysical targets. 1–2 kg rocks samples are collected from recorded locations. Following detailed cataloguing rocks are crushed and pulverised to produce 100 g charges for laboratory analysis.</p> <p>Sample locations are based on outcropping rock formations mapped across field locations. Abundant rock outcrops provide adequate sample spacing to generate field maps to be used for bedrock interpretation and drill planning.</p> <p>The Competent Person considers that the sampling techniques employed are appropriate for the stage of exploration and the geological setting.</p>
Drilling techniques	<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i></p>	<p>No drilling programs have been conducted as part of the magmatic nickel-copper exploration programs.</p>
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>No drilling programs have been conducted as part of the magmatic nickel-copper exploration programs.</p>

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Criteria	JORC Code explanation	Commentary
Logging	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	No drilling programs have been conducted as part of the magmatic nickel-copper exploration programs.
Subsampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all subsampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	No drilling programs have been conducted as part of the magmatic nickel-copper exploration programs.
Quality of assay data and laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></p>	<p>The Competent Person considers that the assaying and laboratory employed are to industry standard and appropriate for the stage of exploration and the geological setting.</p> <p>Assaying and laboratory procedures</p> <p>Sediment and soil samples</p> <p><i>pXRF analysis</i></p> <p>pXRF analysis was conducted at the Armada exploration camp office in controlled conditions.</p> <p>A dedicated pXRF technician was trained in, and responsible for the use of, the pXRF.</p> <p>A Niton XI3t used on the Project. Daily calibrations at the start and end of operating windows were completed using calibration pads: NIST 2780 PP: 180-650, SiO₂ 99.995% PP: 180-647, NIST2709a PP: 180-649, CCRMP TILL-4PP: 180-646 and RCRApp 1000Ba 500Ag-As-Cd-Cr-Pb-Se: 180-661.</p> <p>Analysis mode: Soil mode.</p> <p>Routine reading time: 90 seconds</p> <p><i>ICP analysis</i></p> <p>Bureau Veritas Minerals (Pty) Ltd (BV) (formerly Ultratrace (Pty) Ltd) has been used for all commercial laboratory analysis. Address: 58 Sorbonne Crescent, Canning Vale, 6155, Western Australia.</p> <p>The samples were digested with aqua regia. This is a partial digest. Easily digested elements show good recoveries; however, others (particularly the refractory oxides and silicates) are poorly extracted.</p> <p>Al, Ca, Cr, Cu, Fe, K, Mg, Mn, Na, Ni, S, Ti, V and Zn have been determined by inductively coupled plasma (ICP) with optical emission spectrometry (OES).</p>



Criteria	JORC Code explanation	Commentary
		<p>Ag, As, Au(AR), Ba, Bi, Cd, Ce, Co, Cs, Ga, La, Li, Mo, Pb, Rb, Sb, Sc, Se, Sn, Sr, Te, Th, Tl, U, W, Y and Zr have been determined by ICP with mass spectrometry (MS).</p> <p>For whole-rock analysis</p> <p><i>ICP analysis</i></p> <p>BV has been used for all laboratory analysis.</p> <p>Lab code (rocks): Laboratory techniques were coordinated with BV to ensure complete sample decomposition for detection of major and trace elements, and appropriate analysis method selection, suitable for sulphur determination. The samples were analysed using analytical methods MA100, MA101, XF103 and LA100 and LA101 for major and trace elements.</p> <p>Lab code (sediments): LA101- Four-acid method for Ni, Cu, Co, Mg, Mn, Fe, Cr, (all ICP-OES) As (ICP-MS).</p> <p>Lab code (soil): LA101- Four-acid method for Ni, Cu, Co, Mg, Mn, Fe, Cr, (all ICP-OES) As (ICP-MS).</p> <p>Quality assurance and quality control (QAQC)</p> <p>Stream sediment sampling programs</p> <p>Standards, blanks and duplicates were used throughout the analysis routines. Insertion rates:</p> <ul style="list-style-type: none"> Standards: 1 in 25 samples Duplicates (<i>duplicate sample from same site</i>): 1 in 20 samples Blanks: 1 in 20 samples. <p>Standards used were sourced from Geostats: GBM307-3, GBM910-9, GBM908-8, and GBM908-6.</p> <p>Soil sampling programs</p> <p>Standards, blanks and duplicates were used throughout the analysis routines. Insertion rates:</p> <ul style="list-style-type: none"> Standards: 1 in 25 samples Duplicates (<i>duplicate sample from same site</i>): 1 in 20 samples Blanks: 1 in 20 samples. <p>Standards used were sourced from Geostats: GBM307-3, GBM910-9, GBM908-8, and GBM908-6.</p> <p>Whole-rock analysis</p> <p>No QAQC routine was applied to whole rock sample analysis.</p>
Verification of sampling and assaying	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	No drilling programs have been conducted as part of the magmatic nickel-copper exploration programs.
Location of data points	<p><i>Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	For all sampling programs, commercial handheld Garmin global positioning system (GPS) units were used which provided sufficient accuracy for the programs employed and the level of exploration for the project.



Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	For all sampling programs, commercial handheld Garmin GPS units were used which provided sufficient accuracy for the programs employed and the level of exploration for the project.
Orientation of data in relation to geological structure	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	No drilling programs have been conducted as part of the magmatic nickel-copper exploration programs.
Sample security	<i>The measures taken to ensure sample security.</i>	Sample chain of custody forms were used when samples were sent to commercial laboratories.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	<p>An internal audit of the pXRF analysis was conducted in 2013.</p> <p>150 stream samples and 1,072 soil samples were sent to BV. Samples were analysed using an aqua regia digest (partial dissolution) and ICP-MS.</p> <p>Anomalous trends are comparable. Variations in absolute values are expected as the analysis methods vary.</p>



Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<p>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</p> <p>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</p>	<p>Armada Exploration Gabon SARL (Armada) hold two exploration licences G5-150 and G5-555 (100% ownership for both licences).</p>
Exploration done by other parties	<p>Acknowledgment and appraisal of exploration by other parties.</p>	<p>Previous exploration programs in the region:</p> <p><u>BRGM (1980)</u></p> <p>Geochemistry</p> <p>The BRGM carried out mapping, stream and soil sampling campaigns over the southwest part of the Nyanga Basin. Surface sampling included up to 8,533 samples (including 4 km x 200 m grid for soils) and alluvium exploration (heavy minerals counting) totalling 1,225 samples. Armada was able to retrieve data for 1,362 stream sample, covering the northwest portion of exploration permit G5-150.</p> <p>346 samples are reported in the Independent Technical Assessment Report (ITAR).</p> <p><u>SYSMIN (2005 to 2009)</u></p> <p>Geophysics</p> <p>The contractor used for the portion flown across the Nyanga Basin was Council for Geoscience (CGS), South Africa (see below for details of the survey).</p> <p>Geochemistry</p> <p>During the period from 2005 to 2009, 14 million Euros of European Union funding was provided for a dual geological and geophysical survey program (SYSMIN) by the French, South African and Gabonese Geological Surveys to outline the mineral prospectivity of Gabon.</p> <p>This project had four components:</p> <ul style="list-style-type: none"> • Geophysical data acquisition and re-processing • Geological mapping leading to the publication of revised countrywide 1:1,000,000 and 1:200,000 scale geological maps • Regional geochemical sampling • The production of mine inventories. <p>All samples and data are archived at the Geology Department of the Mines Ministry, Libreville Gabon.</p> <p>This first three components cover the exploration permits and the complete datasets were acquired from the Department of Geology and Mines (DGMG) by Armada.</p> <p>In 2018, Armada geological staff re-analysed all samples stored in archive as part of a QAQC exercise. Analysis was completed using the Armada pXRF. Armada sampling protocols were adopted for this exercise. Results of this exercise are storied in the company database along with the existing data files from the SYSMIN program.</p> <p>Data for 2,561 soil sample and 162 sediment samples, within exploration licences G5-150 and G5-555, are stored in the Armada geochemical database.</p>



Criteria	JORC Code explanation	Commentary
		<p><u>Phelps Dodge (2006 to 2008)</u></p> <p>Geochemistry</p> <p>Stream sediment sampling, soil sampling and handheld auger drill sampling was used to assess the BRGM anomalies detected in the geochemical programs completed in the 1980s. The deposit type was sediment-hosted copper-cobalt along the Neoproterozoic basin edge.</p> <p>Sampling successfully delineated base-metal anomalies along the basin edge which to date have been untested by systematic drilling programs.</p> <p>The Armada datasets (inside and outside of the exploration licences) includes 5,732 soils samples, 617 sediment samples and 262 handheld auger samples from these programs.</p> <p>140 stream sediment samples and 989 soil samples have been reported in the ITAR.</p> <p><u>BHP (2009)</u></p> <p>Geophysics</p> <p>A 6,316 line-km airborne gravity survey (with magnetics) was flown over three non-contiguous blocks in 2009 (there is partial coverage of the Armada exploration licences).</p> <p>The purpose of the exploration was to target areas for iron ore exploration. The survey was completed on a 250 m line spacing with average vertical clearance of 130 m.</p> <p>See below for further details of the survey.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	Targeting massive nickel-copper sulphide mineralisation associated with mafic-ultramafic (M-UM) intrusions.
Drillhole information	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:</i></p> <ul style="list-style-type: none"> • easting and northing of the drillhole collar • elevation or RL (<i>Reduced Level – elevation above sea level in metres</i>) of the drillhole collar • dip and azimuth of the hole • downhole length and interception depth • hole length. <p><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	No drilling programs have been conducted as part of the magmatic nickel-copper exploration programs.
Data aggregation methods	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p> <p><i>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	No drilling programs have been conducted as part of the magmatic nickel-copper exploration programs.



Criteria	JORC Code explanation	Commentary																																																						
Relationship between mineralisation widths and intercept lengths	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').</i></p>	No drilling programs have been conducted as part of the magmatic nickel-copper exploration programs.																																																						
Diagrams	<p><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.</i></p>	No drilling programs have been conducted as part of the magmatic nickel-copper exploration programs.																																																						
Balanced reporting	<p><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></p>	No drilling programs have been conducted as part of the magmatic nickel-copper exploration programs.																																																						
Other substantive exploration data	<p><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></p>	<p>Armada geophysical data acquisition:</p> <p>SYSMIN Magnetic and Radiometric data acquisition (Block 3) (2009)</p> <p>The contractor used was CGS, South Africa. Block 3 was flown at a mean altitude of 120 m. Report Ref: CGS 2009-0221.</p> <table border="1"> <thead> <tr> <th colspan="3">Survey parameters – fixed wing platform</th> </tr> <tr> <th>Parameter</th> <th>Unit</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Flight line direction</td> <td>0°</td> <td></td> </tr> <tr> <td>Flight line spacing (m)</td> <td>500</td> <td></td> </tr> <tr> <td>Tie line direction</td> <td>90°</td> <td></td> </tr> <tr> <td>Tie line spacing (m)</td> <td>5,000</td> <td></td> </tr> <tr> <td>Altitude (m)</td> <td>120</td> <td>Safety reasons (forest canopy)</td> </tr> <tr> <td>Area (km²)</td> <td>-</td> <td>Not reported</td> </tr> <tr> <td>Actual line-km (km)</td> <td>151,667</td> <td></td> </tr> </tbody> </table> <p>Results: Full magnetic and radiometric coverage of sedimentary basin and basement. Data to be used for detailed geological interpretation and targeting by Douglas Haynes Discovery (Pty) Ltd (DHD).</p> <p>18 M-UM targets identified.</p> <p>BHP FALCON® Airborne Gravity Gradiometer (AGG) data acquisition (2008)</p> <p>The contractor used was Fugro Airborne Surveys, Western Australia. Average terrain clearance of 132 m. Report Ref: FAS Job# 2396 (4, 5, 6).</p> <table border="1"> <thead> <tr> <th colspan="3">Survey parameters – fixed wing platform</th> </tr> <tr> <th>Parameter</th> <th>Unit</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Flight line direction</td> <td>0°</td> <td>Information not available</td> </tr> <tr> <td>Flight line spacing (m)</td> <td>250</td> <td></td> </tr> <tr> <td>Tie line direction</td> <td>90°</td> <td>Information not available</td> </tr> <tr> <td>Tie line spacing (m)</td> <td>5,000</td> <td>Information not available</td> </tr> <tr> <td>Altitude (m)</td> <td>132</td> <td></td> </tr> <tr> <td>Area (km²)</td> <td>-</td> <td>Information not available</td> </tr> <tr> <td>Actual line-km (km)</td> <td>6,316</td> <td></td> </tr> </tbody> </table>	Survey parameters – fixed wing platform			Parameter	Unit	Remarks	Flight line direction	0°		Flight line spacing (m)	500		Tie line direction	90°		Tie line spacing (m)	5,000		Altitude (m)	120	Safety reasons (forest canopy)	Area (km ²)	-	Not reported	Actual line-km (km)	151,667		Survey parameters – fixed wing platform			Parameter	Unit	Remarks	Flight line direction	0°	Information not available	Flight line spacing (m)	250		Tie line direction	90°	Information not available	Tie line spacing (m)	5,000	Information not available	Altitude (m)	132		Area (km ²)	-	Information not available	Actual line-km (km)	6,316	
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NYANGA NICKEL-COPPER PROJECT – INDEPENDENT TECHNICAL ASSESSMENT REPORT



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		<p>Results: Full magnetic and Falcon (AGG) data coverage of sedimentary basin edge and partial coverage of the basement. Unconstrained inversion of the Falcon data was completed using Fullagar's VPmg and GoCad software. Density depth sections and isoshells of dense bodies have been extracted from the inverted density volume.</p> <p>A significant causative source (dense body) is apparent in the Libonga North target area.</p> <p>Versatile Time Domain Electromagnetic (VTEM^{Plus}) and Magnetic Survey (2015)</p> <p>The contractor used was Geotech (Pty) Ltd, South Africa. Helicopter platform. All blocks were flown at a mean altitude of 96 m – for an average electromagnetic (EM) bird clearance of 61 m. Report Ref: AB140396</p> <p>QAQC was completed daily during the survey by Steve McMullan, PGeo – an independent geophysical consultant contracted by Armada.</p> <table border="1"> <thead> <tr> <th colspan="5">VTEM^{Plus} survey parameters</th> </tr> <tr> <th>Survey block</th> <th>Line spacing (m)</th> <th>Area (km²)</th> <th>Line km</th> <th>Flight direction</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Block 1</td> <td>Flight: 200</td> <td rowspan="2">860</td> <td rowspan="2">4,734</td> <td>030°</td> </tr> <tr> <td>Tie line: 2000</td> <td>120°</td> </tr> <tr> <td rowspan="2">Malounga-Sanga</td> <td>Flight: 200</td> <td rowspan="2">316</td> <td rowspan="2">1,766</td> <td>000°</td> </tr> <tr> <td>Tie line: 2000</td> <td>090°</td> </tr> <tr> <td rowspan="2">Block 4</td> <td>Flight: 200</td> <td rowspan="2">203</td> <td rowspan="2">1,108</td> <td>030°</td> </tr> <tr> <td>Tie line: 2000</td> <td>120°</td> </tr> <tr> <td rowspan="2">EM regional lines</td> <td>Flight: 200</td> <td rowspan="2">1655</td> <td rowspan="2">260</td> <td>030°</td> </tr> <tr> <td>Tie line: 2000</td> <td>120°</td> </tr> <tr> <td colspan="2"></td> <td>3,034</td> <td>7,868</td> <td></td> </tr> </tbody> </table> <p>Results: Full magnetic and VTEM^{Plus} coverage of sedimentary basin edge and partial coverage of the basement. Data to be used for detailed geological interpretation and targeting by DHD.</p> <p>A significant late-time (conductive) anomaly is apparent in the Libonga North target.</p> <p>Ground Gravity Gradient (GGG) (2017)</p> <p>The contractor used was Remote Exploration Services (Pty) Ltd (RES), South Africa. Report Ref: RES17_032R.</p> <p>Data was reduced to Bouguer Anomaly using standard Geosoft gravity processing flow. Terrain effects were corrected, filtered and processed.</p> <p>Results: Data was modelled and used for drillhole targeting by Xpotential (Pty) Ltd.</p> <table border="1"> <thead> <tr> <th colspan="5">Gravity survey parameters</th> </tr> <tr> <th>Survey block</th> <th>Station spacing (m)</th> <th>Stations</th> <th>Line km</th> <th>Flight direction</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Libonga (cross survey)</td> <td rowspan="2">25 x 25</td> <td rowspan="2">143</td> <td rowspan="2">4,734</td> <td>030°</td> </tr> <tr> <td>120°</td> </tr> <tr> <td rowspan="2">Matchiti (grid survey)</td> <td rowspan="2">50 x 50</td> <td rowspan="2">1059</td> <td rowspan="2">1,766</td> <td>000°</td> </tr> <tr> <td>090°</td> </tr> <tr> <td rowspan="2">Doumvou (cross survey)</td> <td rowspan="2">50 x 50</td> <td rowspan="2">175</td> <td rowspan="2">1,108</td> <td>030°</td> </tr> <tr> <td>120°</td> </tr> </tbody> </table>	VTEM ^{Plus} survey parameters					Survey block	Line spacing (m)	Area (km ²)	Line km	Flight direction	Block 1	Flight: 200	860	4,734	030°	Tie line: 2000	120°	Malounga-Sanga	Flight: 200	316	1,766	000°	Tie line: 2000	090°	Block 4	Flight: 200	203	1,108	030°	Tie line: 2000	120°	EM regional lines	Flight: 200	1655	260	030°	Tie line: 2000	120°			3,034	7,868		Gravity survey parameters					Survey block	Station spacing (m)	Stations	Line km	Flight direction	Libonga (cross survey)	25 x 25	143	4,734	030°	120°	Matchiti (grid survey)	50 x 50	1059	1,766	000°	090°	Doumvou (cross survey)	50 x 50	175	1,108	030°	120°
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		<p>Libonga North Target</p> <p>Results from the GGG survey compare favourably with the Falcon AGG survey. In addition there is a strong spatial correlation with the VTEM^{Plus} data.</p> <p>Matchiti Central Target</p> <p>Image processing: Regional-residual filtering produced satisfactory results mapping larger anomalies associated with M-UM components.</p> <p>3D unconstrained inversions were performed on the data using VPmg software. Depth slices extracted from resultant density voxels highlight a deeper denser “root” zone in the northeast margin of the Matchiti intrusive complex.</p> <p>Forward modelling was completed on selected lines and results integrated with available geological, geochemical and other geophysical data. More dense ultramafic components of the mapped intrusion broadly correlate with the copper anomalies detected from the detailed soil sampling programs.</p> <p>Doumvou Target</p> <p>Forward modelling could not be completed as the gravity survey did not cover the anomaly extents. The data confirmed the presence of a dense causative body associated with a magnetic anomaly – an apparent M-UM source.</p> <p>Xcite™ Airborne Electromagnetic Survey (2021)</p> <p>The contractor used was New Resolution Geophysics (Pty) Ltd (NRG™), South Africa. All blocks were flown at an altitude of 60–70 m – for an average Tx-Rx array of 30–40 m. Report Ref: NRG1943: 12/05/2021.</p> <p>QAQC was completed daily during the survey by XPotential (Pty) Ltd, Adam Woolridge, Pr Sci Nat – an independent geophysical consultant contracted by Armada.</p> <table border="1"> <thead> <tr> <th colspan="4">NRG™ Xcite™ survey parameters</th> </tr> <tr> <th>Survey block</th> <th>Line spacing (m)</th> <th>Line km</th> <th>Flight direction</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Libonga A</td> <td>Flight: 200 and 400</td> <td rowspan="2">240</td> <td>090°</td> </tr> <tr> <td>Tie line: 2000</td> <td>180°</td> </tr> <tr> <td rowspan="2">Libonga B</td> <td>Flight: 200 and 400</td> <td rowspan="2">249</td> <td>053°</td> </tr> <tr> <td>Tie line: 2000</td> <td>143°</td> </tr> <tr> <td rowspan="2">Libonga C</td> <td>Flight: 400</td> <td rowspan="2">62</td> <td>150°</td> </tr> <tr> <td>Tie line: 2000</td> <td>240°</td> </tr> <tr> <td rowspan="2">Doumvou</td> <td>Flight: 400</td> <td rowspan="2">156</td> <td>090°</td> </tr> <tr> <td>Tie line: 4000</td> <td>180°</td> </tr> <tr> <td></td> <td></td> <td>707</td> <td></td> </tr> </tbody> </table> <p>Results: Data was modelled and used for drillhole targeting by Xpotential (Pty) Ltd. Layered earth inversions and Maxwell software plate modelling have been completed.</p> <p>Plate modelling results: 28 plates modelled producing a minimum of five high-priority drill targets. The 28 drill targets have been ranked based on conductivity, size, depth and data confidence.</p> <p>Layered earth inversions: 3D inversions used for drill planning purposes. Highest conductors have been ranked and targeted.</p>	NRG™ Xcite™ survey parameters				Survey block	Line spacing (m)	Line km	Flight direction	Libonga A	Flight: 200 and 400	240	090°	Tie line: 2000	180°	Libonga B	Flight: 200 and 400	249	053°	Tie line: 2000	143°	Libonga C	Flight: 400	62	150°	Tie line: 2000	240°	Doumvou	Flight: 400	156	090°	Tie line: 4000	180°			707	
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Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Exploration budget allocation has been given to tenement G5-150 for the first two years of operation, pending a formal approval of renewal by the Gabon Ministry of Mines for tenement G5-555. Once renewal has been approved, budget will be re-allocated accordingly to advance targets on G5-555 and meet statutory expenditure commitments.																																				

ARMADA METALS LIMITED

NYANGA NICKEL-COPPER PROJECT – INDEPENDENT TECHNICAL ASSESSMENT REPORT



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	<p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	<p>Immediate targets to be tested in the first year of exploration activity include the priority targets at Libonga North and Libonga South along the Libonga-Matchiti Trend. Within the first year of exploration, Armada Metals Limited (AMM) propose diamond drilling with multi-element assay data at:</p> <ul style="list-style-type: none"> • Libonga North Target: A minimum of six holes are planned between 100 m and 400 m depth for 1,500 m total drilling. Planned hole depths are modelled from the Xcite™ HTDEM and FALCON® AGG data. • Libonga South Target: A minimum of six holes are planned between 100 m and 400 m depth for 1,500 m total drilling. Planned hole depths are modelled from the Xcite™ HTDEM and FALCON® AGG data. • Borehole EM on drilling at Libonga North and South, depending on results from drilling. <p>Helicopter support of diamond drilling mobilisation and logistical assistance is planned to facilitate the operation in areas with limited ground accessibility.</p> <p>During the first year, AMM also propose to undertake further regional reconnaissance mapping, rock sampling and soil sampling programs on the other target areas such as Ngongo and Matchiti East where historical stream sediment and soil sampling identified nickel and copper anomalism, as well as Mayoumba. This regional reconnaissance program will be ongoing throughout the first two years' exploration to systematically prioritise and advance as many targets as possible along the project pipeline. Positive results from the reconnaissance sampling and mapping will be targeted for more detailed exploration such as detailed soil geochemistry, geophysics, and eventually drilling.</p> <p>Following results of the initial diamond drilling program, a targeted NRG™ Xcite™ HTDEM survey is planned to expand and infill geophysical coverage across the additional targets advanced in the exploration pipeline such as Matchiti East and Mayoumba.</p> <p>Work programs in the second year will be largely dependent on the results from the first year's exploration activities and ongoing reconnaissance programs. It is planned to continue infill and step-out drilling at areas delineated in the first-year drill program, accompanied by surface and downhole EM geophysical surveys. In addition, AMM will expand programs of drilling to test any significant geophysical anomalies identified during the first year from the follow-up HTDEM survey over the other target areas.</p> <p>Should the renewal of G5-555 be granted within the first two years of operation, exploration programs can be revisited to include work programs such as:</p> <ul style="list-style-type: none"> • Drilling on the Matchiti Central Target. Planned hole depths will be modelled from the Xcite™ HTDEM and GGG data. • Expansion of the reconnaissance mapping and rock and soil sampling to cover targets such as Ngongo and Yoyo onto G5-555 where historical stream sediment and soil sampling identified nickel and copper anomalism. • Potential expansion of NRG™ Xcite™ HTDEM surveys onto other targets identified within G5-555.



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Solicitor's report on tenements

*Source: Unsplash
image, copper pallet*

To	Armada Metals Limited	From	Simmons & Simmons LLP Projects Lawyers
Subject	Legal report on Armada Exploration Gabon SARL's mining tenements	Date	08 November 2021

Dear Sirs,

Legal Report on Armada Exploration Gabon SARL's Mining Tenements

We have been instructed by Armada Metals Limited (“**AML**”) to carry out a review of the mineral exploration permits G5-150 and G5-555 (the “**Tenements**” or “**Exploration Permits**”) held by Armada Exploration Gabon SARL (“**AEG**” or the “**Company**”) in the Republic of Gabon in relation to the listing of AML by the Australian Stock Exchange (ASX) (the “**Report**”) for inclusion in the prospectus (“**Prospectus**”) to be issued by AML in relation to such listing.

1. **INTRODUCTION**

1.1 **Scope of the Report**

(A) The purpose of this Report is to:

- (1) determine the good standing, or otherwise, of the Tenements; and
- (2) identify any material issues existing in respect of the Tenements.

1.2 Details of the Tenements are listed in Schedule 1 of this Report which forms part of this Report.

1.3 **Assumptions**

(A) In preparing this Report, we have assumed the following:

- (1) that the responses to the questions which we have put to the officers and advisers of AEG (the “**Officers**” and the “**Advisers**”) are true and accurate in all respects and have contained no material omissions;
- (2) that there are no documents, other than those which were given to us by the Officers and Advisers to review, that are relevant to the items which we examined;
- (3) the authenticity of all documents which were given to us by the Officers and Advisers;
- (4) the completeness and the conformity to original documents or instruments of all copies examined by us;
- (5) where unsigned documents have been supplied to us, the existence of validly executed versions of such documents; and

- (6) all factual matters stated in any document given to us by the Officers and Advisers are true and correct.
- (B) Nothing has come to our attention to lead us to believe that our assumptions above are not correct, but we have not made any independent investigations with respect to the matters the subject of our assumptions.
- (C) In preparing the Report we have solely relied on the documents and information provided to us by the Company. Our review is based solely on the regulations issued by the Republic of Gabon.
- (D) We have not been able to access independently the information available at the Gabonese ministry of mines as only the Company may access such information.

1.4 Consent

- (A) This Report is given solely for the benefit of AML and the directors of AML in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.
- (B) We have given our written consent to the issue of the Prospectus with this Report in the form and context in which it is included, and have not withdrawn our consent prior to the lodgment of the Prospectus with the Australian Securities and Investment Commission.

Yours faithfully,

Simmons & Simmons LLP



Project Lawyers



2. EXECUTIVE SUMMARY

- 2.1 Subject to the comments below, the Tenements are valid and in force.
- 2.2 **The Exploration Permit G5-555 was to be renewed by 25 April 2021. We understand that the renewal process is still ongoing. However, the Mining Convention in respect of the Exploration Permit G5-555 has been signed between AEG and the State of Gabon on 05 November 2021 and this provides comfort that the Exploration Permit G5-555 should be renewed.**
- 2.3 **So far, the Company has only spent about USD560,000 out of its work commitment of USD965,000 in respect of the Exploration Permit G5-555. This is an important condition for renewal. Failure to comply with work commitments may be a cause for penalties, suspension, withdrawal or non-renewal of a permit.**
- 2.4 So far, the Company has only spent USD250,000 out of its work commitment of around USD1,6 million until 09 July 2022 in respect of the Exploration Permit G5-150. This will be an important condition for the renewal of the Exploration Permit G5-150 in 2022.
- 2.5 Exploration Permit G5-150 was initially granted for a surface area larger than then allowed. This has been corrected upon renewal of the permit in July 2019.
- 2.6 The initial validity period of Exploration Permit G5-150 lasted for 4 years instead of 3 years provided for by the Mining Law and the order granting it. We understand that this was due to the time taken by the mines administration to process the application for renewal.
- 2.7 The change of control of AEG resulting from the IPO and the related capital reorganisations of the Group should be declared to the Central Bank of Central African Countries (BEAC) within 30 days of the IPO in accordance with the CEMAC Foreign Exchange Regulation.

3. OVERVIEW OF THE GABONESE MINING LAW

3.1 **Applicable regulation**

The Gabonese mining framework has been amended twice in a few years. The main regulations with regard to the Exploration Permits are the following:

- (A) Law No.037/2018 of 11 June 2019 regulating the mining sector in the Gabonese Republic (the “**2019 Mining Code**”)¹;
- (B) Law No.017/2014 dated 30 January 2015 regulating the mining sector in the Gabonese Republic (the “**2015 Mining Code**”² and together with the 2019 Mining Code, the “**Mining Law**”)³ which has been replaced by the 2019 Mining Code;

¹ No implementing decree of the 2019 Mining Code has been issued yet.

² The decree implementing certain provisions of the 2015 Mining Code has never been issued.

³ In the absence of implementation decrees for the 2015 Mining Code and the 2019 Mining Code, reference is usually made to the implementation decree of the Gabonese mining code dated 12 October 2000 (law n°005/2000).

- (C) Law No. 15/98 dated 23 July 1998 setting out the investments charter and its implementing decree dated 16 May 2011 which are applicable to foreign investors in the mining sector⁴ (the “**Investment Charter**”);
- (D) Law No. 7/2014 dated 01 August 2014 on the protection of the environment in the Gabonese Republic and the relevant environmental regulation (the “**Environment Code**”);
- (E) Act No 08/65-UDEAC-37 dated 14 December 1965 establishing the CEMAC Customs Code as modified by the regulation No 05/19-UEAC-010-A-CM-33 dated 08 April 2019 (the “**Customs Code**”); and
- (F) Act No 02/18/CEMAC/UMAC/CM dated 21 December 2018 establishing the CEMAC foreign exchange regulation (the “**Foreign Exchange Regulation**”).

3.2 Legal stabilisation under the 2019 Mining Code and transitional regime

- (A) The 2019 Mining Code provides that, subject to a few provisions which must be immediately complied with, the mining titles in force prior to the promulgation of the 2019 Mining Code remain valid until their expiry.
- (B) Upon their expiry, mining titles must be renewed in accordance with the provisions of the 2019 Mining Code. The renewal of mining titles as well as the transformation of exploration permits into exploitation permits are thus subject to the provisions of the 2019 Mining Code.

The Tenements (as described below) were granted pursuant to the 2015 Mining Code but the related mining conventions have been entered into between the Company and the Gabonese State under the 2019 Mining Code. As the Mining Conventions refer to the 2019 Mining Code as the mining legislation applicable and apply retroactively from the date of the signature of the Tenements, the 2019 Mining Code therefore applies to the Tenements.

4. TENEMENTS

4.1 Mining rights

As at the date of this Report, the Company holds the following Exploration Permits initially granted pursuant to the 2015 Mining Code:

G5-150	<ul style="list-style-type: none"> • Exploration Permit granted by order 039/MMIT/SG/DGPEM/DCMAE/SCM on 02 July 2015 for base metals including zinc, lead and copper • Initial surface = 1,978 km²⁵ • Current surface = 1,496 km² • Granted for 3 years renewable twice for the same duration
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⁴ There is currently a revised investment charter under discussion.

⁵ The Exploration Permit G5-150 was initially granted for a surface of 1978 km² as the application for this permit was lodged under the 2000 mining code abrogated by the 2015 Mining Code (under which exploration permits could be granted over up to 2,000 km²) and the permit was issued just after the promulgation of the 2015 Mining Code which provided for a maximum surface of 1,500 km². Since then, the Exploration Permit has been renewed and the surface which was reduced to 1496 km² is now below the maximum provided under the 2015 Mining Code (and the 2019 Mining Code).

	<ul style="list-style-type: none"> • First renewal granted by order 133/MEIM/SG/DGPEM/DCMAE on 10 July 2019⁶ for 3 years from the signature date (i.e. until 09 July 2022)
G5-555	<ul style="list-style-type: none"> • Exploration permit granted on 25 April 2018 for base and precious metals • Initial surface = 1495 km² • Granted for 3 years (i.e. until 25 April 2021) renewable twice for the same duration • Renewal ongoing

Each Exploration Permit is in a form which is compliant with the Mining Law and therefore on the face of such Exploration Permits, each Exploration Permit appears to be valid, subject to pending renewal from 25 April 2021 for Exploration Permit G5-555.

Schedule 1 lists the main features for each of the Tenements.

4.2 Renewal of the Tenement G5-555

Regarding the renewal of the Exploration Permit G5-555, which expired on 25 April 2021, it is not unusual for an exploration permit to be renewed after its validity period has expired as the period for processing the renewal application is variable. Article 29 of the 2019 Mining Code provides that if no reply is received to an application for renewal after 30 calendar days, the operator must request a technical hearing to finalise the examination of its application and such hearing must take place within 15 days from the request. A report is drawn up following that hearing. The Minister in charge of Mines must notify the operator of his answer within 15 days following receipt of the report. We understand from the Company that such technical hearing has been requested to the Minister in charge of Mines and such request is pending a reply from the Minister in charge of Mines.

Even though the validity of the Exploration Permit G5-555 period has expired, we understand that as long as there is an ongoing request for renewal, the permit should remain valid as there is neither in the 2019 Mining Code, nor in practice a fixed period of time after which the Exploration Permit G5-555 should become void when an application for renewal is pending.

In addition, the Mining Convention in respect of the Exploration Permit G5-555 has been signed between AEG and the State of Gabon on 05 November 2021 and this provides comfort that the Exploration Permit G5-555 should be renewed. (see section 4.6(A) of the Report).

4.3 Overview of the main obligations of the holder of mining titles

The 2015 Mining Code and the 2019 Mining Code require the holder of mining titles to fulfil the following obligations:

⁶ We note that the Exploration Permit G5-150 was granted in July 2015 for 3 years and renewed in July 2019, for 3 years (until July 2022), hence an initial validity period of 4 years instead of 3 years provided for by the Mining Law and the Exploration Permit. It sometimes happens that the validity of permits is prolonged by the mines administration while an application for renewal is processed although we understand that no prolongation was formalised by the mines administration in respect of this permit.

(A) Reporting requirements

The holder must submit periodic reports in relation to the mining activities to the mines administration:

G5-150	G5-555
Under article 5 of the initial order granting the Exploration Permit, the Company was required to submit quarterly and annual reports to the mines administration. As from the renewal order, half-year reports (instead of quarterly reports) and annual reports are required.	Under article 5 of the initial order granting the Exploration Permit, the Company is required to submit quarterly and annual reports to the mines administration.

In relation to the reporting requirements, we have been provided with a copy of the half-year reports for the period of 01 January 2020 to 30 June 2020 and the annual reports from 2018 to 2020. Based on our discussions with the Officers, we understand that the Company has complied with the reporting obligations stated in each Exploration Permit.

(B) Fixed fees and annual surface fees

The mining title holder must pay fixed fees and annual surface fees imposed by the Mining Law.

Based on our review of the documentation, there are no payments which are outstanding in relation to each of the Exploration Permits.

(C) Works' program and minimum spending requirements

G5-150	G5-555
Total expenditures requirement over 3 years from renewal (i.e. until 09 July 2022): CFAF882,350,000 (around USD1.6 million).	Total expenditures requirement over 3 years from issuance (i.e. until 25 April 2021): CFAF538,800,000 (around USD1 million).
The Company has indicated that, due to COVID-19, only CFAF140,000,000 (around USD250,000) have been spent to date.	The Company has indicated that, due to Covid-19, only CFAF301,210,000 (around USD560,000) were spent.

Failure to comply with expenditure requirements is a cause for penalties, suspension, withdrawal or non-renewal of the mining permit except in cases of force majeure duly notified to the mines administration. We note however that no formal declaration of force majeure has been made by the Company in relation to Exploration Permits G5-555 and G5-150.

Article 34 of the 2019 Mining Code provides that the renewal of an exploration permit or an exploitation permit is granted to the permit holder who has completed at least half of the objectives without prejudice to possible financial penalties in respect of objectives/obligations not completed. We note that the Company has spent more than half of the expenditures requirements.

- (D) to submit a report on the end of the works. We understand that such report must be issued by the Company following the rehabilitation works of the mining site at the time of its closing (article 155 of the 2019 Mining Code);
- (E) to carry out an environmental impact study at the time of application for an exploitation permit in accordance with article 78 of the 2019 Mining Code and the Environment Code⁷.

4.4 Change of Control of the Exploration Permits

Please see our memorandum dated 07 July 2021 for further details.

(A) Under the Mining Law

The 2019 Mining Code provides under article 20 that any protocol, agreement or convention pursuant to which an exploration or exploitation mining title holder undertakes to transfer, assign partially or in full its rights and obligations to a third party must be subject to the prior approval of the Minister in charge of Mines.

The 2019 Mining Code further provides that, changes of direct or indirect control of a company holding a mining title are considered as transfers of authorisation or mining titles and therefore subject to the same approval, with the exception of transactions between affiliated companies which have been existing for 5 years or more.

This approval is formalised by an order of the Minister in charge of Mines, which must be issued within sixty (60) days of the application.

Failure to comply with these requirements may lead to the suspension or the withdrawal of the mining titles.

In addition, the State of Gabon has a pre-emptive right in relation to the assignment or the change of control of a mining title. The State's pre-emptive right must be exercised within 60 days of notification by the transferor and does not apply to transfers between affiliates.

(B) Under the Investment Charter

The Investment Charter provides that when a foreign company or person acquires the direct or indirect control of a company holding a mining title, it is subject to the prior authorisation of the Minister in charge of Economy; the latter having 2 months to grant his decision by order. Lack of response within such time period is deemed approval.

The request for approval of a change of control must include:

⁷ For more details please see section 4.7 of the Report.

- (1) the identification of the investor, including the list of its shareholders with a shareholding of more than 5%;
- (2) the complete identification of the members of the board of directors, the legal file of the company (i.e. certificate of registration, up-to-date articles of association); and
- (3) if applicable, the authorisations/permits it has to carry out its activity and any other element enabling the request to be assessed.

Gabonese ministerial approvals for the restructuring related to the inclusion of Armada Metals Limited and Armada Metals GmbH in the corporate structure of the Group and the listing of Armada Metals Limited may be deemed obtained since 03 September 2021, following the absence of response within sixty (60) days from the Minister in charge of Mines and the Minister in charge of Economy to the requests for approvals of these transactions sent on 05 July 2021 by the Company⁸, subject to section 3 of our legal opinion dated 07 July 2021.

4.5 Withdrawal of the Exploration Permits

Under both the 2015 Mining Code and 2019 Mining Code, exploration or exploitation mining titles may be withdrawn in the following cases:

- (A) Exploitation activities conducted without an exploitation permit;
- (B) The exploration or exploitation activities are suspended or severely restricted for more than 12 months without legitimate reason;
- (C) The feasibility study demonstrates the existence of an economically exploitable deposit within the perimeter of the exploration permit, without being followed by exploitation within the time limits provided for by the Mining Law or the Mining Convention (as defined below);
- (D) Infringement of one of the provisions of the Mining Law;
- (E) Non-compliance with the clauses of the applicable Mining Conventions;
- (F) Failure by the holder to keep or produce the required registers;
- (G) Exploration or exploitation activity outside the perimeter of the mining title or for substances not provided for in the title;
- (H) Disappearance of the required financial guarantees or technical capacities;
- (I) Assignment, transfer or amodiation of mining rights without the prior authorisation of the competent authority;
- (J) Tax fraud; or

⁸ We understand that a request for a technical hearing was sent by the Company on 11 August 2021 to the Minister in charge of Mines in accordance with article 20 of the 2019 Mining Code. To date, the request has not been answered.

- (K) When the general interest requires so or for the urgent needs of good mining sector governance.

4.6 Mining conventions

(A) Framework

- (1) Terms and conditions of the exploration and exploitation of mineral substances must be specified and formalised under a mining convention which is to be entered with the State of Gabon within 3 months from the attribution of the mining title (the “**Mining Convention**”).
- (2) The Mining Convention is negotiated under the authority of the Minister in charge of Mines and signed between the State and the holder of the exploration or exploitation mining title for the duration of the validity period of the title.
- (3) At the end of its validity, the Mining Convention can be revised and renewed. A new or amended Mining Convention is signed when an exploration title is transformed into an exploitation title.
- (4) Models of Mining Conventions are to be set by regulation. They include three types of clauses:
 - (a) adhesion clauses which recall the mandatory legal provisions;
 - (b) specific clauses which deal with the specific characteristics of the mining project concerned; and
 - (c) negotiable clauses.

Mining Conventions in relation to the Exploration Permits have been entered into between the Company and the Gabonese State on 05 November 2021 and apply retroactively from the date the PERs were granted.

(B) Overview of the main provisions

Mining Conventions are never derogatory to the mining legislation and must include in particular the following provisions:

- (1) the reciprocal obligations of the parties;
- (2) the specific technical, legal, fiscal, economic, customs and financial conditions;
- (3) the provisions that the holder of the mining title must take in order to ensure the preservation and protection of the environment during and after mining activities;
- (4) in the exploitation phase, the rules applicable to the sharing of the production with the State;
- (5) the employment of local workforce and conditions for the training of the company’s employees;
- (6) the priority to local subcontractors;

- (7) the part of the production to be transformed locally;
- (8) the conditions applicable to the rehabilitation of the site;
- (9) the stabilisation of the tax regime;
- (10) work and expenditures programs for the exploration permit period;
- (11) dispute resolution provisions; and
- (12) a revision provision pursuant to which each party may request the revision of the Mining Convention.

(C) **Summary of the Mining Conventions provisions in relation to the Exploration Permits**

The Company and the State of Gabon, represented by the Minister in charge of Mines and the Minister in charge of Economy, entered on 05 November 2021 into two Mining Conventions in respect of Tenement G5-150 and G5-555 in accordance with the 2019 Mining Code.

The signed Mining Conventions are substantively similar for the two Tenements. The key provisions of the two Mining Conventions are set out below:

Subject	Provision
Effective Date and Duration	<p>Each Mining Convention came into force on the date of its signature (05 November 2021) and applies retroactively from the date the related Tenement was granted.</p> <p>Subject to early termination, each Mining Convention remains valid for the duration of the related Tenement (including any renewals).</p>
Purpose	<p>To set out the technical, financial, legal, tax and customs provisions for mining exploration by AEG under Tenements G5-150 and G5-555 respectively.</p> <p>To provide essential guarantees and obligations related to mining exploration.</p> <p>To set out the State's control rights.</p>
Use of local workforce and suppliers	<p>AEG must give priority to the employment of Gabonese nationals (at least 75% of local workforce if available), facilitate the employment of local communities and provide training and staff development to its employees.</p> <p>AEG must give priority to local subcontractors when their terms of business are similar to those of foreign suppliers.</p>
Protection of the environment	<p>AEG must conduct its activities in accordance with good practices in the international mining industry for similar projects.</p>
Financial and Legal Guarantees	<p>AEG is granted various guarantees for the duration of the Mining Conventions including guarantees relating to its corporate structure and management, freedom of choice of suppliers and contractors, and freedom to transfer dividends and invested capital outside of Gabon.</p>
Legal and tax stabilisation	<p>The State of Gabon warrants to AEG that general administrative, legal, fiscal and customs conditions applicable on the date of entry into force of the Mining Conventions will remain stable for the duration of the Mining Conventions.</p>
Material adverse change	<p>In case of technical difficulties or serious unforeseeable events, external to AEG and attributable to the State of Gabon or not, negatively affecting the economic and financial conditions of mining exploration, the parties must, at the request of either of them, renegotiate the terms of the Mining Convention to re-establish the required conditions for the exploration activities.</p> <p>If, after 6 months, an agreement is unlikely and the deteriorated conditions remain, AEG may terminate the relevant Mining Convention.</p>
AEG's obligations	<p>AEG's obligations include:</p>

	<ul style="list-style-type: none"> - to submit periodic work and expenditures programmes; - reporting obligations;
Tax Regime	<p>AEG is subject to the tax regime set under the Mining Conventions.</p> <p>In particular, AEG is exempt from :</p> <ul style="list-style-type: none"> • corporate income tax and personal income tax, including the flat-rate minimum tax; • any tax on income from movable capital; • business tax; • property taxes on built and unbuilt properties; • withholding tax on services provided by foreign service providers from the second period of validity of the title. • VAT on importation of goods for mining operations as well as services not available on the local market <p>AEG remains subject to:</p> <ul style="list-style-type: none"> • surface fees; and • fixed fees.
Customs Regime	<p>AEG is subject to the customs procedures applicable under the Gabonese Customs Code.</p> <p>Customs exemptions are granted on customs fees and VAT for the import into Gabon of all materials, machinery, tools and equipment required for the mining operations. Lists of services, goods and materials covered by the customs' exemption are attached to the Mining Conventions. These lists may be updated at AEG's initiative to take account new services, equipment and materials used by AEG.</p>
Mining exploitation	<p>The State guarantees to AEG the granting of an exploitation licence in case of discovery of an economically exploitable deposit, subject to the submission of valid feasibility study and environmental impact study.</p> <p>A new mining convention shall be signed for the exploitation phase.</p>
Dispute Resolution	<p>Disputes under the Mining Conventions shall be settled, in the absence of an amicable settlement, by international arbitration organised under the rules of the International Centre for the Settlement of Investment Disputes (ICSID).</p>

4.7 Environmental obligations of the Company in relation to the Exploration Permits

- (A) The mining activities of the Company are subject to the Environment Code. The Environment Code requires in particular an environmental impact study for all mining works undertaken by private companies which, because of their scale or ecological implications, are likely to harm the environment (the "EIS"). The EIS is submitted to the Minister in charge of the Environment who must give an "opinion" on it. Any negative opinion must be duly justified by the latter.

- (B) In addition, mining projects have statutory rehabilitation obligations that the Company will need to comply with in the future.
- (C) Failure to carry out an EIS when required or in case of non-compliance with the environmental obligations can lead to the suspension, withdrawal, non-renewal of the Tenements, the reduction of the area granted in the Tenements and/or significant penalties.
- (D) At this stage, no EIS has been carried out by the Company and the Company considers that no EIS is required at this stage. Given the drafting of the Mining Law and the Environment Code, the Gabonese authorities could take a different view from the Company (which they have not done so far) and consider that an EIS is required or should have been carried out. In addition, if mine development proceeds at the exploitation stage or depending on further works during the exploration stage, the Company will be required to carry out an EIS.

4.8 Other important matter

- (A) At the time of the granting of exploitation permits, the State of Gabon will be entitled to a 10% free-carry shareholding in the Company. The State of Gabon will also be entitled to acquire additional 25% shareholding at market price. The State of Gabon may waive its rights to the mandatory 10% free-carry shareholding and to the 25% optional shareholding.
- (B) In accordance with the Foreign Exchange Regulation, investments corresponding to an acquisition of a stake of more than 10% in a Gabonese company must be declared to the Bank of Central African States (BEAC). Failure to comply with this requirement could lead to a fine of 10% of the amount of the investment. Given the ambiguity of the Foreign Exchange Code regarding indirect changes of control of Gabonese companies, it is recommended that the change of control of the Company and the previous various capital reorganisations of the Group related to the listing should be declared to the BEAC within thirty (30) days of the IPO in accordance with the Foreign Exchange Regulation.

SCHEDULE 1 – SUMMARY OF THE EXPLORATION PERMITS

Tenement	Holder	Purpose	Grant Date	Expiry Date	Mining resource or substance	Area	Fixed fee	Annual surface tax	Expenditure Commitments over 3 years
G5-150	Armada Exploration Gabon SARL	Exploration	02/07/2015 renewed on 10/07/2019	09/07/2022	base metals including zinc, lead and copper	1496 km ²	initial permit (CFAF 1,500,000 - around USD2,800) and the renewal order (CFAF 2,000,000 - around USD3,700)	CFAF4,491,000 (around USD8,000) for 2019 (paid) and CAF 4,488,000 (around USD8,000) for 2020.	CFAF882,350,000 (around USD1,6 million).
G5-555	Armada Exploration Gabon SARL	Exploration	25/04/2018	25/04/2021 (renewal application under review)	base and precious metals	1495 km ²	initial permit (CFAF 1,500,000 - around USD2,800)	CFAF1,495,000 (around USD2,678) from 2018 to 2020	CFAF538,800,000 (around USD965,000)



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Source: iStock image, Nickel is the key battery cathode material in EVs, high nickel NMC 811 batteries are the favoured chemistry.

SECTION 7

Investment Risks

7.1 GENERAL

An investment in the Shares offered under this Prospectus is highly speculative. An investment in the Company carries risk and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus, and to consult their independent professional advisors, before deciding whether to apply for Shares pursuant to this Prospectus.

There are numerous risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business and its involvement in the exploration industry. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares. The risks discussed below also include forward-looking statements, and actual results and expectations may differ substantially from those discussed in such forward-looking statements. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the proposed business of the Company.

This Section of the Prospectus is not intended to be an exhaustive list or explanation of all the risks involved in investing in the Shares or all the risk factors to which the Company is exposed. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial may also have an adverse effect on the Company's business and/or impair the financial performance of the Company and the market price of the Shares. If this occurs, the price of the Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Shares is suitable for them in light of the information in this Prospectus and their particular circumstances.

7.2 RISKS SPECIFIC TO THE COMPANY

(a) Limited history

The Company was incorporated on 8 April 2021 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of all of the risks, expenses and difficulties frequently encountered by resource companies in their early stages of development, particularly in the copper and nickel exploration sector, which has a high level of inherent uncertainty.

No assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its current projects or any future projects. Even if an apparently viable copper or nickel (or both) deposit is identified, there is no guarantee that it can be profitably exploited. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses. Refer to Section 9.1(c) of this Prospectus for further information regarding the Company's ability to continue as a going concern.

(b) Renewal risk

Exploration licences are granted by order of the Gabonese minister in charge of mines for three years over a negotiable area with option to renew for two further periods of three years. In the event of the discovery of one or more mineral substances which may constitute an economically exploitable deposit, the third period of validity may be extended for the time necessary to continue the evaluation of the discovery.

Tenement G5-150 is valid until 09 July 2022. Renewal of Tenement G5-150 is expected to be applied for in 2022.

Tenement G5-555 was valid until 25 April 2021 and is currently under renewal process: an application for renewal was lodged in due time with the Gabonese minister in charge of mines on 17 February 2021 and is still under review.

There are no guarantees that the Tenements will be renewed. Each renewal will be considered on its merits and will be dependent on the mines administration's confirmation that the Company's obligations under the Tenements were met. In particular, the Company has an obligation to meet obligations in relation to:

- the payment of fixed fees: for the issuance, renewal or assignment of mining titles;
- the payment of annual surface fees: levied on the area covered by the mining titles; and
- expenditure commitments: during each validity period of a Tenement, the Company has the obligation to make certain expenditures for works.

Armada Gabon must report the details of expenditures made on the Tenements in quarterly or half-yearly, and annual reports in order to provide a record of the amounts expended in respect of each Tenement. Failure to carry out the required expenditures may result in financial penalties or the automatic reduction of one third of the area initially granted under the Tenement or the suspension, withdrawal or non-renewal of the Tenement. In respect of Tenement G5-555, only CFAF301,210,000 (approximately U\$560,000) were spent during the latest validity period out of a commitment of CFAF538,800,000 (approximately U\$1,000,000).

However, the 2019 Gabonese mining code provides that the renewal of an exploration licence shall be granted to the title holder who has completed at least half of the minimum expenditure requirements, subject possibly to a financial penalty of 5 to 15% of the amount of unfulfilled expenditure commitments. Armada Gabon has paid the fixed fees and the annual surface taxes which were due and has, in the last relevant period, spent more than half of the expenditures requirements in respect of Tenement G5-555.

For more information on the Tenements, see the Solicitor's Report on Tenements in Section 6 of this Prospectus.

(c) Change in control risk

Under Gabonese law, the transfer of exploration and exploitation mining titles is subject to approval from the Gabonese minister in charge of mines. In addition, although detailed regulations implementing the Gabonese mining code have not been published yet and, accordingly, there is some uncertainty as to the process that must be followed, the direct or indirect changes of control of the holder of mining titles are likely to be subject to the prior approval of the minister in charge of mines and of the minister in charge of the economy. Failure to obtain such approvals may lead to the suspension of the activities of the holder of mining titles or to the withdrawal of the mining titles. Prior to the Company making this Offer, there were historical changes to control of the holder of the Tenements for which approval was not sought.

Although the previous changes of control of Armada Gabon have been subsequently disclosed to the Gabonese authorities in the application letters seeking ministerial approval for the Offer there is a risk that the Gabonese authorities may, in the future, consider that additional approvals should have been obtained for the previous changes of control of Armada Gabon and seek to suspend the activities of Armada Gabon or to withdraw Armada Gabon's mining rights, which would have a material adverse effect on the Company's prospects.

Application letters seeking ministerial approval for the Offer were submitted to the Gabonese minister in charge of mines and the minister in charge of the economy more than two months before the date of this Prospectus. No answer has been obtained from the ministers since submission of these application letters. Gabonese legislation provides that the absence of an answer from the minister in charge of the economy within two months is deemed approval of the change of control submitted to the minister. The Gabonese mining legislation is less clear and there is a risk that the minister in charge of mines may consider that

absence of reply to the application letter from Armada Gabon within two months of its submission is not deemed approval of the change of control and seek to challenge the change of control or to apply conditions, which would have a material adverse effect on the Company's prospects.

(d) Exploration and development

A risk for the Company is that the proposed exploration programs may not result in exploration success. The projects are in the exploration stage only and there is no guarantee that any economically viable copper or nickel resources will be discovered.

Copper and nickel exploration, by its nature, is a high-risk endeavour and consequently, there can be no assurance that exploration of the projects described in this Prospectus, or any other projects that may be acquired in the future, will result in discovery of an economic mineral deposit. Should a discovery be made, there is no guarantee that it will be commercially viable.

The development of the projects would follow only if favourable exploration results are obtained. Only a small percentage of individual exploration projects result in the discovery of viable economic resources and there are still development and operational risks to overcome before a commercial mine can be established. A variety of factors, both geological and market related, can cause a technical discovery to be uneconomic.

If copper or nickel mineralisation is discovered, it may take several years of additional exploration and development until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling and scoping studies, to determine the optimal production process and to finance and construct mining and processing facilities.

At each stage of exploration, development, construction and mine operation, various permits and authorisations are required. Applications for most permits require significant amounts of management time, and the expenditure of substantial capital for engineering, legal, environmental, social and other activities.

At each stage of a project's life, delays may be encountered because of permitting difficulties. Such delays add to the overall cost of a project, and may reduce its economic feasibility. As a result of these uncertainties, there can be no assurance that any copper or nickel exploration or development undertaken by the Company, or its subsidiaries, will result in profitable commercial production.

(e) Potential for dilution

Dilution for pre-Offer shareholders

Upon successful Completion of the Offer, the number of Shares in the Company will increase to 94,000,000 (undiluted) upon the Minimum Subscription being raised, based on an issue of an additional 40,000,000 Shares under the Offer. If the Maximum Subscription is raised, based on an issue of a total number of 50,000,000 Shares under the Offer, the number of Shares in the Company will increase to 104,000,000 Shares (undiluted). On this basis, existing shareholders should note that if they do not participate in the Offer (and even if they do), their shareholdings are likely to be significantly diluted, as compared to their current shareholdings and the number of Shares on issue as at the date of this Prospectus.

Ongoing shareholder dilution

In the future, the Company may elect to issue Shares or other Securities. While the Company will be subject to the constraints of the ASX Listing Rules regarding the issue of Shares or other Securities, shareholders may be diluted as a result of such issues of Shares or other Securities.

(f) Development and acquisition opportunities

The success of the Company will depend not only on its ability to explore and develop its existing project portfolio, but also on the Company's ability to identify, secure and develop a portfolio of high quality projects, suitable assets, additional exploration acreage and strategic industry partnerships. The Company will actively pursue and assess other new business opportunities which may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements or permits, and direct equity participation or acquisition of a company or group of companies.

There is a risk that the Company will be unable to secure such opportunities or equally divest non-core assets at attractive valuations on appropriate terms, thereby potentially limiting the growth of the Company. The acquisition of projects (whether completed or not) may require the payment of monies (notably as a deposit or exclusivity fee, or both), after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If the Company acquires only a limited number of projects, poor performance by one or a few of these could significantly affect the performance of the Company and thereby significantly impact the returns to investors. The integration of new projects by the Company may also be more difficult, and involve greater costs, than anticipated.

(g) Future capital requirements

Exploration and development costs will reduce the cash reserves of the Company. The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors, including its business development activities. The Company believes its available cash and the net proceeds from the Offer should be adequate to fund its business objectives and working capital requirements as stated in this Prospectus.

In order to successfully develop the projects, and for production to commence, the Company may be dependent on the need to secure further financing in the future, in addition to the amounts raised pursuant to the Offer, if the estimates in the budget prove to be insufficient, or unforeseen circumstances arise. The Company may then seek development capital through equity, debt, joint venture financing or through the sale or possible syndication of its mineral properties.

Any additional equity financing may be dilutive to the Shares, may be undertaken at lower prices than the then-market price (or Offer Price) per Share, or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may also involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company, or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities, and this could have a material adverse effect on the Company's activities and future prospects, including the delay or indefinite postponement of exploration, development or production on any or all of the Company's properties. This may even result in the Tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares or Securities convertible into Shares, or both, in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares and reduce their value to investors. In addition, as a result of such additional Shares, the voting power of the Company's existing shareholders will be diluted. At present, it is impossible to determine what amounts of additional funds, if any, may be required in the future.

(h) Valuation of Tenements

As at the date of this Prospectus, no valuation has been completed of the projects or the Shares of the Company. The Company makes no representation in this Prospectus as to the value of the Tenements or the projects.

It is recommended that intending investors and their advisors make their own assessment as to the value of the projects.

(i) Conditionality of Offer

The obligation of the Company to issue the Shares under the Offer is conditional on ASX granting approval for Admission to the Official List. If this condition is not satisfied, the Company will not proceed with the Offer and the Company will deal with the Applications and the Application Monies in the manner prescribed by the Corporations Act as varied by ASIC legislative instrument 2016/70.

(j) Offer risk

If ASX does not admit the Shares to Official Quotation before the expiration of three months after the date of issue of this Prospectus, the Company will deal with the Applications and the Application Monies in the manner prescribed by the Corporations Act as varied by ASIC legislative instrument 2016/70.

(k) Liquidity risk

Subject to the Company being admitted to the Official List, certain Shares on issue prior to the Offer are likely to be classified as Restricted Securities. To the extent that the Shares are classified as Restricted Securities, the liquidity of the market for Shares may be adversely affected.

(l) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on the efforts and ability of senior management, executive officers and the Directors. Investors must be willing to rely to a significant extent on the discretion and judgment of these key personnel. The loss of the services of any of these key personnel could cause a significant disruption to the Company and could have a material adverse effect on its business operations and prospects, which could result in a failure to meet business objectives. There is no assurance the Company can maintain the services of its Directors, officers or other qualified personnel required to operate its business.

(m) Conflicts of interest

The Directors and officers of the Company may also serve as directors or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict.

(n) Major shareholders

As at the date of this Prospectus, it is the Company's understanding that the following major shareholders intend to participate in the Offer and subscribe for the following amount of Shares respectively:

- RED Capital Limited: 568,068 Shares;
- Cobre Limited: 5,000,000 Shares;
- Metal Tiger PLC: 5,000,000 Shares; and
- RCF Opportunities Fund L.P.: 3,750,000 Shares.

If the major shareholders subscribe for the number of Shares as stated above, then immediately following Admission:

- RED Capital Limited is expected to hold 17.0% of the total Shares (on an undiluted basis) if the Minimum Subscription is raised, and 15.4% of the total Shares (on an undiluted basis) in the event that the Maximum Subscription is raised;
- Cobre Limited is expected to hold 16.0% of the total Shares (on an undiluted basis) if the Minimum Subscription is raised, and 14.4% of the total Shares (on an undiluted basis) in the event that the Maximum Subscription is raised;
- Metal Tiger PLC is expected to hold 16.0% of the total Shares (on an undiluted basis) if the Minimum Subscription is raised, and 14.4% of the total Shares (on an undiluted basis) in the event that the Maximum Subscription is raised; and
- RCF Opportunities Fund L.P. is expected to hold 14.6% of the total Shares (on an undiluted basis) if the Minimum Subscription is raised, and 13.2% of the total Shares (on an undiluted basis) in the event that the Maximum Subscription is raised.

Following Admission, the above shareholders will together hold, on an undiluted basis, between 57.5% of the total Shares under the Maximum Subscription raised and 63.6% of the total Shares on issue in the event that the Minimum Subscription is raised. As a result, these shareholders will be able to exercise a degree of influence over matters requiring shareholder approval, including election of Directors and significant corporate transactions. The concentration of ownership may have the effect of deterring or delaying any change in control of the Company, could have an impact on any potential sale of the Company or may affect the value of Shares. Subject to any mandatory escrow arrangements required by the ASX, any major shareholder may sell all or part of their holdings of Shares in the future. Any such sale may adversely affect the value of Shares.

(o) Class A Redeemable Shares in Armada Mauritius

Tremont Master Holdings currently holds 27,368,697 Class A Redeemable Shares in Armada Mauritius. The terms of issue of the Class A Redeemable Shares are summarised in section 10.13. Although no general voting rights are attached to these shares, certain events such as change in control and sale of assets may lead to compulsory redemption by Armada Mauritius, crystallising a liability of up to U\$10,457,650 payable to Tremont Master Holdings. Depending on the timing of the triggering event, the liability may have a material adverse impact on the Company's financial position.

That said, Tremont Master Holdings has waived any right that Tremont Master Holdings and its permitted assigns may have for its Class A Redeemable Shares to be redeemed as a result of the Offer or if there is a change to the directors of Armada Gabon following Completion of the Offer.

Further, Tremont Master Holdings is also entitled to receive a one and a half percent (1.5%) royalty on the gross revenue from the metal production from the Tenements or any other mining licence granted to Armada Gabon. Depending on the gross revenue of a particular year, there is an on-going annual liability in respect of Tremont Master Holdings.

(p) Tax dispute in Gabon

In April 2021, the Company 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. The Company has written to the Directorate-General of Taxes in Gabon and disputed this tax liability, on the basis that the Company does not believe there is a tax liability, and has not received any further correspondence in relation to this matter. While the Company intends to defend its position if required, if the Directorate-General of Taxes in Gabon seeks to enforce this and impose additional interest and penalties, the Company may have a tax liability in excess of \$80,000 which may need to be settled in the short-term.

(q) Other risks specific to the Company

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- geological conditions;
- alterations to programs and budgets;
- unanticipated operational and technical difficulties encountered in geophysical survey, drilling and production activities;
- mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and force majeure;
- unavailability of aircraft or drilling equipment to undertake airborne surveys and other geological and geophysical investigations;
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals;
- influence of community consultation on the grant or renewal of a mining licence; and
- uninsured losses and liabilities.

7.3 RISKS SPECIFIC TO EXPLORATION AND MINING ACTIVITIES IN GABON

(a) Country risks

The Nyanga Project and other key operations of Armada Group are located in Gabon. The activities of Armada Group will be subject to the various political, economic and other risks and uncertainties associated with operating in that country. There are risks attached to exploration and mining operations in an emerging country like Gabon which are not necessarily present in a developed country like Australia. These risks may include, but are not limited to, economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export and import duties, environmental protection, mine safety and labour relations, as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity.

Any future changes in government policies or legislation in Gabon that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of Armada Group. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on exploration, development, mining, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, local economic empowerment or similar policies, employment, contractor selection and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors adds uncertainties that cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

The legal systems operating in Gabon may be less developed than in more established countries, which may result in risk such as: political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or in an ownership dispute, a higher degree of discretion on the part of governmental agencies, the lack of political or administrative guidance on implementing applicable rules and regulations including, in particular, as regards local taxation and property rights, inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions, or relative inexperience of the judiciary and courts in such matters.

In addition, the commitment by government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation, such that legal redress may be uncertain or delayed. There can be no assurance that licences, licence applications or other legal arrangements will not be adversely affected by the actions of the government authorities or others and the effectiveness and enforcement of such arrangements cannot be assured.

There can be no guarantee that the Company will be able to generate a positive return for its Shareholders if an event occurs in Gabon which materially adversely affects the value of the Company, its assets and its business.

(b) Title risk

Interests in exploration and exploitation mining titles are governed by the 2019 Mining Code and the Company has an obligation to meet conditions that apply to the Tenements, including the payment of annual fees and expenditure commitments.

Any renewal of tenements upon expiry of their current term and the granting of applications for exploration and exploitation permits is subject to Gabonese Ministerial discretion. Non-approval or a delay in the approval process could have a negative impact on exploration or mining conducted by Armada Gabon, as well as the Share price of the Company.

Various conditions may also be imposed as a condition of renewal. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of part of the tenement areas comprising the Company's projects.

The Company makes no assurance that any current or future renewal applications will be granted or applications approved.

(c) Tenements

Armada Gabon, or its subsidiaries, are the registered legal owners of the Tenements at the date of this Prospectus, as verified in the Solicitor's Report on Tenements in Section 6 of this Prospectus.

Interests in all tenements governed by the laws in the Republic of Gabon are evidenced by the granting of permit. Each permit is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, Armada Gabon could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(d) Suspension and withdrawal of titles

Pursuant to the 2019 Gabonese mining code, the President of the Republic of Gabon may temporarily suspend or prohibit exploration or exploitation works within the perimeters of mining authorisations or titles when the general interest so requires or for the urgent needs of good sector governance. In addition, mining authorisations and titles may be suspended or withdrawn in the case of non-compliance by holders with their obligations except in case of force majeure or other exceptional circumstances.

In the event the Tenements are suspended or withdrawn, this could have a material adverse effect on the Company's prospects and its Share price.

(e) Mining or Exploration agreements in relation to the Tenements

Under the 2019 Gabonese mining code, an exploration or mining agreement must be entered into with the State of Gabon in respect of each exploration or mining authorisation or title within one year of the attribution of the authorisation. That said, the consequences arising from the parties' failure of, or delay in, entering into an exploration or mining agreement are not envisaged by Gabonese regulations. The exploration or mining agreement generally sets out terms and conditions for exploration or exploitation activities or both (as applicable). On 5 November 2021, Armada Gabon entered into mining agreements in relation to its Tenements with the State of Gabon.

(f) Mining taxes

Mining activities in Gabon are subject to a series of tax obligations. If the tax authorities and/or courts adopt a different interpretation of various tax laws and regulations from that followed by the Company, the Company may have to pay taxes of a different type and quantum than currently anticipated. This could have a material adverse effect on the Company's business, results of operations, financial condition and Share price.

Mining title holders are entitled to benefit from the stabilisation of the tax and customs regime laid down in their mining agreement described in section 7.3(e). This guarantee includes that:

- there will be no change in respect of the rates and the bases of taxes and other applicable duties from the date the mining agreement has been entered into; and
- no other tax or duty of whatever nature shall be due by the mining title holder.

The mining agreements entered into between Armada Gabon and the State of Gabon warrants to Armada Gabon that administrative, legal, fiscal and customs conditions as applicable on the date of entry into force of the mining agreements shall remain stable for the duration of the mining agreement. Any changes to the legislation in force after the signature date of the mining agreement, shall not, unless the parties agree otherwise, apply to the mining agreement until the expiry of the mining titles.

(g) State of Gabon's participation in relation to the Tenements

Where the exploration activities of Armada Gabon are successful and the projects proceed to an exploitation stage, pursuant to the 2019 Gabonese mining code, the State of Gabon has a right to:

- compulsorily acquire 10% shareholding, free from any contribution and dilution in the share capital of Armada Gabon when it applies for an exploitation permit; and
- acquire an additional and optional holding of up to 25% in the share capital of Armada Gabon, negotiated at market price. There is no certainty whether the State of Gabon will exercise its right to acquire this up to 25% additional shareholding or not.

The 10% non-contributing shareholding of the State of Gabon in Armada Gabon will dilute the indirect interest of all shareholders of the Company in Armada Gabon with no consideration to be paid to Armada Gabon or the Company. If exercised by the State of Gabon, the acquisition by the State of Gabon of an additional 25% interest in Armada Gabon will further dilute the indirect interest of all shareholders of the Company in Armada Gabon.

(h) Environmental risks

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities in full compliance with all environmental laws.

The minerals and mining industries have become subject to increasing environmental responsibility and liability. The potential for liability is an ever-present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

Copper and nickel and mineral exploration activities have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products. The occurrence of any such safety or environmental incident could delay exploration programs. Events such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The mining activities of the Company are subject to Gabonese laws and regulations concerning the environment. However, the applicable regulations are unclear as to whether an environmental impact study is required for all mining activities, including all exploration activities, or only for certain activities which may have a material negative impact on the environment. Armada Gabon has not performed an environmental impact study and considers that one is not required for its exploration activities. Given the ambiguity of the Gabonese environmental regulations, the Gabonese authorities could take a different view (which they have not done so far).

If works that are different from the current exploration program are required, or if the project proceeds to the exploitation stage, the Company may be required to carry out an environmental impact study. The environmental impact study is required to be submitted to the Minister in charge of the Environment who must give an 'opinion' on it; any negative opinion given by it must be duly justified. If no environmental impact study is carried out when required, this could lead to suspension, withdrawal, non-renewal of the permit or reduction of the area granted in the permit.

In addition, mining projects have statutory rehabilitation obligations that the Company will need to comply with in the future, which may be material. If such laws are breached, the Company could be required to cease its operations or incur significant penalties, including suspension, withdrawal, non-renewal of the permit or reduction of the area granted in the permit.

(i) Community and social risks

The Company's ability to develop the Nyanga Project will depend in part on its ability to maintain good relations with the local community. Although the Company believes that the local communities generally welcome the Nyanga Project and perceive that they will bring benefits to them, no assurance can be given that negotiation with local communities about the benefits they will derive from the Gabon Projects, covering employment and local business, will be successful. Any failure to adequately manage community and social expectations may lead to local dissatisfaction with the Nyanga Project, which in turn may lead to disruptions of future proposed operations.

7.4 GENERAL RISKS ASSOCIATED WITH MINING PROJECTS

(a) Operating risk

Copper and nickel exploration and development are high-risk undertakings. There can be no assurance that future exploration of the projects, or any other projects that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The Tenements are exploration permits only. In the event that the Company, or its subsidiaries, successfully delineates economic deposits on any of the Tenements, it will need to apply for an exploitation permit. There is no guarantee that the Company, or its subsidiaries, will be granted an exploitation permit if it applies for one.

No assurances can be given that the Company will achieve commercial viability through the successful exploration or mining of the Tenements. Unless and until the Company is able to realise value from the Tenements, it is likely to incur ongoing operating losses.

(b) Metallurgy risk

When compared with many industrial and commercial operations, mining exploration projects are high risk. Each ore body is unique and the nature of the mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining can never be wholly predicted. Estimations of a mineral deposit are not precise calculations but are based on interpretation and on samples from drilling, which represent a very small sample of the entire ore body. Reconciliation of past production and reserves, where available, can confirm the reasonableness of past estimates, but cannot categorically confirm accuracy of future projections.

Metal and mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- identifying a metallurgical process through test work to produce a saleable metal or product;
- developing an economic process route to produce a metal or saleable product; and
- changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the projects.

(c) Payment obligations

Holders of mining tenements are generally required to expend the funds necessary to meet the minimum work commitments attaching to the tenements. As such, with regard to the Tenements, the Company and its subsidiaries are required to make certain payments associated with the maintenance of the Tenements and to satisfy other obligations to keep the Tenements in good standing.

Failure to meet these payment obligations may render the Tenements subject to forfeiture or may result in the holders being liable for additional fees or penalties.

(d) Climate change

The Directors recognise that there are a number of risks related to climate change which may affect the Company, including but not limited to:

- the changes which may occur to the climate of the area in which the projects are situated which cannot be predicted. The climate may change in a way which, for example, reduces evaporation rates or increases rainfall or the intensity of weather events in the Tenement areas. These changes may cause disruption to field work and exploration activities;
- changes in governmental policy in response to climate change could adversely impact the value of the Company's assets, its business strategy and/or the costs of its operations; and
- climate change may have an impact on the operations of participants in the mining industry.

(e) Litigation risk

While the Company is not currently engaged in any litigation or disputes, it remains exposed to possible litigation and dispute risks including tenure disputes, environmental claims, occupational health and safety claims, trademark infringement and employee claims. Further, the Company may be involved in disputes with other parties in the future, which may result in litigation.

Damages claimed under such litigation may be material or may be indeterminate, and the outcome of such litigation may materially impact on the Company's operations, financial performance and financial position. Defence and settlement costs can be significant, even in respect of claims that have no merit, and can divert the time and attention of management away from the business. In addition, the adverse publicity surrounding such claims may have a material adverse effect on the Company's business and prospects.

(f) Safety risks

Safety is a fundamental risk for any exploration and development company in regard to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company, and substantial losses to the Company, due to injury or loss of life, damage to or destruction of property, regulatory investigation, and penalties or suspension of operations.

Damage occurring to third parties as a result of such risks may give rise to claims against the Company. The Company maintains appropriate occupational, health and safety management systems and provides appropriate instructions, equipment, preventive measures, first aid information and training to all stakeholders. The Company has taken an appropriate level of insurance to mitigate this risk.

7.5 OTHER RISKS

(a) Coronavirus (COVID-19) risk

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. The extent of the effect of COVID-19 on access for exploration purposes is difficult to predict at the current time given the situation remains uncertain and is evolving rapidly. Infection on site at any of the projects could result in the Company's exploration work being suspended or otherwise disrupted for an unknown period of time.

Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases. The effects of COVID-19 on the Share price may also impede the Company's ability to raise capital, or require the Company to issue capital at a discount, which may in turn cause dilution to shareholders.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's operations. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

(b) Currently no market

There is currently no public market for the Company's Shares. The price of its Shares is subject to uncertainty, and there can be no assurance that an active market will develop or continue after Completion of the Offer.

The price at which the Company's Shares trade on ASX after listing may be higher or lower than the Offer Price and could be subject to fluctuation in response to operating performance and results, as well as external factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase.

There is no guarantee that there will be an ongoing liquid market for the Company's Securities. If the Shares become illiquid, there is a risk that shareholders will be unable to realise their investment in the Company at the time they wish to do so or at a price they consider reasonable.

There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which shareholders are able to sell their Shares. This may result in shareholders receiving a market price for their Shares that is above or below the price that shareholders paid.

(c) Share market conditions

There are risks associated with any investment in a company listed on ASX. Share market conditions may affect listed securities regardless of operating performance. Share market conditions are affected by many factors such as:

- general economic and political outlook or instability;
- the occurrence of a pandemic or outbreak of disease;
- movements in, or outlook on, interest rates and inflation rates;
- introduction of tax reform or other new legislation;
- currency fluctuations;
- volatility in commodity prices;
- changes in investor sentiment towards particular market sectors;
- the demand for, and supply of, capital; and
- war, terrorism or other hostilities.

The market price of securities may rise or fall and in particular, securities of exploration companies may be subject to extreme price and volume fluctuations that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Neither the Company, nor the Directors, warrant the future performance of the Company or any return on an investment in the Company.

(d) Dividends

The Company does not expect to declare any dividends for the foreseeable future. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(e) General economic factors

General macro-economic conditions such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption may each have an adverse impact on operating costs, commodity prices and stock market processes. The Company's future possible revenues and Share price can be affected by these factors, which are beyond the control of the Company and its Directors.

(f) Commodity prices volatility and exchange rate risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual projects in which the Company has an interest. Specifically, changes in the price of copper or nickel may have an effect on the Company.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are set in Australian dollars, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(g) Competition risk

The mining industry in which the Company will be involved is subject to domestic and global competition in all its phases. There is a high degree of competition for the discovery and acquisition of properties considered to have commercial potential. The Company competes for the acquisition of mineral properties, claims, leases and other such interests, as well as for the recruitment and retention of qualified employees and contractors, with many companies possessing greater financial resources and technical facilities than the Company.

Competition in the copper and nickel exploration and development business could have an adverse effect on the Company's ability to acquire suitable properties or prospects for mineral exploration in the future. Although the Company will undertake reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(h) Government policy and legal risk

Changes in government, government policy, monetary policies, taxation and other laws can have a material adverse influence on the Company's assets, operations, and ultimately, the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

(i) Regulatory risk

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters, including resource licence consent, conditions including environmental compliance and rehabilitation, health and worker safety and standards, waste disposal, protection of the environment, exports, taxes and other matters. The Company may require permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

It is possible that future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements, or in the terms of permits and agreements applicable to the Company or its subsidiaries, which could have a material adverse impact on the Company's current exploration program and future development projects. Obtaining necessary permits can be a complex, time-consuming process and there is a risk that the Company, or its subsidiaries, will not obtain these permits on acceptable terms, in a timely manner, or at all.

The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities, or forfeiture of one or more of the Tenements.

In addition, amendments to current laws and regulations governing operations, or more stringent implementation thereof, could have a substantial adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, or reduction in levels of production at producing properties, or require abandonment or delays in the development of new mining properties.

The Company will need to renew existing government approvals, licences and permits and obtain new ones from time to time. There is no guarantee that the Company will be able to obtain, or obtain in a timely manner, all required approvals, licences or permits.

To the extent that required approvals, licences and permits are not obtained or are delayed, the Company's operations may be significantly impacted.

There are areas where the Gabonese laws and regulations lack clarity or where implementation regulations setting out detailed processes to follow are missing. If the Gabonese authorities and/or courts adopt a different interpretation from that followed by the Company in respect of government approvals, licences and permits required by the Company, this could have a material adverse effect on the Company's business.

(j) Taxation

The purchase and the sale of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

(k) Insurance risk

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the Company's operations, financial situation and/or results. Insurance against all risks associated with mineral exploration and production is not always available and, where available, the cost may be prohibitive and unsustainable. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

(l) Contractual disputes

As with any contract, there is a risk that the Company's contracts could be disputed in situations where there is a disagreement or dispute in relation to a term of the contract. Should such disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally. It is not possible for the Company to predict, or protect itself and its subsidiaries against, all such risks.

(m) Third party risks

The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and clients.

Financial or operational failure, poor performance, default or contractual non-compliance on the part of any such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict, or protect itself and its subsidiaries against, all such risks.

(n) Force majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company and the Directors, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(o) Other general risks

The future viability and profitability of the Company is also dependent on a number of other factors affecting the performance of all industries and not just the exploration and mining industries, including, but not limited to, the following:

- the strength of the equity and share markets in Australia and throughout the world;
- general economic conditions in Australia and its major trading partners and, in particular, inflation rates, interest rates, commodity supply and demand factors and industrial disruptions;
- financial failure or default by a participant in any of the joint ventures or other contractual relationships to which the Company is, or may become, a party;
- insolvency or other managerial failure by any of the contractors used by the Company in its activities; and
- industrial disputes in Australia and overseas.

(p) Speculative nature of investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisors before deciding whether to apply for Shares in the Company pursuant to this Prospectus.

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Source: iStock image, African city of Libreville, Capital of Gabon

SECTION 8

Board, Management and Corporate Governance

8.1 BOARD OF DIRECTORS, COMPANY SECRETARY AND MANAGEMENT

The Board is responsible for the corporate governance of the Company. The Board monitors the operational, financial position and performance of the Company and oversees its business strategy, including approving the strategic decisions and goals of the Company.

At the date of this Prospectus, the Board of Directors is comprised of the following Directors:

Dr Ross McGowan

Managing director & CEO

Dr McGowan founded the Resource Exploration & Development Group and has over 20 years of academic, technical and corporate experience in mining exploration in Africa.

Dr McGowan was a co-recipient of the 2015 PDAC Thayer Lindsley Award for an international Mineral Discovery for Kamao.

Dr McGowan is a Fellow of the Geological Society of London and a Fellow of the Society of Economic Geologists.

Mr Rick Anthon

Non-Executive Director & Chairman

Mr Anthon is a practicing lawyer with over 30 years' experience in both corporate and commercial law.

Mr Anthon 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.

Mr Anthon is currently the Chairman of Greenwing Resources Ltd (ASX:GW1) and a Non-Executive director of Laneway Resources Ltd (ASX:LNY).

Mr Anthon will be an independent Director of the Company.

Mr Martin Christopher Holland

Non-Executive Director

Mr Holland is a nominee Director that has been appointed to the Board of the Company by Cobre Limited. Cobre currently holds 18.5% of the Shares in the Company.

Mr Holland is a known mining executive with over 12 years' experience in M&A and corporate finance. Mr Holland is Executive Chairman and Managing Director of Cobre Limited (ASX:CBE) and Executive Director of OzAurum Resources Limited (ASX:OZM). 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.

Mr David Michael McNeilly

Non-Executive Director

Mr McNeilly is a nominee Director that has been appointed to the Board of the Company by Metal Tiger PLC. (AIM:MTR). MTR will hold 18.5% of the shares in the Company immediately prior to the IPO. Mr McNeilly is the Chief Executive Officer of MTR.

Mr McNeilly is also a nominee director appointed by MTR to the Board of:

- (a) Cobre, which currently holds 18.5% of the Shares in the Company; and
- (b) Southern Gold Limited (ASX:SAU), a high-grade gold and silver explorer and producer.

As a former nominee non-executive director of MOD Resources Limited (previously ASX:MOD), he was actively involved in the Sandfire Resources NL (ASX:SFR) recommended scheme offer for MOD which saw MTR receive circa 6.3 million shares in SFR. Mr McNeilly resigned from the Board of MOD as part of the scheme of arrangement.

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.

At the date of this Prospectus, the company secretary is:

Ms Vanessa Chidrawi

Company Secretary

Vanessa Chidrawi is a highly experienced governance professional, with a portfolio of domestic and international clients across various sectors. She had 12 years' private practice experience in commercial law and litigation, practicing for her own account as a lawyer in Johannesburg. Over the past 15 years, she has acted as General Counsel and Company Secretary for ASX200 and TSX-listed companies and has held senior executive positions in the mining industry across Australia and South East Asia, including a role as Indonesian Country Manager for Intrepid Mines Limited.

Ms Chidrawi holds Bachelor of Law and Bachelor of Commerce qualifications and brings with her a wealth of experience in corporate governance, mergers and acquisitions, board advisory and capital raising in the listed company space. She currently acts as company secretary and governance advisor to six ASX-listed companies, including FINEOS Corporation plc and Wisr Limited and sits on the advisory board of UK-incorporated New Generation Minerals Limited.

8.2 MANAGEMENT PERSONNEL AND CONSULTANTS

The Company is committed to having the appropriate management personnel to properly supervise the exploration and, if successful, the development of the Company's projects. The Board intends to monitor the requirement for additional management roles in the Company.

As the Company's projects progress, the Board will look to appoint additional management and/or consultants when and where appropriate, depending on the increased level of involvement required.

Summaries of the employment agreements between Dr Ross McGowan, Mr Thomas Pucheu and the respective entities in the Armada Group are set out in Sections 10.6 and 10.17 of this Prospectus. A summary of the services agreement for the services provided by Mr Thomas Rogers is set out in Section 10.15. A summary of the Non-Executive Director Agreements for Mr Rick Anthon, Mr Martin C Holland and Mr David Michael McNeilly are set out in Section 10.7 of this Prospectus.

8.3 DISCLOSURE OF INTERESTS

Other than as set out in Table 8.1 below, the Company has paid no remuneration to its Board members, and no further remuneration has accrued, since the date of incorporation of the Company to the date of this Prospectus.

Table 8.1: Interests of the Directors in the Company as at the date of this Prospectus

Director	Accrued remuneration between 8 April 2021 and the date of this Prospectus ^{1,2}	Shares held (either personally or through related parties)	Unlisted Options held (either personally or through related parties)
Dr Ross McGowan	Nil	15,431,932 Shares held through RED Capital Limited	2,000,000 Options held personally
Mr Martin C Holland	\$100,000 in consultancy fees through Mr Holland's 50% shareholding in Future Metals Group Pty Ltd ³	10,000,000 Shares held through Cobre Limited	1,300,000 Options held through Holland International Pty Limited ATF Holland Family A/C 3,330,000 Options ⁴ held through Cobre Limited
Mr David Michael McNeilly	Nil	10,000,000 Shares held through Metal Tiger PLC	1,300,000 Options held personally 3,330,000 Options ⁴ held through Metal Tiger PLC
Mr Rick Anthon	Nil	Nil	500,000 Options held personally

Notes:

1. Accrued remuneration will be paid by the Company after Admission from the proceeds of the Offer. All amounts stated are exclusive of any GST or compulsory superannuation that may be payable.
2. This remuneration has accrued for services performed by the Directors from 8 April 2021 (being the date of incorporation of the Company) to the date of this Prospectus.
3. See section 10.8 for a summary of the terms of the Consultancy Agreement between Future Metals Group and the Company.
4. The numbers of options currently held by the relevant option holders which may be exercised on and from admission.

8.4 DIRECTOR DISCLOSURES

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years, which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares.

Further, no Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12-month period after they ceased to be an officer.

8.5 ARRANGEMENTS WITH DIRECTORS AND RELATED PARTIES

The Company's policy in respect of related party arrangements is that a Director who has a material personal interest in a matter that is being considered at a Board meeting must not be present while the matter is being considered at the meeting or vote on the matter, unless permitted to do so by the Corporations Act and the Company's Constitution. See Section 8.6 of this Prospectus below for a summary of the Company's Related Party Transactions and Conflicts of Interest Policy for further information.

8.6 CORPORATE GOVERNANCE

(a) Statement of Values

The Company has committed to adhering to a set of values and fundamental principles (**Values**). These Values inform the Board, senior executives and all other employees on the standards of behaviour that are expected and required. The Values also define the culture of the Company, inform the Company's strategy and guide the Company's operational practices, including the way it interacts with stakeholders, employees and suppliers.

The Values of the Company are summarised as follows:

- to act fairly and ethically;
- to comply with the law at all times and act accordingly;
- to respect others, both inside and outside of the workplace;
- to promote diversity; and
- to be honest and transparent in all dealings.

The Board, together with senior management, are responsible for upholding these Values and training employees to act in accordance with these Values.

(b) Board composition and independence

The Board will be required to consider issues of substance affecting the Company, and in doing so, will seek advice from external advisors as the Board considers appropriate. Each Director will bring an independent view and judgement to the Board.

In the event where any actual or potential conflicts of interest arise, Directors will be required to declare such conflicts to the Board on an ongoing basis. If any matter arises which may affect or concern a Director's ability to act as a Director, such matters must be discussed at a Board meeting as soon as practicable.

(c) Board Charter

A written charter has been adopted by the Board (**Charter**) to provide a framework for the effective operation of the Board. The Charter dictates the Board's composition, role and responsibilities. The Charter also governs the relationship between the Board, management and persons to whom the Board has delegated its authority.

The Charter, among other things, requires the Board to:

- **(budgets and expenditure)**: approve, evaluate and monitor major capital expenditure, capital management, budgets and all major transactions, including the issue of Securities;
- **(disclosures)**: oversee the Company's continuous disclosure process and compliance with the Company's Continuous Disclosure Policy;
- **(leadership)**: provide leadership to the Company and set strategic objectives or direction;
- **(performance)**: oversee the Company's performance, including management's implementation of the strategic objectives set by the Board;
- **(appointment of executives)**: attend to and manage the appointment of a Chairman, CEO and senior executives of the Company;
- **(remuneration)**: review and approve the Company's remuneration framework;
- **(risk management)**: ensure that the Company has adopted an appropriate risk management framework;
- **(accounting)**: oversee the integrity of the Company's accounting and corporate reporting systems, including all external audits;
- **(governance policies)**: adopt, review and evaluate the Company's governance policies and procedures; and
- **(dividends)**: determine the Company's dividend policy, including the amount and timing of all dividend payments.

The CEO will conduct or otherwise oversee the management function as directed by the Board. Management must promptly supply the Board with all required information that is in a form and of a quality to allow the Board to effectively discharge its duties. The Board collectively, and any individual Director (with the Chairman's approval), is permitted to seek independent professional advice, at the Company's expense.

(d) Board committees

From time to time, the Board may establish committees to which the Board may delegate its responsibilities. The Board does not currently have any committees but proposes to establish both an Audit and Risk Committee, and a Remuneration and Nomination Committee, at such time as the Board determines, having regard to the size of the Company and the nature of its operations. The Board will appoint members to the committees based on the needs of the Company, any regulatory or statutory requirements and the knowledge, skill and experience of the members.

Having regard to the ASX Listing Rules and other relevant laws, the Board has adopted committee charters for the Audit and Risk Committee, and the Remuneration and Nomination Committee, pursuant to which the Board will carry out the functions and responsibilities of each of those committees until such time as they are established. These charters are summarised as follows:

Audit and Risk Committee Charter

This charter sets out the role, authority, responsibilities, composition and procedural requirements of the Audit and Risk Committee. The committee's functions are to assist the Board in fulfilling its responsibilities with respect to the Company's:

- financial reports;
- financial reporting systems and processes;
- risk management, including preparation of a risk management framework;
- compliance processes, including development of a compliance framework;
- internal controls; and
- internal and external audit processes.

The charter sets out the procedural requirements for the committee and requires the committee to be of sufficient size, independence and technical expertise to discharge its functions effectively. The committee, in carrying out its functions, has the power to conduct investigations and retain expert advisers.

Remuneration and Nomination Committee Charter

This charter sets out the role, authority, responsibilities, composition and procedural requirements of the Remuneration and Nomination Committee. The committee's functions are to assist the Board in fulfilling its responsibilities by reviewing and making recommendations with respect to:

- remuneration of executive directors, and the Company's senior executives;
- remuneration of non-executive Directors;
- remuneration of employees generally;
- executive and employee performance evaluation;
- the nomination and appointment of Directors; and
- policies to promote diversity of representation and contribution to the Company, professional development and personnel management.

The charter sets out the procedural requirements for the committee and requires the committee to be of sufficient size, independence and technical expertise to discharge its functions effectively. The committee, in exercising its functions, has the power to retain expert advisers and conduct or authorise enquiries into any matters, including conducting checks of a candidate's character.

(e) Corporate governance policies

The Company has adopted each of the policies that are summarised below, which have been prepared having regard to the ASX Recommendations. These policies are available on the Company's website: www.armadametals.com.au.

Code of Conduct

The Company values the importance of observing high standards of ethical corporate practice and business conduct, and accordingly, has adopted a formal code of conduct (**Code of Conduct**). The Code of Conduct must be adhered to by all Directors, advisors, officers, employees, consultants and contractors of the Company (**Personnel**). The Code of Conduct also sets out the consequences for breach of the code, including the possibility of disciplinary action or termination of employment.

The Code of Conduct requires as follows:

- **(compliance with laws)**: Personnel must always comply with all laws and regulations;
- **(integrity)**: all Personnel must act honestly, fairly, reasonably, respectfully and in good faith at all times and in the best interests of the Company;
- **(diversity)**: Personnel must not engage in any form of discrimination, bullying, harassment, vilification and victimisation against other Personnel, shareholders, customers, clients, suppliers and competitors of the Company;
- **(assets and confidential information)**: Personnel must ensure that the Company's confidential information remains confidential and is not used improperly. Employees must also ensure that the assets of the Company are used only for legitimate business purposes;
- **(conflicts of interest)**: Personnel must avoid entering into any arrangement or participating in any activity that would conflict with the Company's best interests or would be likely to negatively affect the Company's reputation; and
- **(anti-bribery)**: Personnel must comply with laws against bribery and corruption.

Continuous Disclosure Policy

Upon the Company being admitted to the Official List, the Company will be required to comply with continuous disclosure requirements pursuant to the ASX Listing Rules and the Corporations Act.

The Company will be required to immediately disclose to ASX information concerning the Company, which may not be generally available, and that a reasonable person would expect to have a material effect on the price or value of its Securities.

This policy prescribes certain procedures and measures that the Company must follow in order to ensure that the Company complies with its obligation to make continuous disclosures.

Risk Management Policy

This policy aims to assist the Board in monitoring, identifying, assessing and managing risks that affect, or are likely to affect, the Company's business. It is the responsibility of the Board to identify principal risks that have the potential to affect the Company's business.

The Board will continuously discuss and assess key operational risks to the Company and how those risks should best be managed through the establishment of a risk management framework to enable it to identify and manage risk on a continual basis.

Securities Trading Policy

This policy is aimed to impose restrictions on Directors, officers, senior executives and employees (collectively, **Restricted Persons**) of the Company dealing in the Company's Securities. Ultimately, this policy aims to:

- minimise risk of Restricted Persons contravening the laws against insider trading;
- ensure that the Company meets its reporting obligations under the ASX Listing Rules; and
- ensure transparency with respect to any trading of Shares by the Company's Restricted Persons.

The policy requires that Restricted Persons should only deal in Shares if:

- they do not possess any price-sensitive information that is not available to the general public; and
- they have notified the Chairman, Board or Company Secretary (as applicable) that they intend to deal in the Shares and, in response to such notification, they do not receive any indication of any impediment to them doing so.

Restricted Persons will generally not be permitted to deal in Shares where there is price-sensitive information that has not yet been disclosed to the public due to an exception to the ASX Listing Rules.

All trading in Shares by Restricted Persons must be in accordance with this policy and generally will only be permitted during specified trading windows.

In certain circumstances (including circumstances of financial hardship of the Restricted Persons), the Chairman or CEO may waive the restrictions that ordinarily would apply to the Restricted Persons and allow them to deal in Shares outside of the trading windows, on the condition that the Restricted Persons do not possess any price-sensitive information not available to the general public. Restricted Persons must:

- not communicate any price-sensitive information to a person who might deal in Shares, nor should they recommend or otherwise suggest to any person the buying or selling of Shares;
- not, at any time, engage in short-term trading in Shares; and
- not disclose confidential information of the Company to any unauthorised party.

The Company Secretary and Chairman must be notified immediately of any Restricted Persons buying or selling any Shares. If any person to whom this policy applies contravenes the policy, they may face disciplinary action, including summary dismissal.

Shareholder Communication Policy

The Company recognises the need to ensure effective and transparent communication with its shareholders. Accordingly, the Company has adopted a policy that deals with such practices aimed at encouraging timely, effective, open and honest communication with shareholders through accessible and fair means and optimum attendance at, and participation in, all shareholder meetings.

Diversity Policy

The Board values diversity and the importance of treating every person with dignity and respect. The Board also recognises the unique benefits that diversity can bring to the Company's ability to achieve its targets and goals.

In order to promote diversity, equality and inclusion in the workplace, the Company has adopted a diversity policy, which sets out diversity objectives that the Company wishes to consistently achieve.

This policy also provides guidance to the Board for the establishment and evaluation of measurable objectives for achieving those diversity based objectives, relative to the growth of the Company, its size and operations.

Privacy Policy

The Board appreciates the seriousness of ensuring personal information belonging to individuals is handled, stored and dealt with correctly to ensure it is properly protected. The Company has adopted a privacy policy, which sets out the manner in which the Company must collect, use and manage the personal information of individuals.

Under this policy, the Company has committed to not selling, trading or otherwise disclosing personal information, other than:

- to third parties as might be reasonably expected by the individual at the time of providing their personal information to the Company;
- with the consent of the individual; or
- as otherwise required by law.

Anti-Bribery and Corruption Policy

The Company is committed to maintaining a high standard of integrity and corporate governance. This policy outlines the responsibilities of the Company's executive and non-executive Directors, officers, executives, employees, consultants, contractors and advisors in observing and upholding the Company's position against bribery and corruption.

The policy sets out how the Company must deal with the following matters:

- donations, gifts, corporate hospitality, political and charitable contributions;
- investigations or enquiries into a suspected act of bribery or corruption related to the Company, false reports and investigations;
- improper or unethical conduct;
- dealings with government officials; and
- consequences for breach of the policy.

Whistleblower Protection Policy

The Company is committed to the protection of individuals who disclose information concerning misconduct or an improper state of affairs or circumstances within the Company.

The Board has adopted a policy to protect whistleblowers, and to provide a safe and confidential environment for whistleblowers to raise concerns, without fear of reprisal and detrimental treatment. This policy dictates:

- the persons eligible for protection as a whistleblower;
- the protections that a whistleblower is entitled to; and
- how disclosures made by whistleblowers will be handled by the Company.

Related Party Transactions and Conflicts of Interest Policy

This policy establishes a protocol for Directors and key management personnel (collectively, **Key Management Personnel**) of the Company, which aims to avoid and minimise potential issues arising when Key Management Personnel are negotiating and entering into transactions with their related parties.

This policy requires:

- Key Management Personnel to disclose all proposed or potential related party transactions to the Board before they are entered into;
- related party transactions to be undertaken and negotiated on arm's length terms or otherwise in compliance with Chapter 2E of the Corporations Act and the ASX Listing Rules;
- where necessary, require an independent committee made up of the independent members of the Board to supervise negotiations and approve the related party transactions before they are entered into;
- ensure the related party transaction is in the best interests of the existing shareholders of the Company; and

- the negotiated terms of any related party transaction to be fair, reasonable and thoroughly documented.

Under the Corporations Act and the Company's Code of Conduct, Key Management Personnel must avoid situations where their interests and the interests of the Company conflict. Amongst other requirements, Key Management Personnel are required to comply with the following:

- take all reasonable steps to avoid actual, potential or perceived conflicts of interest;
- disclose any conflicts of interest which may exist or might reasonably be thought to exist to the Chairman or Company Secretary; and
- abstain from participating in any discussion or voting on matters in which they have a material personal interest, except as permitted by the Constitution of the Company or by the Corporations Act.

8.7 DEPARTURES FROM ASX RECOMMENDATIONS

Following Admission to the Official List, the Company will be required to report any departures from the ASX Recommendations in its annual financial report. The Company's departures from the ASX Recommendations as at the date of this Prospectus are detailed in Table 8.2 below.

Table 8.2: Company's departures from the ASX Recommendations

ASX Recommendation	Explanation for departure
1.5	Due to the current size of the Board and management, measurable objectives have not yet been set under the Company's Diversity Policy.
2.1	The Board does not have a nomination committee and will consider establishing such a committee when the Company's Board, size, complexity and operations warrant the establishment of a nomination committee.
2.4	A majority of the Board is not considered independent but this is appropriate given the Company's current size, complexity and stage of operations.
4.1	The Board does not have an audit committee and will consider establishing such a committee when the Company's Board, size, complexity and operations warrant the establishment of an audit committee.
7.1	The Board does not have a risk committee and will consider establishing such a committee when the Company's Board, size, complexity and operations warrant the establishment of a risk committee.
7.3	The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.
8.1	The Board does not have a remuneration committee and will consider establishing such a committee when the Company's Board, size, complexity and operations warrant the establishment of a remuneration committee.



9

Source: iStock image, Vintage copper and nickel coins

SECTION 9

Financial Information

9.1 OVERVIEW

Armada Metals Limited (**Company** or **Armada Metals**) was incorporated on 8 April 2021 and was effectively dormant as at 30 June 2021. On 11 October 2021, in contemplation of the initial public offering, the Company has undertaken a corporate restructure (**Restructure**) by acquiring all of the voting shares in Armada Exploration Limited (**Armada Mauritius**) on a scrip-for-scrip basis and issued new fully paid ordinary shares in the Company to the shareholders of Armada Mauritius (Refer section 10.9 for the details of the Restructure). The Company further transferred all of the shares it held in Armada Mauritius to Armada Metals Germany GmbH (**Armada Germany**) (a wholly owned subsidiary of the Company) by way of capital contribution.

Following completion of the Restructure, Armada Metals holds 100% of the issued share capital in Armada Germany which, in turn, holds 100% of the voting shares in Armada Mauritius. Armada Mauritius continues to hold 100% of the issued share capital in Armada Exploration Gabon SARL (**Armada Gabon**). The principles of reverse acquisition have been applied by analogy such that the consolidated financial statements of Armada Metals are effectively a continuation of Armada Mauritius.

The financial information comprises:

- The historical statement of financial position as at 30 June 2021 for Armada Metals Limited (**Armada Metals Historical Statement of Financial Position**)
- Historical financial information for Armada Mauritius for the year ended 31 December 2019 (**FY19**), financial year ended 31 December 2020 (**FY20**), half year ended 30 June 2020 (**HY20**) and half year ended 30 June 2021 (**HY21**) (**Historical Periods**):
 - the historical consolidated statements of profit or loss for the Historical Periods (**Historical Statements of Financial Performance**);
 - the historical consolidated statements of cash flows for the Historical Periods (**Historical Statements of Cash Flows**); and
 - the historical consolidated statement of financial position as at 30 June 2021 (**Historical Statement of Financial Position**);

(together, the **Armada Mauritius Historical Financial Information**)

The Armada Metals Historical Statement of Financial Position and Armada Mauritius Historical Financial Information are together, referred to as the **Historical Financial Information**.

- The pro forma historical consolidated statement of financial position of Armada Metals Limited as at 30 June 2021:
 - on the basis of a subscription of 40,000,000 Shares at an issue price of \$0.20 per share to raise \$8,000,000 (**Minimum Subscription**); and
 - on the basis of a subscription of 50,000,000 Shares at an issue price of \$0.20 per share to raise \$10,000,000 (**Maximum Subscription**).

(the **Pro Forma Historical Statements of Financial Position** or **Pro Forma Historical Financial Information**).

The Historical Financial Information and Pro Forma Historical Financial Information are together referred to as the **Financial Information**.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flow and financial position of Armada Mauritius. The Directors of the Company are responsible for the preparation and presentation of the Financial Information.

The Financial Information, as defined above, has been reviewed by Ernst & Young in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* as stated in its Independent Limited Assurance Report set out in this Section 9. Investors should note the scope and limitations of the Independent Limited Assurance Report.

The Financial Information presented in Section 9 should be read in conjunction with:

- the company and project overview set out in Section 3;
- key risks set out in Section 7;
- the significant accounting policies set out in Section 9.5;
- the subsequent events as set out in Section 9.4(b);
- the Company's proposed use of its cash resources (including the proceeds of the Offer) after Listing, as described in Section 2.6;
- details of the Company's dividend policy in Section 2.17; and
- other information contained in this Prospectus.

Investors should note that past performance is not a guarantee of future performance.

Unless otherwise indicated, all amounts disclosed in this Section 9 are presented in Australian dollars. Due to rounding, the numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

(a) Basis of preparation and presentation – Historical Financial Information

The Historical Financial Information has been prepared in accordance with Australian Accounting Standards (**AAS**) as issued by the Australian Accounting Standards Board (**AASB**) which are consistent with the International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**). The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by the AAS applicable to annual financial reports prepared in accordance with the Corporations Act.

The Armada Metals Historical Statement of Financial Position as at 30 June 2021 has been derived from its unaudited trial balance at that date, on which no audit opinion or limited assurance conclusion has been issued. This date has been chosen as it is the date on which the latest financial information was available.

The Armada Mauritius Historical Financial Information for FY19 and FY20 has been derived from its audited reissued consolidated financial statements for the years ended 31 December 2019 and 31 December 2020 respectively, issued on 3 November 2021. These reissued consolidated financial statements were audited by Ernst & Young in accordance with International Auditing Standards. Ernst & Young has issued unqualified audit opinions, including a material uncertainty related to going concern, on the reissued consolidated financial statements for the year ended 31 December 2019 and 31 December 2020.

The Armada Mauritius Historical Financial Information for HY20 and HY21 has been derived from its reviewed interim consolidated financial statements for the half-year ended 30 June 2021, issued on 3 November 2021. The consolidated interim financial statements for the half-year 30 June 2021 were reviewed by Ernst & Young in accordance with International Auditing Standards. Ernst & Young has issued an unqualified review conclusion, including a material uncertainty related to going concern, on the consolidated interim financial statements for the half-year ended 30 June 2021.

The consolidated financial statements of Armada Mauritius for the years ended 31 December 2019, 31 December 2020 and for the half-year ended 30 June 2021 were prepared under IFRS as issued by IASB which are consistent with the AAS used for preparation of Armada Mauritius Historical Financial Information.

You can obtain a copy of the Armada Mauritius financial reports, including its reissued consolidated financial statements for FY19 and FY20 and interim consolidated financial statements for HY21 (including HY20 comparatives), free of charge on the company's website.

(b) Basis of preparation and presentation – Pro forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared solely for the purpose of inclusion in this Prospectus. The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards (**AAS**) as issued by the Australian Accounting Standards Board (**AASB**), which are consistent with the IFRS and interpretations as issued by the IASB, other than that they include adjustments that have been prepared in a manner consistent with the AAS that reflects the impact of certain transactions as if they occurred on or before 30 June 2021.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position. The Pro Forma Statement of Financial Position has been derived from the Historical Statement of Financial Position and includes pro forma adjustments described in Section 9.4(a), as if those events and transactions had occurred as at 30 June 2021.

(c) Going concern

The Financial Information has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. Armada Mauritius had incurred a net loss of \$607,320 and operating cash outflows of \$425,492 for the half year ended 30 June 2021 and had a historical consolidated net current liability position of \$1,799,102 and a historical consolidated net asset position of \$4,043,433 as at 30 June 2021. Armada Metals had a historical consolidated net current liability position of \$161,026 and a historical consolidated net liability position of \$242,763 as at 30 June 2021.

The Directors believe that the current cash resources will not be sufficient to fund the planned transactions aimed to provide existing and new Shareholders with the execution of the Company's principal activities and working capital requirements without raising additional capital.

Following Completion of the Offer, Armada Metals expects a pro forma cash balance as at 30 June 2021 of \$8,080,467 (Maximum Subscription: \$9,948,467). The Directors expect that these funds will be sufficient to allow for exploration and evaluation of the Company's Projects, provide the necessary working capital to meet its ongoing obligations and stated business objectives for at least 12 months from the date of the Offer. Armada Metals will also look to complete future equity offerings in order to raise additional capital as the Business progresses.

Should Armada Metals be unable to raise sufficient capital as contemplated in the Prospectus, the Directors are confident that Armada Metals will be able to successfully obtain funding as required through various sources, proactively manage operating costs and other cash flow requirements in line with available resources. The Board of Directors is satisfied that these actions are practical and achievable and is therefore satisfied there are reasonable grounds to conclude Armada Metals can continue as a going concern even if the Offer were not to proceed.

Should these strategies not be successful, there is a material uncertainty whether Armada Metals will be able to continue as a going concern and therefore, whether it will be able to pay its debts as and when they become due and payable and to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the Armada Mauritius Historical Statement of Financial Position and Armada Metals Historical Statement of Financial Position. The historical statements of financial position does not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Armada Mauritius and Armada Metals not continue as a going concern.

9.2 HISTORICAL STATEMENTS OF FINANCIAL PERFORMANCE

The table below sets out the historical consolidated statements of profit or loss for FY19, FY20, HY20 and HY21 for Armada Mauritius. No adjustments have been made for corporate costs associated with the Company operating as a listed company.

	HY21	HY20	FY20	FY19
Other income	–	–	483	9,786
Expenses				
Administration expenses	(310,647)	(214,091)	(219,810)	(294,622)
Employee benefits expense	(1,738)	–	(2,205)	(532)
Depreciation and amortisation expense	(1,122)	–	(5,812)	(10,949)
Finance costs	(293,813)	(283,802)	(567,604)	–
Loss before income tax expense	(607,320)	(497,893)	(794,948)	(296,317)
Income tax expense	–	–	–	–
Loss after income tax expense	(607,320)	(497,893)	(794,948)	(296,317)

9.3 HISTORICAL STATEMENT OF CASH FLOWS

The table below sets out the historical consolidated statements of cash flows for FY19, FY20, HY20 and HY21 for Armada Mauritius.

	HY21	HY20	FY20	FY19
Cash flows from operating activities				
Other income	–	–	483	9,786
Payment of Armada Metals Limited expenses	(84,847)	–	–	–
Payments to suppliers and employees	(340,645)	(121,345)	(263,987)	(185,460)
Net cash used in operating activities	(425,492)	(121,345)	(263,504)	(175,674)
Cash flows from investing activities				
Payments for exploration and evaluation	(357,686)	(212,863)	(413,827)	(346,245)
Net cash used in investing activities	(357,686)	(212,863)	(413,827)	(346,245)
Cash flows from financing activities				
Proceeds from issue of shares and options	1,923,108	173,761	362,004	677,684
Proceeds from borrowings	–	–	41,574	42,820
Repayment of borrowings	(84,394)	–	–	–
Net cash from financing activities	1,838,714	173,761	403,578	720,504
Net increase/(decrease) in cash and cash equivalents	1,055,536	(160,447)	(273,753)	198,585
Cash and cash equivalents at the beginning of the financial period	7,630	226,734	226,734	37,009
Effects of exchange rate changes on cash and cash equivalents	97,377	4,741	54,649	(8,861)
Cash and cash equivalents at the end of the financial period	1,160,543	71,028	7,630	226,734

9.4 HISTORICAL AND UNAUDITED PRO FORMA HISTORICAL STATEMENTS OF FINANCIAL POSITION

The table below sets out the historical consolidated statement of financial position of Armada Metals as at 30 June 2021, the Pro Forma Adjustments that have been made to it (as detailed below) and the Pro Forma Historical Statement of Financial Position of the Group as at 30 June 2021.

	Note	Armada Metals Historical 30-Jun-21	Armada Mauritius Historical 30-Jun-21	Other adjustment (including eliminations)	Armada Group Consolidated	Impact of Offer Min \$	Total Proforma AML Consolidated Minimum raise \$	Impact of offer Max \$	Total Proforma AML Consolidated Maximum raise \$
Current assets									
Cash and cash equivalents	1		1,160,543	-	1,160,544	6,919,923	8,080,467	8,787,923	9,948,467
Trade and other receivables	1	60,990	988,259	-	1,049,249	77,440	1,126,689	86,440	1,135,689
Other	2	43,315	9,978	-	53,293	(43,315)	9,978	(43,315)	9,978
Total current assets		104,306	2,158,780	-	2,263,086	6,954,048	9,217,134	8,831,048	11,094,134
Non-current assets									
Exploration & evaluation expenditure		-	5,754,668	-	5,754,668	-	5,754,668	-	5,754,668
Receivables		-	84,847	(84,847)	-	-	-	-	-
Property, plant and equipment		-	2,964	-	2,964	-	2,964	-	2,964
Other		-	5,423	-	5,423	-	5,423	-	5,423
Total non-current assets		-	5,847,902	(84,847)	5,763,055	-	5,763,055	-	5,763,055
Total assets		104,306	8,006,682	(84,847)	8,026,141	6,954,048	14,980,189	8,831,048	16,857,189
Current liabilities									
Trade and other payables	3	265,332	114,837	-	380,169	-	380,169	-	380,169
Derivative financial instruments		-	702,105	(702,105)	-	-	-	-	-
Redeemable shares		-	3,140,940	-	3,140,940	-	3,140,940	-	3,140,940
Total current liabilities		265,332	3,957,882	(702,105)	3,521,109	-	3,521,109	-	3,521,109
Non current liabilities									
Trade and other payables	4	81,736	5,367	(81,736)	5,367	-	5,367	-	5,367
Total non current liabilities		81,736	5,367	(81,736)	5,367	-	5,367	-	5,367
Total liabilities		347,068	3,963,249	(783,841)	3,526,476	-	3,526,476	-	3,526,476
Net assets		(242,762)	4,043,433	698,994	4,499,665	6,954,048	11,453,713	8,831,048	13,330,713
Equity									
Issued capital	1		14,286,842	(1)	14,286,842	6,894,213	21,181,055	8,686,083	22,972,925
Reserves	5	48,510	763,385	698,995	1,510,890	448,722	1,959,612	496,459	2,007,349
Retained Earnings / (Accumulated losses)		(291,273)	11,006,794	-	(11,298,067)	(388,887)	(11,686,954)	(351,494)	(11,649,561)
Total equity		(242,762)	4,043,433	698,994	4,499,665	6,954,048	11,453,713	8,831,048	13,330,713

Notes explaining 30 June balance of Armada Metals

- (1) Includes GST receivable of \$17,745 and an amount of \$43,245 held in trust by the Armada Metals' solicitors.
- (2) Relates to prepaid corporate expenses in relation to the IPO.
- (3) Includes trade payables of \$250,332 and accrued expenses totalling \$15,000 relating to corporate expenses in relation to the IPO.
- (4) Relates to an intercompany balance with Armada Mauritius
- (5) Relates to options granted to directors and consultants as remuneration for services rendered.

(a) Pro forma adjustments

The Pro Forma Historical Financial Information includes pro forma adjustments, which have been applied to the corresponding Historical Financial Information in a manner consistent with AAS. The pro forma adjustments have been made to adjust for the following transactions associated with the Offer:

i. Impact of the Restructure

- (i) Acquisition of voting shares in Armada Mauritius to effect the Restructure undertaken prior to, and in contemplation with, the initial public offering, including options granted by Armada Metals to each of Cobre Limited (**Cobre**), Metal Tiger PLC (**MTR**) and RCF Opportunities Fund L.P. (**RCF**), in place of options that were previously granted by Armada Mauritius to Cobre, MTR and RCF prior to the Restructure.
- (ii) The financial liability of \$702,105 recognised in Armada Mauritius relates to the fair value of the share options previously issued to Cobre, MTR and RCF by Armada Mauritius which are accounted for as a derivative financial instrument due to both the number of options and exercise price being variable under the terms of the respective Investment Agreements. Upon completion of the Restructure the said share options in Armada Mauritius have been cancelled and replaced with Unlisted Options in Armada Metals in accordance with the terms of the Share Sale Deed. The terms of the Unlisted Options are such that upon completion of the IPO the number of Unlisted Options become fixed at 3,330,000 and exercise price fixed at \$0.334. In accordance with the Company's accounting policy, the company elected to reclassify the derivative financial liability valued at \$702,105 to equity upon the fixing of the conversion option. Refer to Section 11.3 for further details relating to the Unlisted Options.
- (iii) Other adjustments in relation to elimination of inter-company receivables and payables between Armada Metals and Armada Mauritius and consequent impact to the foreign currency translation reserve.

ii. Impact of the Offer

- (i) The issue of 40,000,000 Shares (Maximum Subscription: 50,000,000 Shares) at \$0.20 per Share totalling \$8,000,000 (Maximum Subscription: \$10,000,000) to investors participating in the Offer;
- (ii) Estimated total costs of the Offer of:
 - a. \$1,494,674 excluding GST (based on the Minimum Subscription), of which \$1,045,952 will be paid in cash and \$1,665,411 excluding GST (based on the Maximum Subscription), of which \$1,168,952 will be paid in cash; and
 - b. the balance by way of a share based payment to the Joint Lead Managers comprising the issue of share options (**Broker Options**) with a fair value of approximately \$448,722 (based on the Minimum Subscription) and \$496,459 (based on the Maximum Subscription).

Refer to section 11.4 for further details of the terms of the Broker Options.

In accounting for the total costs of the offer, \$1,105,787 (based on the Minimum Subscription) and \$1,313,917 (based on the Maximum Subscription) has been recognised as a deduction to issued capital reflecting the portion of costs that directly relate to the issue of new Shares with \$388,887 (based on the Minimum Subscription) and \$351,494 (based on the Maximum Subscription) recognised in accumulated losses reflecting the portion of costs that relate to the listing of existing Shares.

The estimated recoverable GST charged on the invoices associated with these costs has been recognised as a GST receivable in Other Assets of \$77,440 (based on the Minimum Subscription) and \$86,440 (based on the Maximum Subscription).

Prepaid IPO costs of \$43,315 recognised in Armada Metals at 30 June 2021 have been allocated to the cost of capital raised.

(b) Subsequent events

The Financial Information has been prepared based on conditions that existed at 30 June 2021 and adjusted for the impact of the Restructure that occurred on 11 October 2021. Refer to Section 9.4(a)(i) above. All subsequent events detailed in this Section, arose after 30 June 2021 and are not indicative of events and circumstances that existed at 30 June 2021. As non-adjusting subsequent events, no adjustments have been made to the Financial Information as at 30 June 2021:

On 11 October 2021, the Company granted options over 150,000 Shares to Tremont Master Holdings, with an exercise price of \$0.334 per Share and which will lapse if not exercised within five years after Admission. Refer to Section 11.3 for further details.

Since 30 June 2021, the company granted the below options, with an exercise price of \$0.334 per Share and which will lapse if not exercised within five years after Admission.

- Dr Ross McGowan 2,000,000 options
- Thomas Rogers 1,100,000 options
- Thomas Pucheu 500,000 options

Refer to Section 11.3 for further details.

9.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group's key accounting policies relevant to the Financial Information are set out below. In preparing the Financial Information, the accounting policies of the Group have been applied consistently throughout the periods presented

Principles of consolidation

The consolidated financial information incorporate the assets and liabilities of all subsidiaries of the parent entity and the results of all subsidiaries for the year then ended.

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 book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

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.

Foreign currency translation

The financial information is presented in Australian dollars. The functional currency of Armada Metals Limited is Australian dollars, the functional currency of Armada Exploration Limited is US dollars and the functional currency of Armada Exploration Gabon SARL 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 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.

Revenue recognition

The consolidated entity recognises revenue as follows:

Other income

Other income is recognised when it is received or when the right to receive payment is established.

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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Other receivables, and promissory notes

Other receivables and promissory notes 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.

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.

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.

When the contractual terms of an equity instrument are amended to result in the instrument being classified as a financial liability, the financial liability is initially recognised at fair value and reclassified from equity. Any difference between the carrying amount of the financial liability and that of the previously recognised equity instrument is recognised in equity.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date, with changes in the fair value being recognised as a finance cost.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees and consultants.

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.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.
- 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.

Issued capital

Ordinary shares are classified as equity.



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Independent Limited Assurance Report

9 November 2021

The Board of Directors
Armada Metals Limited
Level 7, 151 Macquarie Street
Sydney NSW 2000

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

1. Introduction

We have been engaged by Armada Metals Limited ('Armada Metals' or the 'Company') to report on the historical financial information and pro forma historical financial information for inclusion in the prospectus ("Prospectus") to be dated on or about 9 November 2021, and to be issued by Armada Metals, in respect of the initial public offering of a minimum of 40,000,000 Shares and a maximum of 50,000,000 Shares at an issue price of \$0.20 per Share to raise a minimum of \$8,000,000 and maximum of \$10,000,000 (before costs) ("the Offer").

Expressions and terms defined in the Prospectus have the same meaning in this report.

2. Scope

Historical Financial Information

You have requested Ernst & Young to review the following historical financial information;

- ▶ The historical statement of financial position as at 30 June 2021 for Armada Metals Limited ('Armada Metals Historical Statement of Financial Position')
- ▶ Historical financial information for Armada Exploration Limited ("Armada Mauritius"):
 - the historical consolidated statements of profit or loss for the year ended 31 December 2019, year ended 31 December 2020 and half year ended 30 June 2021;
 - the historical consolidated statements of cash flows for the year ended 31 December 2019, year ended 31 December 2020 and half year ended 30 June 2021; and

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- the historical consolidated statement of financial position as at 30 June 2021;

(together, the “Armada Mauritius Historical Financial Information”)

(the “Armada Metals Historical Statement of Financial Position” and “Armada Mauritius Historical Financial Information” together referred as “The Historical Financial Information”).

The Armada Metals Historical Statement of Financial Position as at 30 June 2021 has been derived from its unaudited trial balance at that date, on which no audit opinion or limited assurance conclusion has been issued.

The Armada Mauritius Historical Financial Information for the year ended 31 December 2019 and 31 December 2020 has been derived from its audited reissued consolidated financial statements for the years ended 31 December 2019 and 31 December 2020 respectively, issued on 3 November 2021. These reissued consolidated financial statements were audited by us in accordance with International Auditing Standards. We have issued unqualified audit opinions, including a material uncertainty related to going concern, on the reissued consolidated financial statements for the year ended 31 December 2019 and 31 December 2020.

The Armada Mauritius Historical Financial Information for the half year ended 30 June 2021 has been derived from its reviewed interim consolidated financial statements for the half-year ended 30 June 2021, issued on 3 November 2021. The consolidated interim financial statements for the half year 30 June 2021 were reviewed by us in accordance with International Auditing Standards. We have issued an unqualified review conclusion, including a material uncertainty related to going concern, on the consolidated interim financial statements for the half year ended 30 June 2021.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards (‘AAS’) issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards.

Pro Forma Historical Financial Information

You have requested Ernst & Young to review the following pro forma historical financial information of Armada Metals Limited and its controlled entities (“the Armada Group”):

- ▶ the pro forma historical consolidated statement of financial position as at 30 June 2021 based on minimum subscription of \$8 million as set out in section 9.4 of the Prospectus; and
- ▶ the pro forma historical consolidated statement of financial position as at 30 June 2021 based on maximum subscription of \$10 million as set out in section 9.4 of the Prospectus.

(Hereafter the “Pro Forma Historical Statements of Financial Position” or “Pro Forma Historical Financial Information”).



The Historical Financial Information and Pro Forma Historical Financial Information are collectively referred to as the Financial Information.

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information and adjusted for the effects of pro forma adjustments described in Section 9.4 of the Prospectus.

The Pro Forma Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in AAS other than it includes adjustments prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they had occurred as at 30 June 2021.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

The Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

3. Directors' Responsibility

The directors of Armada Metals are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures.

A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.



5. Conclusions

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information comprising:

- ▶ The historical statement of financial position as at 30 June 2021 for Armada Metals Limited
- ▶ The historical financial information for Armada Exploration Limited:
 - the historical consolidated statements of profit or loss for the year ended 31 December 2019, year ended 31 December 2020 and half year ended 30 June 2021;
 - the historical consolidated statements of cash flows for the year ended 31 December 2019, year ended 31 December 2020 and half year ended 30 June 2021; and
 - the historical consolidated statement of financial position as at 30 June 2021;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 9.1 of the Prospectus.

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information comprising:

- ▶ the pro forma historical consolidated statement of financial position as at 30 June 2021 based on minimum subscription of \$8 million as set out in section 9.4 of the Prospectus; and
- ▶ the pro forma historical consolidated statement of financial position as at 30 June 2021 based on maximum subscription of \$10 million as set out in section 9.4 of the Prospectus.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 9.1 of the Prospectus.

6. Material Uncertainty Related to Going Concern – Historical Financial Information

We draw attention to Section 9.1(c) of the Prospectus which describes the principal conditions that raise doubt about Armada Metals' and Armada Mauritius' ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Companies' ability to continue as a going concern. Our opinion is not modified in respect of this matter.



7. Restriction on Use

Without modifying our conclusions, we draw attention to Section 9.1 of the Prospectus which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

8. Consent

Ernst & Young has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

9. Independence or Disclosure of Interest

Ernst & Young does not have any interests in the outcome of this Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

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Source: iStock image, Port Gentil in Gabon West Africa

SECTION 10

Material Contracts

Set out below are summaries of key provisions in contracts to which the Company is a party, which may be material to the Offer, the operations of the Company, or otherwise may be relevant to an investor who is contemplating the Offer.

10.1 ARMADA METALS – DEEDS OF ACCESS, INDEMNITY AND INSURANCE

The Company has entered into Deeds of Access, Indemnity and Insurance (each a **Deed of Indemnity**) with Dr Ross McGowan, Mr Rick Anthon, Mr Martin C Holland, Mr David Michael McNeilly and Ms Vanessa Chidrawi.

Each Deed of Indemnity contains terms and conditions considered standard for deeds of this nature. The key terms are summarised below:

Subject	Provision
Retention of Company records	<p>The Company must maintain a file (either hard copy or electronic form) of all board papers for at least 10 years after creation, or if a claim is contemplated against an officer, until the later of 10 years after creation, and the Company becoming aware that the outcome of the claim has been determined or discontinued. The same is required in respect of subsidiaries of the Company.</p>
Access to documents	<p>The Company must provide access to the Company's records for a permitted purpose, being any of the following which involves the officer because of their present or former capacity as an officer of the Company:</p> <ul style="list-style-type: none"> ➤ any proper purpose concerning the officer's exercise of rights and discharge of duties as an officer of the Company; ➤ for the purpose of a claim to which the officer is a party; ➤ for the purpose of a claim that the officer proposes to bring in good faith; ➤ for the purpose of a claim that the officer has reason to believe might be brought against him or her. <p>If the officer wishes to access the Company's records for any other purpose, this other purpose must be approved by the Board.</p> <p>Access to the Company's records will be provided to the officer in accordance with the relevant procedures and terms set out in the Deed of Indemnity.</p>

Subject	Provision
Confidentiality	<p>The officer must keep information relating to the Company confidential, and must only use such information in accordance with the terms of the Deed of Indemnity. Disclosure of such information by the officer is only permitted in certain circumstances, including:</p> <ul style="list-style-type: none"> ➤ to the officer's legal, financial or other professional advisers who need to know that confidential information for the officer to perform their functions or for a permitted purpose; and ➤ disclosure required by law, or any court, tribunal, governmental agency or regulatory body.
Indemnity	<p>The Company agrees to indemnify the officers to the fullest extent permitted by law, against all liabilities incurred by the officer in their capacity as an officer of the Company and any subsidiary of the Company.</p> <p>The indemnity is a continuing indemnity that extends after the officer ceases to be an officer of the Company, and applies in respect of any liability that might have been incurred before the date of the Deed of Indemnity.</p>
D&O insurance	<p>The Company must use its best endeavours to ensure that the officers are insured under a Directors & Officers insurance policy, in accordance with the terms of the Deed of Indemnity.</p>

10.2 ARMADA METALS – ESCROW AGREEMENTS

As a condition of admitting the Company to the Official List, ASX may classify certain securities held prior to the date of this Prospectus as Restricted Securities. Prior to Official Quotation, it will be necessary for holders of Restricted Securities to enter into escrow agreements with the Company (**Escrow Agreements**), or otherwise be issued with restriction notices, pursuant to Chapter 9 of the ASX Listing Rules. The Escrow Agreements have the effect of restricting the shareholder from dealing with the Restricted Securities for a certain period of time, which will be determined by ASX (**Restriction Period**). The Company does not expect that Shares issued under the Offer will be restricted.

During the Restriction Period, the holder of the Restricted Securities must not dispose of, or agree to dispose of, the Restricted Securities, or create any security interest in the Restricted Securities, transfer ownership or control of the Restricted Securities, or participate in any return of capital by the Company.

In accordance with Chapter 9 and Appendix 9B of the ASX Listing Rules, the main Restriction Periods applicable are as follows:

Security holder	Applicable Restriction Period
Seed capitalists that are related parties or promoters	<p>The Restriction Period is 24 months from Admission.</p> <p>This will apply to Shares issued prior to the Offer.</p>
Seed capitalists that are not related parties or promoters	<p>The Restriction Period is 12 months from issue, if the subscription price was less than 80% of the price per Share under the Offer.</p> <p>This will apply to Shares issued prior to the Offer.</p>
Unrelated vendor of a classified asset	<p>The Restriction Period is 12 months from issue.</p>

Security holder	Applicable Restriction Period
Promoters or professional consultants	The Restriction Period is 24 months from Admission.
Related party or promoter that holds Options, or Shares resulting from the exercise of Options	The Restriction Period is 24 months from Admission.

10.3 ARMADA METALS – VOLUNTARY ESCROW DEEDS

The Company has entered into voluntary escrow deeds (**Voluntary Escrow Deeds**) with Tremont Master Holdings, Mr Thomas Rogers and Mr Thomas Pucheu in relation to their respective Unlisted Options (**Restricted Options**). The Restricted Options are not Restricted Securities as required by the ASX pursuant to Chapter 9 of the ASX Listing Rules; however, the Voluntary Escrow Deeds have a similar effect of restricting the optionholders from dealing with the Restricted Options for the restricted period, during which the optionholders must not dispose of, or agree to dispose of, the Restricted Options, or create any security interest in the Restricted Options.

Below is a summary of the material terms of the Voluntary Escrow Deed:

Subject	Provision
Securities to which restrictions apply	All Unlisted Options held by the optionholder, and any shares issued upon exercise of those Unlisted Options.
Restricted period	24 months
Restrictions	<p>Subject to the exceptions below, the optionholder must not dispose of, or agree or offer to dispose of the Restricted Options.</p> <p>“Dispose” includes:</p> <ul style="list-style-type: none"> ➤ sell assign, transfer, or otherwise dispose of any interest in the Restricted Options; ➤ encumber or grant a security interest over the Restricted Options; ➤ grant or exercise an option in respect of any Restricted Options; ➤ do, or omit to do, any act that would have the effect of transferring effective ownership or control of any Restricted Options; and ➤ the meaning given to it by the ASX Listing Rules.
Exceptions	<p>The restrictions above are subject to the following exceptions:</p> <ul style="list-style-type: none"> ➤ the optionholder may exercise the Options in accordance with the terms of issue of the Options; ➤ the optionholder may accept into a successful takeover bid, or dispose the securities as part of a merger by scheme of arrangement. A ‘successful bid’ is one where the holders of at least 50% of the bid class securities that are not subject to escrow, and to which the offers under the bid relate, have accepted; and ➤ the optionholder may transfer any or all Restricted Options to an affiliate provided that the transferee agrees to be bound by the terms and conditions of the Voluntary Escrow Deed and where the restricted period is not extended.
Holding lock	The optionholder agrees to the application of a holding lock to the Restricted Options.

10.4 ARMADA METALS – CONSTITUTION

Investors who take Shares under this Offer will become bound by the Constitution of the Company. The Constitution of the Company governs the relationship between the Company, its shareholders and its directors, in accordance with section 140 of the Corporations Act. The Constitution was adopted on 9 June 2021 with effect on and from the date of the Company's conversion from a proprietary limited company to a public company limited by shares on 22 July 2021.

The key provisions of the Constitution are summarised below:

Subject	Provision
ASX Listing Rules	In the event of any inconsistency between the Constitution and the ASX Listing Rules, the ASX Listing Rules will prevail to the extent of that inconsistency.
Issue of Shares	The Board may issue Shares as it sees fit, to any person and on terms that the Board determines.
Trusts not recognised	The Company is not required to recognise any equitable, contingent, future or partial interest in any Shares, even when having actual notice of such interest.
Transfers, restrictions and transmissions	<p>A shareholder may transfer any or all of the Shares held by it, subject to the terms of the Constitution. The Board may refuse to register a transfer of Shares in any circumstance permitted by law.</p> <p>The Board may suspend any transfer of Shares in the Company at the times and the periods it may determine, which must not exceed 30 days in a calendar year.</p> <p>A holder of Restricted Securities must not dispose of them, or agree to dispose of them, during the applicable escrow period.</p> <p>Clauses 24 to 26 of the Constitution set out the relevant rules for the transmission of Shares in the event of death, bankruptcy or mental incapacity.</p>
Shareholder meetings	Part 3 of the Constitution sets out shareholder rights with respect to attending shareholder meetings and voting.
Appointment and retirement of directors	<p>The Company must have a minimum of 3 and a maximum of 12 directors.</p> <p>Clauses 38 to 43 of the Constitution provide for the appointment, removal and retirement of directors.</p>
Financial remuneration and benefits	<p>Non-executive directors may be paid remuneration at a fixed sum, provided that the fixed sum must not exceed the aggregate maximum sum of \$1,000,000 per annum (or such other sum fixed by the Company in a general meeting from time to time). The Board may allocate the aggregate maximum sum to the non-executive directors in the proportion that it sees fit.</p> <p>The Board may determine the remuneration of an executive director.</p> <p>Neither executive nor non-executive directors may receive commission on, or a percentage of, operating revenue as remuneration.</p> <p>Subject to relevant law, the Company may pay termination benefits to the directors in accordance with the Constitution.</p>

Subject	Provision
Material interests of directors	<p>Directors must give notice to the Board of any material personal interest in any matter that relates to the affairs of the Company.</p> <p>A director with a material personal interest in a matter considered by the Board must not be present while the matter is being considered and must not vote on the matter, unless permitted to do so under the Corporations Act.</p>
Dividends	The Board may declare dividends as it sees fit in accordance with the Constitution.

10.5 ARMADA METALS – JOINT LEAD MANAGERS MANDATE

On 24 September 2021, the Joint Lead Managers and the Company entered into a joint lead managers agreement, whereby the Joint Lead Managers agreed to provide capital raising services in relation to the Offer in return for a fee to be paid by the Company (**Joint Lead Managers Mandate**).

The material terms of the Joint Lead Managers Mandate are summarised below:

Subject	Provision
Role as Joint Lead Managers	Canaccord and PAC Partners will act as joint lead managers to the Company in relation to the Offer.
Fees and Broker Options	<p>On the date of the Company's Admission to the Official List, the Company must pay the following fees (exclusive of GST) to the Joint Lead Managers:</p> <ul style="list-style-type: none"> ➤ a lead manager fee of 2% of the proceeds of the Offer; and ➤ a selling fee of 4% of the proceeds of the Offer, excluding amounts raised from the Chairman's List participation and any existing shareholders or investors that are introduced to the Offer by the Company up to a maximum of \$3,000,000. <p>In addition to the fees set out above, the Company has agreed to issue Broker Options to the Joint Lead Managers upon Admission. The Broker Options will equate to 4.0% of the share capital of the Company (in the case of Minimum Subscription) and up to 4.1% of the share capital of the Company (in the case of Maximum Subscription), on a fully diluted basis at the time of the Company's Admission to the Official List. The Broker Options will have an exercise price of \$0.25 per Broker Option and will expire 25 months from the date of the Company's Admission to the Official List.</p> <p>The fees and Broker Options are to be split between the two Joint Lead Managers equally, with Canaccord receiving 50% and PAC Partners receiving 50%.</p>
Opportunity to conduct additional engagements	<p>On the basis that the Company is admitted to the Official List, the Company agrees to offer the Joint Lead Managers the right of first refusal to act as the lead manager in any further equity capital raisings undertaken in connection with the Company within 12 months of Completion of the Offer. This right is subject to competitive terms in respect of pricing, fees and timing relative to market practices at that time.</p> <p>Further, if during the period of 12 months after Completion of the Offer, the Company issues any equity or debt interest to any party that was introduced to the Company by either of the Joint Lead Managers during the facilitation of this Joint Lead Managers Mandate, the Company must pay the Joint Lead Managers a selling fee of 4%.</p>

Subject	Provision
Liability and indemnity	<p>The Company agrees to indemnify and hold harmless the Joint Lead Managers from and against all claims against them arising out of or in connection with:</p> <ul style="list-style-type: none"> ➤ the Joint Lead Managers Mandate, the Prospectus or the Offer; ➤ any material non-compliance by the Company with any applicable laws, any misrepresentation or non-disclosure in the Prospectus, or any material breach by the Company to observe the Joint Lead Managers Mandate; ➤ any review undertaken by ASIC or ASX; and ➤ any advertising or publicity in relation to the Offer made by or with the written agreement of the Company, <p>except to the extent that such claims have resulted from the fraud, misconduct, bad faith or gross negligence of a Joint Lead Manager.</p>
Termination	<p>The Company will require consent from the Joint Lead Managers to terminate the Joint Lead Managers Mandate, unless one or both Joint Lead Managers is in material breach of the terms in the Joint Lead Managers Mandate.</p> <p>Unless the Minimum Subscription is not met or the Company failed to satisfy the requirements of the spread requirement of the Listing Rules, following termination by the Company a withdrawal fee equivalent to the sum of lead manager fee and selling fee may be payable by the Company to the Joint Lead Managers, if the Company undertakes alternative forms of capital raising other than this Offer within 12 months.</p>

10.6 ARMADA METALS – EXECUTIVE EMPLOYMENT AGREEMENT – DR ROSS MCGOWAN

On 22 July 2021, the Company entered into an executive employment agreement with Dr Ross McGowan with respect to his position as Managing Director & CEO of the Company (**Employment Agreement**). The Employment Agreement will commence on the date that the Company is admitted to the Official List.

The Employment Agreement contains terms and conditions considered standard for an agreement of this nature.

The material terms of the Employment Agreement are as follows:

Subject	Provision
Duties	<p>Dr McGowan will be responsible for performing all duties consistent with those of a Chief Executive Officer and Managing Director of a publicly listed company, including, but not limited to:</p> <ul style="list-style-type: none"> ➤ managing the Company's operations; ➤ developing corporate and strategic plans for the Company to achieve its overall business objectives; ➤ assessing business opportunities for the Company; ➤ undertaking the role of Company spokesperson; ➤ overseeing and being responsible for regulatory and statutory compliance; and ➤ ensuring appropriate risk management practices and policies are in place.

Subject	Provision
Remuneration	<p>Dr McGowan's annual remuneration package under the Employment Agreement is A\$250,000.</p> <p>The Company will review the remuneration payable to Dr McGowan under the Employment Agreement on an annual basis.</p> <p>The Company will also pay for Dr McGowan's reasonable out of pocket expenses that are associated with the conduct of the affairs of the Company and in accordance with any applicable Company policies, provided such expenses have been approved by the Company prior to being incurred.</p>
Termination of employment	<p>Termination by Dr McGowan</p> <p>Dr McGowan may terminate the Employment Agreement by providing:</p> <ul style="list-style-type: none"> ➤ written notice of one month to the Company if the Company is subject to a takeover bid made under Chapter 6 or a scheme of arrangement under Part 5.1 of the Corporations Act; or ➤ otherwise, written notice of three months to the Company. <p>Termination by the Company</p> <p>The Company may terminate the Employment Agreement by providing written notice of six months to Dr McGowan.</p> <p>The Company may also terminate the Employment Agreement without notice or payment in lieu of notice if Dr McGowan engages in any conduct that warrants summary dismissal by the Company pursuant to the terms of the Employment Agreement.</p>
Negative covenants	<p>During the term of the Employment Agreement, Dr McGowan must not, without the prior written consent of the Company, be directly or indirectly employed, engaged or interested in any business, other than pursuant to Dr McGowan's employment with the Company, and as a director, contract, employee, or shareholder of RED Capital Limited.</p> <p>During the period between the time that any notice to terminate the Employment Agreement is given, and the time that the Employment Agreement terminates, Dr McGowan must not conduct, take part in or carry on any business that is competitive with the Company.</p>

10.7 ARMADA METALS – NON-EXECUTIVE DIRECTOR AGREEMENTS – MR RICK ANTHON, MR MARTIN C HOLLAND AND MR DAVID MICHAEL MCNEILLY

The Company has entered into agreements with each of Mr Rick Anthon, Mr Martin C Holland and Mr David Michael McNeilly (each a **Non-Executive Director**), in relation to their provision of services to the Company (**Non-Executive Director Agreements**).

The Non-Executive Director Agreements contain terms and conditions considered standard for agreements of this nature, including in relation to confidential information, intellectual property and disclosure of interests.

The key terms of the Non-Executive Director Agreements are as follows:

Subject	Provision
Term	<p>The Non-Executive Director will need to retire from office as a Director and must submit to re-election from time to time as required by the Company's Constitution and the ASX Listing Rules.</p> <p>The Company is entitled to terminate their appointment, and the Non-Executive Director is entitled to resign from their appointment, in accordance with the Company's Constitution and applicable law.</p>
Obligations and responsibilities	<p>The Non-Executive Director is required to comply with all of the Board charters, policies, codes and procedures in force.</p> <p>The Non-Executive Director acknowledges that the business of the Company is managed by or under the direction of the Board, and the Directors may exercise all of the powers of the Company, except those powers required to be exercised by the Company in a general meeting.</p> <p>The Non-Executive Director will perform the duties that normally fall within such a role, including attending Board meetings and shareholders' meetings.</p> <p>The Non-Executive Director will perform the duties consistent with the position of Non-Executive Director in good faith towards the Company and will always act in the best interests of the Company and its associated entities.</p>
Remuneration and expenses	<p>An annual fee of \$80,000 will be paid to Rick Anthon as the chairperson and Non-Executive Director.</p> <p>An annual fee of \$60,000 will be paid to each of the other Non-Executive Directors.</p> <p>No additional retirement or termination payment will be made on termination of the Non-Executive Director Agreements. The Company agrees to reimburse the Non-Executive Director for all out of pocket expenses incurred in carrying out their duties.</p>

10.8 ARMADA METALS – CONSULTANCY AGREEMENT WITH FUTURE METALS

On 8 June 2021, the Company entered into a Consultancy Agreement with Future Metals Group in relation to the provision of executive services by Future Metals Group in connection with the Company's preparation for the Offer (**Consultancy Agreement**).

The Consultancy Agreement contains terms and conditions considered standard for an agreement of this nature.

The key terms of the Consultancy Agreement are as follows:

Subject	Provision
Services to be provided	Future Metals Group will provide executive services in relation to the Company's preparation for the Offer in respect of the period up to Admission.
Responsibilities	<p>Future Metals Group must:</p> <ul style="list-style-type: none"> ➤ report to and perform the services under the direction of the Board of the Company; and ➤ act professionally and exercise skill, care and diligence at all times in the performance of the services.

Subject	Provision
Remuneration	In consideration for the provision of the services, the Company will pay a lump sum fee of \$200,000 (exclusive of GST) to Future Metals Group upon Admission (Consultancy Fee).
Term	The Consultancy Agreement will automatically terminate on the earlier to occur of: <ul style="list-style-type: none"> ➤ the date on which Future Metals Group receives payment of the Consultancy Fee from the Company; and ➤ the date on which the listing of the Company to the official list of ASX occurs, or if such listing has not occurred by 31 December 2021, 1 January 2022.

10.9 ARMADA METALS – SHARE SALE DEED

On 11 October 2021, the Company entered into a share sale deed with Armada Mauritius and the shareholders of Armada Mauritius (**Vendors**) pursuant to which, as part of a corporate restructure of the Armada Group undertaken prior to, and in contemplation of, the Offer:

- the Company acquired all of the voting shares in Armada Mauritius; in return, the Company issued new Shares in the Company to the Vendors; and
- existing options in Armada Mauritius held by Cobre Limited, Metal Tiger PLC and RCF Opportunities Fund L.P. were cancelled; instead, the Company issued options to Cobre Limited, Metal Tiger PLC and RCF Opportunities Fund L.P. respectively. The terms of these options are set out in section 11.3,

(**Share Sale Deed**).

On 11 October 2021, completion under the Share Sale Deed occurred, and the Company acquired all of the voting shares in Armada Mauritius and issued the options to each of Cobre Limited, Metal Tiger PLC and RCF Opportunities Fund L.P. in accordance with the terms of the Share Sale Deed.

The material terms of the Share Sale Deed are summarised below:

Acquisition of shares	The Company acquired all of the voting shares in Armada Mauritius. In return, the Company issued new Shares in the Company to the Vendors.
Options	Existing options in Armada Mauritius held by Cobre Limited, Metal Tiger PLC and RCF Opportunities Fund L.P. were cancelled. Instead, the Company issued options to Cobre Limited, Metal Tiger PLC and RCF Opportunities Fund L.P. respectively. The terms of these options are set out in section 11.3.
Board appointment rights	Subject to the Corporations Act, the ASX Listing Rules and the Constitution of the Company, each of: <ul style="list-style-type: none"> ➤ Cobre Limited; ➤ Metal Tiger PLC; and ➤ RCF Opportunities Fund L.P., may appoint, and subsequently remove or replace, one nominee director to the Board of the Company for so long as it holds at least 10% of the Shares in the Company.

10.10 ARMADA METALS – RCF INFORMATION SHARING AGREEMENT

On or around 24 December 2020, Armada Mauritius and RCF Opportunities Fund L.P. (**RCF**) entered into an investment agreement under which Armada Mauritius granted RCF certain rights to access confidential information of Armada Mauritius in connection with an investment and subscription of shares by RCF in Armada Mauritius (**RCF Mauritius Investment Agreement**).

Under the Share Sale Deed, the Company acquired all of the shares held by RCF in Armada Mauritius.

As a result, on 11 October 2021, the Company entered into an Information Access, Non-Disclosure and Confidentiality Agreement with RCF pursuant to which the Company granted certain rights of access to confidential information of the Company on similar terms to those granted to RCF under the RCF Mauritius Investment Agreement (**RCF Information Sharing Agreement**).

The material terms of the RCF Information Sharing Agreement are summarised below:

Access to information	<p>For so long as RCF holds at least 10% of the fully paid ordinary shares on issue in the Company, the Company must provide certain confidential information to RCF, upon written request by RCF, for the purpose of RCF understanding the business operations of the Company and its related bodies corporate.</p> <p>The confidential information to which RCF is entitled to request includes:</p> <ul style="list-style-type: none"> ➤ board information packs; ➤ financial reports; ➤ copies of notices, agendas, minutes and other relevant documents relating to all board and general meetings of the Company; and ➤ any other information concerning the Company, any of the Company's related bodies corporate or the permitted purpose which RCF may reasonably require from time to time.
Trading restrictions	<p>While RCF is in possession of confidential information it will be bound by the Company's securities trading policies and must not do anything that contravenes the insider trading provisions in the Corporations Act.</p>
Confidentiality	<p>RCF must maintain the confidentiality and security of the confidential information.</p> <p>RCF will be responsible for any breach of the terms of the RCF Information Sharing Agreement by any of the permitted recipients.</p>
Indemnity	<p>RCF indemnifies the Company against all liabilities directly or indirectly incurred by the Company as a result of any breach of the RCF Information Sharing Agreement up to a maximum aggregate amount of \$3,000,000.</p>

10.11 ARMADA GERMANY – ARTICLES OF ASSOCIATION

The articles of association of Armada Germany in their current form have been adopted on 14 June 2021 and have become effective upon the registration in the commercial register on 7 July 2021 following the acquisition of Armada Germany by the Company as a shelf company.

The key provisions of the articles of association are summarised below:

Subject	Provision
Name of the Company	Armada Metals Germany GmbH
Registered office	Frankfurt am Main, Germany
Financial Year	Calendar year
Object	The object of the company is the management, administration and acquisition of companies in Germany and abroad which are active in the exploration of minerals.
Share Capital	EUR 25,000, divided into 25,000 shares with a nominal amount of EUR 1.00 each.
Management and Representation	<p>The company has one or more managing directors.</p> <p>If only one managing director has been appointed, he or she is authorised to represent the company solely. If more than one managing director have been appointed, the Company shall be represented by two managing directors acting jointly or by one managing director acting jointly with a Prokurist (a registered agent with a special power of attorney under the German Commercial Code).</p> <p>The shareholders' meeting may grant power of sole representation to individual or all managing directors and/or grant exemption from the restrictions imposed by § 181 BGB (German Civil Code).</p>

10.12 ARMADA MAURITIUS – CONSTITUTION

As per the Companies Act 2001 of Mauritius (the **Mauritian Companies Act**), when a company incorporated under the Mauritian Companies Act has adopted a constitution, the affairs of the company shall be governed by the constitution subject to the Mauritian Companies Act. The most recent constitution of Armada Mauritius (the **Armada Mauritius Constitution**) was adopted on 22 June 2021. Relevant provisions of the Armada Mauritius Constitution have been set out as follows:

Subject	Provision
Nature of company	Private company, limited by shares and holds a global business licence issued by the Mauritius Financial Services Commission.
Objects	The object of Armada Mauritius is to engage in qualified global business as permitted under the laws of Mauritius.
Types of Shares	Class A shares, Class A Redeemable shares, Class B shares, Class C shares, and Class D shares.
Rights Attached to classes of shares	<p>Each of the Class A, Class B, Class C and Class D Shares confers on its holder:</p> <ul style="list-style-type: none"> ➤ the right to one vote on a poll at a meeting of Armada Mauritius; ➤ the right to an equal share in dividends authorised by the directors; and ➤ the right to an equal share in the distribution of the surplus assets of Armada Mauritius on its liquidation. <p>The rights attached to Class A Redeemable Share are described in section 10.13 below.</p>
Pre-emptive rights on new issue of shares	Any new shares to be issued by Armada Mauritius must first be offered to holders of Class D Shares in the manner set out under the Armada Mauritius Constitution.
Share Certificates	No share certificate shall be issued unless approved by a director or secretary of Armada Mauritius. Share certificates shall be issued on such approval being sought by a shareholder in the manner set out under the Armada Mauritius Constitution.
Transfer of Shares	Subject to certain exceptions as listed in paragraphs 19 and 20 of the Armada Mauritius Constitution, a transfer of any shares other than Class A shares and Class D shares shall require the prior approval of holders of Class A shares and Class D shares, and such shares to be transferred shall first be offered to all shareholders of Armada Mauritius pro-rata to their shareholding as per the terms of the Armada Mauritius Constitution.
Deemed Offer	<p>A shareholder shall be deemed to have offered all of its shares in the share capital of Armada Mauritius if at any time, inter alia:</p> <ul style="list-style-type: none"> ➤ there is a change in its control; ➤ it materially breaches a provision of the Armada Mauritius Constitution; ➤ compromises with its creditors generally; ➤ has commenced the process of winding up, or ➤ becomes disqualified under any applicable law from holding any shares or shareholder loans etc.

Subject	Provision
Meeting of Shareholders	At least one meeting shall be held annually in accordance with section 115 of the Mauritian Companies Act and the Armada Mauritius Constitution. The quorum for shareholder meetings shall be such number of shareholders holding at least seventy five percent (75%) of the shares in the share capital of Armada Mauritius, provided always that at least one Class A Shareholder, one Class B Shareholder, and one Class D Shareholder are also present.
Special Consent Matters	<p>The following matters shall require approval of shareholders entitled to vote by way of special resolution:</p> <ul style="list-style-type: none"> ➤ dispose, encumber material assets; ➤ materially affect business of or incorporate any subsidiary; ➤ cause change of control of Armada Mauritius; ➤ create, allot, a new class of securities with rights equal to or superior to class D Shares; and ➤ declare or pay any dividend/distribution.
Board and Board Meetings	<p>If Class A shareholders represent a majority of issued shares, they shall be entitled to appoint collectively a maximum of three directors. If the Class A shareholders do not constitute a majority, then they shall be entitled to appoint only two directors. Holders of Class B shares are entitled to appoint two directors. Holders of Class D Shares shall also be entitled to appoint one director provided they hold at least 10% of the issued shares.</p> <p>Any director or secretary may call a board meeting in accordance with the Constitution. The quorum for board meetings shall be two directors provided that such number shall always include a holder of Class A shares (so long as issued Class A shares constitute at least fifteen percent of the total issued share capital), and a holder of Class B shares (so long as issued Class A shares constitute at least fifteen percent of the total issued share capital).</p>
Financial Year	1 January to 31 December
Dividends	The board of Armada Mauritius may authorise a distribution to the shareholders at any time it thinks fit. The shareholders shall be notified of the same in accordance with the Constitution, and any dividends unclaimed for three years may be forfeited by Armada Mauritius. The board of Armada Mauritius may set aside out of profits such amount it thinks fit as reserved fund before authorisation of the dividends.

10.13 ARMADA MAURITIUS – CLASS A REDEEMABLE SHARES

A total of 1,158 Class A Redeemable Shares in Armada Mauritius were issued to Tremont Master Holdings on 17 October 2019 and were sub-divided into 27,368,697 Class A Redeemable Shares on 20 November 2019. These Class A Redeemable Shares remain on issue and held by Tremont Master Holdings. The key terms of issue of the Class A Redeemable Shares are summarised as follows:

Subject	Provision
General rights	<p>Information rights</p> <p>Armada Mauritius must provide the shareholder with information and documentation as per the Shareholders Agreement in relation to Armada Mauritius.</p> <p>Right to attend shareholders' meetings</p> <p>The shareholder is entitled to receive notice of and be present at the shareholders' meetings of Armada Mauritius.</p> <p>Voting Rights</p> <p>The Class A Redeemable Shares in Armada Mauritius confer on the shareholder no right to vote on a poll at a shareholders' meeting of Armada Mauritius on any resolution, except the right to vote where a resolution is proposed at a meeting which directly affects any of the rights, limitations, privileges or terms associated with the Class A Redeemable Shares.</p> <p>Royalty Rights</p> <p>Tremont Master Holdings is entitled to one and a half percent (1.5%) of the Gross Revenue (as defined under the Share Purchase Agreement by and between Tremont Master Holdings, Armada Mauritius, and Armada Gabon dated 17 October 2019) from future metal production from the Tenements, or any other mining licence granted to Armada Gabon.</p> <p>Dividend Rights</p> <p>The Class A Redeemable Shares confer no right to dividends.</p> <p>Rights conferred on winding up of Armada Mauritius</p> <p>On a winding-up of Armada Mauritius (either voluntary or involuntary), the Class A Redeemable Shares shall confer the right to the payment of an amount up to U\$10,457,650 (the Full Redemption Amount) for all unredeemed shares. Such payment, after the distribution of the realised assets in accordance of the applicable laws, shall be made out of the surplus asset in priority to any payment to the holders of any ordinary shares in Armada Mauritius.</p>

Subject	Provision
Redemption rights and options	<p data-bbox="459 344 940 378">Redemption by Armada Mauritius</p> <p data-bbox="459 394 1398 450">Armada Mauritius may redeem the Class A Redeemable Shares in accordance with the following terms:</p> <ul style="list-style-type: none"> <li data-bbox="459 472 1398 562">➤ On or before the third anniversary of 18 October 2019 (Effective Date), Armada Mauritius may redeem the Class A Redeemable Shares by paying the Shareholder an amount of U\$2,500,000; <li data-bbox="459 573 1398 663">➤ After the third anniversary and on or before the fifth anniversary of the Effective Date, Armada Mauritius may redeem the Class A Redeemable Shares by paying the shareholder an amount of U\$5,000,000; <li data-bbox="459 674 1398 819">➤ After the fifth anniversary of the Effective Date, Armada Mauritius may redeem the Class A Redeemable Shares by paying the Full Redemption Amount. If the Armada Mauritius exercises this right, it shall pay the Full Redemption Amount before any dividend or other distribution is made to any other shareholder of Armada Mauritius. <p data-bbox="459 835 1289 869">Redemption in case of change in control of Armada Gabon</p> <ul style="list-style-type: none"> <li data-bbox="459 884 1398 1144">➤ In case of a 'change in control' of Armada Gabon, Armada Mauritius must exercise its redemption options set out above, failing which the shareholder may, at its option, request redemption of the Class A Redeemable Shares. All historical change in control events and this Offer will not constitute a change in control as defined in the terms of the Class A Redeemable Shares. Tremont Master Holdings has, pursuant to a waiver letter dated 5 October 2021, waived any right that Tremont Master Holdings and its permitted assigns may have for its Class A Redeemable Shares to be redeemed as a result of the Offer or if there is a change to the directors of Armada Gabon following Completion of the Offer. <p data-bbox="459 1160 1398 1193">Redemption and rights of the shareholder in case of sale of an asset</p> <ul style="list-style-type: none"> <li data-bbox="459 1209 1398 1355">➤ In case of the potential sale by the Armada Mauritius of either the shares in Armada Gabon or the Tenements (collectively the Assets), the Armada Mauritius must give notice to the shareholder of the potential sale and the shareholder shall have the option to buy the Asset within 30 days of delivery of the said notice (the Exercise Date). <li data-bbox="459 1366 1398 1709">➤ If the shareholder does not exercise its option to buy the Assets, it shall notify Armada Mauritius and the following options shall apply: <ul style="list-style-type: none"> <li data-bbox="507 1433 1398 1556">➤ Armada Mauritius endeavours to make all the necessary arrangements with the third-party buyer (the Buyer) in order that the shareholder be issued with an equivalent instrument in the share capital of the Buyer on terms satisfactory to the shareholder; or <li data-bbox="507 1568 1398 1709">➤ if Armada Mauritius cannot reach agreement with the Buyer within 60 days of the Exercise Date (Expiry Date), then the Class A Redeemable Shares can be redeemed at the option of the shareholder by delivering a written notice to Armada Mauritius at any time after the Expiry Date to redeem the Class A Redeemable Shares at a price calculated as set out above.

10.14 ARMADA MAURITIUS AND ARMADA GABON – MINERAL ROYALTY DEED WITH RCF OPPORTUNITIES FUND L.P.

Armada Mauritius and Armada Gabon entered into a mineral royalty deed with RCF Opportunities Fund LP (RCF) on 24 December 2020 (the **Mineral Royalty Deed**) under which Armada Gabon has agreed to pay royalty to RCF in respect of the Product (as defined below), and Armada Mauritius has agreed to guarantee the performance of Armada Gabon's obligations pursuant to the terms of the Mineral Royalty Deed. The key provisions of the Mineral Royalty Deed have been set out as follows:

Subject	Provision
Product	"Product" is defined as a mineral or metallic product in whatever form extracted and recovered from minerals from the Mining Area which is capable of being sold or otherwise disposed of, including nickel, zinc, lead, copper, cobalt and/or PGMs (including bearing ores or concentrates).
Mining Area	"Mining Area" is defined as the area within the boundaries of the Mining Rights where mining activities would be conducted from time to time during the term of the Mineral Royalty Deed, and any other area to which the parties agree the Mineral Royalty Deed would apply.
Mining Rights	"Mining Rights" are the rights provided for under the Tenements issued to Armada Gabon.
Effective Date	12 January 2021
Royalty Percentage	0.5%
Payment of Royalty	The royalty is to be paid quarterly in US\$ in an amount equal to the Royalty Percentage multiplied by the gross revenue from that quarter.
Funding Requirement	Under the Mineral Royalty Deed, Armada Mauritius and Armada Gabon are under an obligation to obtain further funding of US\$1,500,000. This has been satisfied by investments from Cobre Limited and Tiger Metal PLC through which they have initially acquired their shareholdings in the Company as described in sections 2.14, 3.7 and 7.2(n).
Assignment and Transfer	The obligations of Armada Gabon cannot be assigned, transferred or otherwise disposed of except with the prior consent of RCF.
Term	Unless otherwise provided for in the Deed, the obligation to pay the royalty will continue with respect to each Mining Right, for the full term of the Mining Right, including any successor Mining Right and throughout the period during which any Product can lawfully be extracted and recovered from the Mining Area and shall continue until Armada Gabon has satisfied all of its obligations to pay the Royalty in relation to the gross revenue.
Events of Default	On the occurrence of an event of default, RCF shall be entitled to declare all amounts outstanding under the Mineral Royalty Deed to be immediately payable, and/or terminate the Mineral Royalty Deed as per the procedure set out under the Mineral Royalty Deed.

10.15 ARMADA MAURITIUS AND RED TECHNICAL LIMITED – OUTSOURCING SERVICES AGREEMENT

Armada Mauritius entered into an outsourcing services agreement (**Outsourcing Services Agreement**) with RED Technical Limited (**RED**) for the provision of the services of Mr Thomas Rogers who is an employee of RED. The key provisions of this Outsourcing Services Agreement are set out below:

Subject	Provision
Services	Technical Services to the company managing exploration and drill programs on the projects in Gabon
Date of commencement	1 October 2021
Term	Indeterminate duration. Either party can terminate by giving 30 days' prior notice.
Fees	A monthly retainer of U\$ 10,000.
Reporting Line	Mr Thomas Rogers reports to the board of directors of Armada Mauritius.

10.16 ARMADA GABON – ARTICLES OF ASSOCIATION

Shareholders of Armada Gabon are bound by the terms of the Articles of Association of Armada Gabon dated 30 September 2021. As at the date of this Prospectus, the sole shareholder of Armada Gabon is Armada Mauritius.

The key provisions of the Constitution of Armada Gabon are summarised below:

Subject	Provision
Shareholding	Armada Gabon wholly owned by Armada Mauritius.
Share capital	The share capital is currently set at CFAF1,000,000 (being the statutory minimum share capital), divided into 100 shares with a value of CFAF10,000 each and fully paid up.
Object	Armada Gabon's object is stated as being, in Gabon or in any other country: <ul style="list-style-type: none"> ➤ prospecting, research and exploitation of all useful minerals; and ➤ in general, the realisation of any commercial, industrial, financial, movable property or real property transactions, of whatever nature they may be, directly or indirectly related to Armada Gabon's corporate object, or likely to promote the development and expansion of the Armada's business.
Management	Armada Gabon is managed by one or several managers, natural persons. Clause 11 of the Constitution provides for the appointment and the remuneration of the manager(s). The manager(s) are vested with the widest powers to act under all circumstances on behalf of Armada Gabon. Where the manager is not Armada Gabon's sole shareholder, he may not mortgage the company's building or pledge the company's business without having been authorised to do so by the sole shareholder.

Subject	Provision
Capital increases/reductions	The share capital of Armada Gabon may be increased or reduced under the conditions provided for by clause 8 of the Constitution.
Transfers of shares	The transfer of shares by the sole shareholder is free. Clause 10 of the Constitution sets out the relevant rules for the transmission of shares.
Sole Shareholder meetings	The sole shareholder exercises the same powers and prerogatives as those of the general meeting in a company of more than one shareholder. Clause 15 of the Constitution sets out the sole shareholder's rights with respect to voting.
Related party transactions / forbidden agreements	<p>Agreements entered into between the sole shareholder and Armada Gabon must be recorded in the register of deliberations. The transactions entered into between Armada Gabon and one of its managers are subject to the prior approval of the sole shareholder in accordance with clause 12 of the Constitution. The provisions of this clause are not applicable to agreements relating to ordinary transactions concluded under normal terms.</p> <p>Any loan, cash advance or collateral or surety agreement entered into between Armada Gabon and one of its shareholder or manager other than a legal person is null.</p>
Financial year	1 January to 31 December.
Dividends	To be decided by the sole shareholder (after withholding of at least one-tenth of the profits to a statutory reserve fund) in accordance with clause 18 of the Constitution.
Statutory auditors	Appointment by the sole shareholder in accordance with clause 14 of the Constitution.

10.17 ARMADA GABON – GABONESE EMPLOYMENT AGREEMENT – THOMAS PUCHEU

Armada Gabon entered into an employment agreement dated 27 February 2015 with Thomas Pucheu (the **Employee**) with respect to his position as Manager (gérant) of Armada Gabon (the **Gabonese Employment Agreement**).

The Gabonese Employment Agreement contains terms and conditions considered standard for an agreement of this nature. However, clause 13 of the Gabonese Employment Agreement in relation to the termination of this agreement is not fully compliant with Gabonese law, may not be fully enforceable and the Employee may notably be entitled to greater termination payments than provided in this clause. Under the laws of the Republic of Gabon, the Gabonese Employment Agreement should have been approved by the sole shareholder as a related party transaction prior to its signing. It must be ratified by the sole shareholder based on report of Armada Gabon's statutory auditor no later than 30 June 2022. The Gabonese Employment Agreement is also subject to (i) a work permit from the Minister in charge of Employment which was granted to the Employee in 2015 for a 2 year term, successfully renewed twice in August 2017 and August 2019, which has expired in August 2021 and is currently under renewal and (ii) an employment contract authorisation from the Minister in charge of Employment to be renewed upon each renewal of the work permit. If not renewed, the Gabonese Employment Agreement will have to be terminated and Thomas Pucheu will need to be replaced. The material terms of the Gabonese Employment Agreement are as follows:

Subject	Provision
Duties/Obligations	<p>The Employee shall exercise his functions loyally and comply with Armada Gabon's directions in relation to the business of Armada Gabon and as the latter may confer upon or assign to him.</p> <p>The Employee shall observe and comply with the Gabonese Employment Agreement's obligations, Armada Gabon's internal regulation, and all standards in the areas of safety, health, environment and community.</p>
Location	Libreville (Republic of Gabon) – subject to any change in the rest of the Republic of Gabon as required in connection with the performance of his duties.
Term	No fixed term. Ongoing until terminated.
Termination	<p>Termination by the Employee</p> <p>The Employee may terminate the Gabonese Employment Agreement by providing written notice of 2 months to Armada Gabon except in cases of force majeure.</p> <p>Termination by Armada Gabon</p> <p>Armada Gabon may terminate the Gabonese Employment Agreement without notice in any case (including cases of force majeure or gross fault). Except in cases of force majeure or gross fault Armada Gabon must pay a dismissal compensation in accordance with the Gabonese labour code and a termination fee which may not exceed 2 months of the Employee's salary.</p>
Professional secrecy	The Employee must observe professional secrecy during/after the Gabonese Employment Agreement.
Remuneration	<p>Initial gross annual remuneration of FCFA 105.906.000 (about \$185,000) plus bonus – subject to increases.</p> <p>Armada Gabon's sole shareholder decision dated 23 May 2016 reduced the Employee's remuneration by 44% but allowed him to dedicate half of his working time to projects other than Armada Gabon's business.</p>
Negative covenants	During the term of the Gabonese Employment Agreement, the Employee must not, without the prior written consent of Armada Gabon, be directly or indirectly employed, engaged or interested in any business, other than pursuant to the Employee's employment with Armada Gabon. Armada Gabon's sole shareholder decision dated 23 May 2016 allowed the Employee to dedicate half of his working time to projects other than Armada Gabon's business.
Governing Law	Gabonese law
Jurisdiction	Gabonese courts

10.18 ARMADA GABON – MINING AGREEMENTS

Armada Gabon and the State of Gabon, represented by the minister in charge of mines and the minister in charge of economy, entered on 5 November 2021 into two mining agreements in respect of Tenement G5-150 and G5-555 in accordance with the 2019 Mining Code.

The signed mining agreements are substantively similar for the two Tenements. The key provisions of the two mining agreements are set out below:

Subject	Provision
Effective Date and Duration	<p>Each mining agreement came into force on the date of its signature (5 November 2021) and applies retroactively from the date the related Tenement was granted.</p> <p>Subject to early termination, each mining agreement remains valid for the duration of the related Tenement (including any renewals).</p>
Purpose	<p>To set out the technical, financial, legal, tax and customs provisions for mining exploration by Armada Gabon under Tenements G5-150 and G5-555 respectively.</p> <p>To provide essential guarantees and obligations related to mining exploration.</p> <p>To set out the State's control rights.</p>
Use of local workforce and suppliers	<p>Armada Gabon must give priority to the employment of Gabonese nationals (at least 75% of local workforce if available), facilitate the employment of local communities and provide training and staff development to its employees.</p> <p>Armada Gabon must give priority to local subcontractors when their terms of business are similar to those of foreign suppliers.</p>
Protection of the environment	<p>Armada Gabon must conduct its activities in accordance with good practices in the international mining industry for similar projects.</p>
Financial and Legal Guarantees	<p>Armada Gabon is granted various guarantees for the duration of the mining agreements including guarantees relating to its corporate structure and management, freedom of choice of suppliers and contractors, and freedom to transfer dividends and invested capital outside of Gabon.</p>
Legal and tax stabilisation	<p>The State of Gabon warrants to Armada Gabon that general administrative, legal, fiscal and customs conditions applicable on the date of entry into force of the mining agreements will remain stable for the duration of the mining agreements.</p>
Material adverse change	<p>In case of technical difficulties or serious unforeseeable events, external to Armada Gabon and attributable to the State of Gabon or not, negatively affecting the economic and financial conditions of mining exploration, the parties must, at the request of either of them, renegotiate the terms of the mining agreement to re-establish the required conditions for the exploration activities.</p> <p>If, after 6 months, an agreement is unlikely and the deteriorated conditions remain, Armada Gabon may terminate the relevant mining agreement.</p>
Armada Gabon's obligations	<p>Armada Gabon's obligations include:</p> <ul style="list-style-type: none"> ➤ to submit periodic work and expenditures programmes; ➤ reporting obligations;

Subject	Provision
Tax Regime	<p>Armada Gabon is subject to the tax regime set under the mining agreements.</p> <p>In particular, Armada Gabon is exempt from:</p> <ul style="list-style-type: none"> ➤ corporate income tax and personal income tax, including the flat-rate minimum tax; ➤ any tax on income from movable capital; ➤ business tax; ➤ property taxes on built and unbuilt properties; ➤ withholding tax on services provided by foreign service providers from the second period of validity of the title. ➤ VAT on importation of goods for mining operations as well as services not available on the local market <p>Armada Gabon remains subject to:</p> <ul style="list-style-type: none"> ➤ surface fees; and ➤ fixed fees.
Customs Regime	<p>Armada Gabon is subject to the customs procedures applicable under the Gabonese customs code.</p> <p>Customs exemptions are granted on customs fees and VAT for the import into Gabon of all materials, machinery, tools and equipment required for the mining operations. Lists of services, goods and materials covered by the customs' exemption are attached to the mining agreements. These lists may be updated at Armada Gabon's initiative to take account new services, equipment and materials used by Armada Gabon.</p>
Mining exploitation	<p>The State guarantees to Armada Gabon the granting of an exploitation licence in case of discovery of an economically exploitable deposit, subject to the submission of valid feasibility study and environmental impact study.</p> <p>A new mining agreement shall be signed for the exploitation phase.</p>
Dispute Resolution	<p>Disputes under the mining agreements shall be settled, in the absence of an amicable settlement, by international arbitration organised under the rules of the International Centre for the Settlement of Investment Disputes (ICSID).</p>

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Source: iStock image, map of Gabon.

SECTION 11

Additional Information

11.1 LITIGATION

As at the date of this Prospectus, no Group Company is involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against any Group Company.

11.2 RIGHTS ATTACHING TO SHARES

The Shares issued under this Prospectus will rank equally with the fully paid ordinary Shares in the Company already on issue. The rights attaching to these Shares are governed by the Constitution, Corporations Act, ASX Listing Rules and any other applicable laws. At present, the Company only has one class of share on issue, being fully paid ordinary shares.

Below is a non-exhaustive summary of the material rights of holders of Shares:

Subject	Overview
Issues of Shares	<p>Subject to the Constitution, the Corporations Act, ASX Listing Rules and any special rights conferred on the holders of any existing shares or class of shares:</p> <ul style="list-style-type: none"> ➤ shares in the Company may be issued or otherwise disposed of by the Board in the manner that the Board thinks fit; and ➤ any shares may be issued with preferred, deferred or other special rights or restrictions and on terms and conditions as the Board determines.
Variation of rights	<p>Subject to the ASX Listing Rules, if at any time the share capital of the Company is divided into different classes of shares, the rights that are attached to the shares in a class of shares may, unless their terms of issue state otherwise, be varied or cancelled:</p> <ul style="list-style-type: none"> ➤ with the written consent of holders of shares in that class, who hold at least 75% of the votes in that class; or ➤ with the sanction of a special resolution passed at a meeting of holders of shares in that class.

Subject	Overview
Transfer of Shares	<p>Subject to the Constitution, a shareholder may transfer any or all of their shares. A person transferring any of their shares remains the holder of those shares until the Company registers the transfer and the name of the person to whom those shares are sold is recorded in the Company's register of shareholders.</p> <p>The Board:</p> <ul style="list-style-type: none"> ➤ may, in their absolute discretion, decline to register a transfer of shares, in any circumstances permitted by the Corporations Act, ASX Settlement Rules or other relevant law; and ➤ must decline to register a transfer of shares that are Restricted Securities during the relevant period within which they are restricted from being transferred, except as permitted by the ASX Listing Rules or ASX. <p>The Board may suspend registration of transfers of shares in the Company at the times and for the periods they determine. The periods of suspension must not exceed 30 days in any one calendar year.</p>
General meetings	<p>Each shareholder is entitled to receive notice of, attend and vote at general meetings of the Company.</p>
Voting	<p>Subject to the Constitution, Corporations Act and other relevant laws, and to any rights or restrictions attaching to any class of shares, the shareholders may vote at meetings of shareholders as follows:</p> <ul style="list-style-type: none"> ➤ on a show of hands, each shareholder has one vote; and ➤ on a poll, each shareholder has one vote for each fully paid share, and for each partly paid share, a shareholder will have a fraction of a vote equivalent to the proportion that the amount paid on the share bears to the total issue price of that share. <p>A resolution put to the vote at a meeting of shareholders must be decided on a show of hands unless a poll is demanded.</p> <p>A shareholder is not entitled to vote unless all calls due and payable in respect of their shares have been paid.</p> <p>If a share is held jointly, and more than one shareholder votes in respect of that share, then only the vote of the shareholder whose name appears first in the register of shareholders will count.</p>
Dividends	<p>The Board may declare or pay dividends as it sees fit.</p> <p>If the Board declares or determines that a dividend is payable, it may fix the amount, time for payment and method for payment. The methods for payment may include payment of cash, issue of shares and the transfer of assets.</p>
Winding up	<p>If the Company is wound up, the liquidator may, by special resolution passed by the shareholders:</p> <ul style="list-style-type: none"> ➤ divide among the shareholders the Company's assets, whereby the liquidator will determine how to carry out the division of those assets between shareholders; and/or ➤ vest all or any of the Company's assets in a trustee on trusts determined by the liquidator for the benefit of the shareholders and other contributories.

The above summary assumes that the Company is admitted to the Official List.

11.3 TERMS OF UNLISTED OPTIONS

The Company has issued a total of 8,150,000 Unlisted Options to the Directors, employees, consultants and Tremont Master Holdings (**Unlisted Options**). In addition, as at Admission the Company will have on issue 3,330,000 Unlisted Options held by each of Cobre Limited, Metal Tiger PLC, and RCF Opportunities Fund L.P. (9,990,000 Unlisted Options in total) on substantially similar terms. The material terms that apply to Unlisted Options issued by the Company are summarised below:

Subject	Overview
Unlisted Option	Each Unlisted Option entitles the option holder to acquire one ordinary fully paid Share in the Company, subject to the payment of the Unlisted Option exercise price of AUD \$0.334 for each Unlisted Option (Exercise Price).
Exercise of Unlisted Option	<p>Of the 500,000 Unlisted Options that have been granted to Thomas Pucheu, 100,000 will vest on Admission, 200,000 will vest on the first anniversary of the date of the Company's Admission to the Official List and 200,000 will vest on the second anniversary of the date of the Company's Admission to the Official List, subject to his continued employment by an entity in the Armada Group and the Board's discretion. These Unlisted Options will expire on 5:00pm on the date that is five years after the date of the Company's Admission.</p> <p>All other Unlisted Options are exercisable at any time between the date of the Company's Admission to the Official List and 5:00pm on the date that is five years after the date of the Company's Admission. If the Unlisted Options are not exercised within this period, they will otherwise lapse.</p> <p>The Company must issue the relevant number of Shares to the option holder subject to receipt of a properly executed exercise notice and payment of the Exercise Price.</p> <p>The Shares allotted pursuant to the exercise of an Unlisted Option will rank equally with the then issued Shares of the Company.</p>

11.4 TERMS OF BROKER OPTIONS TO BE ISSUED TO THE JOINT LEAD MANAGERS

Pursuant to the terms of the Joint Lead Managers Mandate summarised in Section 10.5 of this Prospectus, the Company is required to issue the Joint Lead Managers with Broker Options upon Admission of the Company to the Official List, on the following terms:

- the amount of Broker Options must equate to 5% of the total number of shares on issue upon completion of this Offer;
- the exercise price of the Broker Options are \$0.25 per Broker Option; and
- the Broker Options will expire 25 months after the date of the Company's Admission to the Official List.

The Broker Options will be treated as Restricted Securities for a period of two years from Admission.

11.5 INTERESTS OF PROMOTERS, EXPERTS AND ADVISORS

Other than as set out below or elsewhere in this Prospectus, no:

- person named in this Prospectus as performing a role in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

- the formation or promotion of the Company; or
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- the formation or promotion of the Company; or
- the Offer.

CSA Global has acted as Independent Geologist and has prepared the Independent Geologist Report, which is included in Section 5 of this Prospectus. Mr Tony Donaghy, an experienced geologist, has compiled the report on behalf of CSA Global. The Company estimates it will pay CSA Global a total of \$25,455 (excluding GST) to prepare the Independent Geologist Report. During the 24 months preceding lodgement of this Prospectus with ASIC, neither CSA Global, nor Mr Tony Donaghy, have received fees from the Company for any other services. CSA Global does not directly or indirectly hold an interest in the Company.

CRU International (Australia) Pty Ltd (**CRU**) has prepared the Industry Overview Report which is included in Section 4 of this Prospectus. The Company has paid CRU a total of \$42,000 (excluding GST) to prepare this report. During the 24 months preceding lodgement of this Prospectus with ASIC, CRU has not received any fees from the Company for any other services.

Ernst & Young has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report, which is included in Section 9 of this Prospectus. The Company will pay a fee of approximately \$50,000 (excluding GST) for services in connection with the Independent Limited Assurance Report and as Investigating Accountant. Ernst & Young has also been appointed to act as the Auditor to the Company. During the 24 months preceding lodgement of this Prospectus with ASIC, Ernst & Young has received, or is due to receive, approximately \$120,000 (excluding GST) in connection with the audit of the consolidated financial statements of Armada Mauritius. Ernst & Young has not received any other fees from the Company.

Canaccord and PAC Partners have acted as the Joint Lead Managers to the Offer. The Joint Lead Managers will receive fees of up to \$360,000 at the Minimum Subscription and up to \$480,000 at the Maximum Subscription (exclusive of GST) following the successful Completion of the Offer for its services as Joint Lead Managers to the Offer. Upon Admission, the Joint Lead Managers will also receive Broker Options equating to 5% of the total number of shares on issue upon completion of this Offer that are convertible to Shares at an exercise price of \$0.25 each. The terms of the Broker Options are set out in Section 11.4 of this Prospectus.

Simmons & Simmons and Project Lawyers have acted as the Company's Gabonese legal advisor and joint tenements solicitor and has prepared the Solicitor's Report on Tenements in Section 6 of this Prospectus. The Company estimates it will pay Simmons & Simmons and Project Lawyers a total of U\$100,000 for these services.

Further, Simmons & Simmons has acted as the German legal advisor to the Company in relation to the Offer. The Company estimates it will pay Simmons & Simmons €32,000 for these services in relation to the Offer.

Other than as set out above, During the 24 months preceding lodgement of this Prospectus with ASIC, Simmons & Simmons & Project Lawyers have not received any other fees from the Company.

Bowmans (Mauritius) has acted as the Company's Mauritian legal advisor in relation to the Offer. The Company estimates it will pay Bowmans (Mauritius) a total of U\$26,620 for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Bowmans (Mauritius) has been the legal advisor to the Armada Mauritius for which it has received fees of approximately U\$4,080.

Henry William Lawyers has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Henry William Lawyers \$150,000 (excluding GST) for these services in relation to the Offer. During the 24 months preceding lodgement of this Prospectus with ASIC, Henry William has been the legal advisor to the Company for which it has received fees of approximately \$105,270 (excluding GST and disbursements).

Maroela Holdings Pty Ltd ABN 58 602 703 195 (**Maroela**) has provided prospectus typesetting, marketing, website design and social media services to the Company in relation to the Offer. In connection with the services provided by Maroela pursuant to the Offer, the Company estimates that it will pay Maroela the sum of \$28,500 (excluding GST). Other than as set out above, during the 24 months preceding lodgement of this Prospectus with ASIC, Maroela has not received any other fees from the Company.

Boardroom has provided share registry services to the Company in relation to the Offer. In connection with the services provided by Boardroom pursuant to the Offer, the Company estimates that it will pay \$3,500 (excluding GST). Further, Boardroom has provided company secretarial services to the Company in relation to the Offer, the Company estimates that it will pay \$16,000 (excluding GST). Other than as set out above, during the 24 months preceding lodgement of this Prospectus with ASIC, Boardroom has not received any other fees from the Company for any services.

11.6 CONSENTS

Each of the parties referred to in this Section:

- does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

CSA Global has given its written consent to being named as Independent Geologist in this Prospectus, to the inclusion of the Independent Geologist Report in Section 5 of this Prospectus, and to all statements referring to that report in the form and context in which they appear. CSA Global has not withdrawn this consent before the lodgement of this Prospectus with ASIC. CSA Global has also given its written consent to the inclusion of statements contained in the Chairman's Letter, Section 1 and Section 3 of this Prospectus in the form and context in which those statements appear. CSA Global has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Ernst & Young has given its written consent to being named as Auditor and Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Section 9 of this Prospectus, in the form and context in which the information and report is included in this Prospectus, and to all statements referring to that report in the form and context in which they appear. Ernst & Young has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Henry William Lawyers has acted as the solicitors to the Company in relation to the Offer. Henry William Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus. Henry William Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Simmons & Simmons and Project Lawyers has acted as joint legal advisors to the Company in relation to Gabonese legal issues in relation to the Offer, as well as the Company's joint tenements solicitor and has prepared the Solicitor's Report on Tenements, which is included in Section 6 of this Prospectus. Simmons & Simmons and Project Lawyers have given their written consents to being named as the solicitors to the Company in relation to the Gabonese legal issues and Tenements in this Prospectus and to the inclusion of the Solicitor's Report on Tenements in the form and context in which it is included in Section 6. Simmons & Simmons and Project Lawyers have not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Further, Simmons & Simmons has acted as legal advisors to the Company in relation to German legal issues. Simmons & Simmons has given its written consent to being named as German legal advisors to the Company in this Prospectus. Simmons & Simmons has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Bowmans (Mauritius) has acted as legal advisors to the Company in relation to Mauritian legal issues. Bowmans (Mauritius) has given its written consent to being named as Mauritian legal advisors to the Company in this Prospectus. Bowmans (Mauritius) has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

CRU has prepared the Industry Overview Report and has given its written consent to the inclusion of the Industry Overview Report in Section 4 of this Prospectus in the form and context in which the information and report is included in this Prospectus, and to all statements referring to that report in the form and context in which they appear. CRU has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Canaccord and PAC Partners have acted as Joint Lead Managers to the Offer. Canaccord and PAC Partners have given their written consents to being named as Joint Lead Managers in the form and context in which it is included in this Prospectus. Neither Canaccord nor PAC Partners has withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Boardroom has given its written consent to being named as the share registry and provider of secretarial services to the Company in this Prospectus. Boardroom has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Ms Vanessa Chidrawi has given her written consent to being named as the company secretary to the Company in this Prospectus. Ms Chidrawi has not withdrawn her consent prior to the lodgement of this Prospectus with ASIC.

Maroela has acted as marketing, website design and social media consultant to the Company in relation to the Offer. Maroela has given its written consent to being named as marketing, website design and social media consultant to the Company in the form and context in which it is included in this Prospectus. Maroela has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Cobre Limited, Metal Tiger PLC and RCF Opportunities Fund L.P. have each given their written consent to being named as a major shareholder in the Company in this Prospectus and have not withdrawn their consents prior to the lodgement of this Prospectus with ASIC.



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Source: iStock image, Nickel and copper are used extensively in the green energy industry including energy storage and solar power.

SECTION 12

Directors Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.

A handwritten signature in green ink, appearing to read "Rick Anthon".

Rick Anthon

Chairman and Non-Executive Director

For and on behalf of

Armada Metals Limited

13

28

Ni

Nickel

58.6934

Source: iStock image, Nickel element

SECTION 13

Glossary

Admission	means the date on which the Company is admitted to the Official List.
Application	means a valid application to subscribe for Shares under this Prospectus.
Application Form	means the application form attached to or accompanying this Prospectus relating to the Offer.
Application Monies	means application monies received by the Company from an applicant.
Armada Gabon	means Armada Exploration Gabon SARL, an entity incorporated under the laws of the Republic of Gabon with number RG LBV 2011B10488 and a subsidiary of the Company.
Armada Germany	means Armada Metal Germany GmbH, a German limited liability company with registered office in Frankfurt am Main, registered in the commercial register of the local court (Amtsgericht) of Frankfurt am Main under HRB 122661.
Armada Mauritius	means Armada Exploration Limited, an entity incorporated under the laws of Mauritius with company registration number C 126259 C1/CBL and a subsidiary of Armada Germany.
Armada Group	means the Company and each of its subsidiaries.
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the financial market operated by ASX Limited, as the context requires.
ASX Listing Rules	means the official listing rules of ASX.
ASX Recommendations	means the 4th edition of ASX's Corporate Governance Principles and Recommendations, February 2019.

ASX Settlement Rules	means the operating rules of ASX Settlement Pty Ltd ACN 008 504 532 and, to the extent that they are applicable, the operating rules of ASX and the operating rules of ASX Clear Pty Ltd ACN 001 314 503.
Broker Options	means the options that will be issued by the Company upon Admission pursuant to the Joint Lead Managers Mandate, the terms of which are set out in Section 11.4 of the Prospectus.
Board	means the board of directors of the Company, as constituted from time to time.
Canaccord	means Canaccord Genuity (Australia) Limited ACN 075 071 466 and holder of Australian Financial Services Licence number 234666.
Closing Date	means the date on which the Offer is expected to close, being 24 November 2021 AWST (this date may be varied without notice).
Company (or Armada Metals)	means Armada Metals Limited ACN 649 292 080.
Completion of the Offer	means the allotment of all the Shares offered under this Prospectus.
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company as at the date of this Prospectus.
Duty	means any stamp, transaction or registration duty or similar charge imposed by any government agency.
Exposure Period	means the period of seven days after the date of lodgement of this Prospectus, which may be extended by ASIC for a further period of up to seven days pursuant to section 727(3) of the Corporations Act.
Future Metals Group	means Future Metals Group Pty Ltd ACN 627 338 845.
Group Company	means any entity within the Armada Group.
Henry William Lawyers	means Henry William Lawyers Pty Ltd ACN 615 850 425.
Independent Geologist (or CSA Global)	means CSA Global Pty Ltd ACN 077 165 532.
Independent Geologist Report	means the independent geologist report set out in Section 5 of this Prospectus.
Joint Lead Managers	mean Canaccord and PAC Partners.
Joint Lead Managers Mandate	has the meaning given in Section 10.5 of this Prospectus.

Maximum Subscription	has the meaning given in Section 2.1 of this Prospectus.
Mineralisation	means an area where a particular mineral, or group of minerals, is concentrated.
Minimum Subscription	has the meaning given in Section 2.1 of this Prospectus.
Nyanga Project	means the areas covered by the Tenements, prospective for magmatic nickel-copper sulphide in the Nyanga province in the Republic of Gabon.
Offer	has the meaning given in Section 2.1 of this Prospectus.
Offer Conditions	has the meaning given in Section 2.4 of this Prospectus.
Offer Period	means the period during which investors may subscribe for Shares under the Offer.
Official List	means the official list of ASX.
Official Quotation	means official quotation by ASX in accordance with the ASX Listing Rules.
Offer Price	means \$0.20.
Options	means the Unlisted Options and the Broker Options.
PAC Partners	means PAC Partners Securities Pty Limited ACN 623 653 912 and holder of Australian Financial Services Licence number 335374.
Prospectus	means this document dated 9 November 2021 and any replacement or supplementary prospectus in relation to this document.
Restricted Securities	means existing Securities on issue in the Company that are subject to the restricted securities provisions of the ASX Listing Rules.
Securities	has the meaning given in the Corporations Act, and 'Security' has a corresponding meaning.
Share	means a fully paid ordinary share in the capital of the Company.
Share Registry (or Boardroom)	means Boardroom Pty Limited ACN 003 209 836.
Tenements	means the two exploration licences G5-150 and G5-555 held by Armada Gabon, the details of which are set out in Table 3.1 of this Prospectus.
Unlisted Options	means the unlisted options with the terms of issue set out in Section 11.3 of this Prospectus.

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Annexure A

General Mining Framework in Gabon Report

*Source: Unsplash
image, copper reel*



GENERAL MINING FRAMEWORK IN GABON¹
(29 October 2021)

I – General Gabonese Mining Framework

1.1 – Mining regulations

Under the Constitution, mining is an activity which needs to be regulated by an Act of Parliament; this is how Mining Codes are adopted and amended from time to time in Gabon.

Since July 2019, mining law in Gabon has been regulated by a 2019 Mining Code enacted by Law No. 37/2018, replacing the former 2015 Mining Code. This law provides for the legal, institutional, technical, economic, customs and tax regimes of the Gabonese mining sector.

This 2019 Code is aimed at, notably:

- promoting good governance and transparency in mining industry;
- granting and managing equally licences according to strategic objectives and to earth planning;
- granting absolute protection of valid mining licences;
- ensuring automatic State participation in the share capital of mining companies in production;
- promoting international good practice in the mining industry;
- promoting industrial responsibility and indemnification of damages caused by mining industry;
- promoting social responsibility;
- sharing of production in exploitation phase;
- offering tax incentive and warranty;
- ensuring tracability and optimisation of mining revenues;
- developing abandoned mines and rehabilitating mining sites;
- ensuring compliance with health, safety and environment rules;
- ensuring compliance with human rights;

¹ The content of this general memorandum is for information purpose only and is not aimed as being implemented without prior and detailed consideration of personal situation of any reader without the assistance of a professional consultant. It is not complete and does not therefore deal with all matters faced by a mining company. It does not either constitute a recommendation to invest in or disinvest from a Gabon mining company. Project Lawyers shall not be liable for any direct, any indirect or consequential damages of the investment of any reader.



- promoting local content and local mining investors;
- ensuring non-discrimination between operators;
- promoting and protecting mining investments.

This 2019 Mining Code will be completed by implementation decrees yet to be adopted, but some of its provisions are sufficiently detailed to be already implemented with thanks to, in particular, a mining convention to be negotiated with the State.

Gabon is also working on the EITI, which may explain why the new Mining code notably insists on good governance, transparency, equality of treatment, QHSE, revenues sharing and local content.

1.2– Other domestic and international applicable legislation

Obviously, other additional sets of Gabonese legislation will have to be combined with the 2019 Mining Code when dealing with a mining project. Some of them may be domestic legislation, such as tax law, environmental law, sustainable development law, land law, social law, administrative law and others, others may derive from regional and/or international regulations regarding notably customs, foreign exchange regulations, investment or Pan-African business law.

1.2.1 – Cemac Custom code

For the purpose of their mining activities, mining companies may import some equipment unavailable in the local market and benefit from the special customs regime provided by the regional CEMAC Customs Code applicable in Gabon.

The customs regime applicable under the exploration title refers to the normal temporary admission customs regime (*Admission Temporaire Normale – ATN*) that applies to duty-free importations of plant, material, supplies, machinery and equipment, and commercial vehicles (except vehicles used for staff transportation) imported by the mining company and its subcontractors, subject to be re-exported at the end of their local utilisation.

The customs regime applicable under the mining title provides that companies carrying out activities under the exploitation phase may benefit from (i) the Special Temporary Admission Regime (ATS), allowing partial payment of customs duties for the machinery, equipment and commercial vehicles (except for vehicles used for staff transportation) used for the implementation of the exploitation until the first sale, which are used and imported into Gabon, and (ii) the 5% reduced customs duty applicable to definite imports of goods, equipment and their spare parts destined for the exploitation of the deposit.

Some goods and consumables needed for local processing may sometimes be fully exempted from customs duties. Other material and equipment, including those used directly and definitely for the mining exploitation and consumables destined for exportation, are subject to the common customs duties.

1.2.2 CEMAC Investment charter

The CEMAC Investment Charter regulates direct foreign investment and direct investment abroad in the CEMAC zone.

Through the Gabonese Investment Charter, the Gabonese Government guarantees to every person, whose investment is presented or performed in accordance with current legislation, the protection of investments.

Depending on the origin of the investor, some bilateral investment treaties may also be applicable.

1.2.3 – CEMAC foreign exchange regulations

The 2018 CEMAC Act on foreign exchange regulations also need to be considered for any financial flux and investment within and towards Gabon, in particular when they provide for certain restrictions on the opening of foreign and local foreign currencies accounts and require the repatriation of export proceeds through local bank account(s).

1.2.4 – OHADA business law

OHADA regulations, common to 17 Subsaharan African States (including Gabon), may also impact mining projects as far as notably incorporation of mining companies, business law, arbitration and mediation law, security instruments, accounting, transportation by roads are concerned.

II – Gabonese Mining Authorities

Under the 2019 Mining Code, several State actors may be involved in the mining industry:

■ **The Ministry of Mines**

The Minister of Mines (also in charge of Hydrocarbons) is Mr Vincent de Paul Massassa who is supported by the Department of Mines. The mining titles are delivered by or under the supervision of the Ministry of Mines and negotiation and signature of mining conventions fall also under the Ministry of Mines authority.

■ **The regulatory authority**

■ **The national operator, *Société Equatoriale des Mines (SEM or Gabon Mining)***

The national company is a State owned commercial company which sometimes holds and manages State participations in mining sector.

■ **Consulting bodies**

Special commissions and committees to be established by regulatory texts may also assist the State in the implementation of its mining policy.

The specific roles of each of the authorities and bodies above are however to be detailed in specific regulations.



III- Gabonese Exploration and Exploitation Titles and Conventions

Mines are defined by the 2019 Mining code as being mineral substances used as raw material in the industry or used for energy source. The 2019 Mining Code does not deal with hydrocarbons which are ruled by a specific hydrocarbons law No. 02/2019 of 16 July 2019.

Any person who can demonstrate his technical and financial capabilities is entitled to apply for mining titles. However, an applicant for a mining title (exploration permit, exploitation permit or concession) needs to have a local entity registered in Gabon, by incorporating a local subsidiary in Gabon, a public company by shares as far as exploitation permit is concerned.

Small mines (which criterion remain to be defined by Decree) are reserved to national companies and companies which national shareholding is at least 35% while others are offered to any applicant who can demonstrate his technical and financial capabilities,² bearing in mind that the State has a right for a 10% participation in any exploitation permit and a 25% option at market price.

Exploration and exploitation permits are granted for specific mineral resources provided within the relevant authorisation or the mining title in question. If some secondary minerals not listed in the mining title are found during exploration and/or exploitation, they need to be declared to the Mining Administration and a new application for such substances may be submitted by the person who found them. Residue deposits can also be exploited.

The 2019 Mining Code provides for a centralised mining title registration office ("*cadastre minier*") to which any authorisation and mining titles regularly granted have to be transmitted and registered, but this is not in force yet waiting for implementation decrees of the 2019 Mining Code.

The below process may be completed by additional modalities for exploration and exploitation when mineral substances are qualified as precious, radioactive or strategic resources according to the 2019 Mining Code.

² Save otherwise stated, this memorandum does not deal with small mines

3.1 - Exploration

Exploration of mines is allowed in Gabon by any Gabonese company holding an exploration permit granted by Order of the Minister in Charge of Mines for a three-year period, renewable twice for further three-year periods.

Any exploration permit holder can only hold four exploration permits, save for in the case of diamonds where it is limited to two diamond exploration permits.

Exploration permits are limited to a surface of 1,500 km² each, but can be up to 5,000 km² for diamonds.

If some deposits are known, the State may decide that the granting of the exploration permit will be after a tendering process.

The exploration permit has to be completed within the year of its granting by a mining convention, providing for, notably: technical, legal, tax, economic, customs and financial conditions; commitments of parties regarding in particular minimum work; and budget commitments and restoration of sites, according to a model of the mining convention complying with the 2019 Mining Code. It is worth noticing however that despite this provision and several requests by mining companies, the State is not keen to negotiate such an exploration mining convention, so that few exploration mining companies have such a convention signed as of today.

In the event of commercial discovery of mineral substances within the scope of the exploration permit, only its holder can be granted an exploitation permit.

3.2 - Exploitation

The exploitation of mines in Gabon is done according to a mining title, which duration differs according to the size of the mines discovered and the expected duration of the mine's operation:

- exploitation permit for 10 years of exploitation, renewable for a period of five years; and
- exploitation permit for 20 years of exploitation, renewable for a period of 10 years.

Each of these exploitation titles is granted to a Gabonese affiliated public company by shares by a Presidential Decree for bloc of deposits in conditions to be detailed within implementation decrees (yet to be adopted) and in any case after feasibility and environmental impact studies.

The exploitation permit has to be completed within a year of its granting by a mining convention providing for, notably: technical, legal, tax, economic, customs and financial conditions; commitments of parties regarding in particular minimum work and budgets commitments; and restoration of sites, according to a model of mining convention complying with the 2019 Mining Code.



Effective exploitation of the mine has to begin within three years following the granting of its mining title, save if an extension is granted by the Mines Administration.

IV – Transfer and Encumbrances

4.1 – Direct and indirect transfer

Exploration and production permits may be assigned with the prior authorisation of the Ministry in charge of mines

The 2019 Mining Code provides under article 20 that any protocol, agreement or convention pursuant to which a mining title holder undertakes to transfer, assign partially or in full its rights and obligations to a third party must be subject to the prior approval of the Minister in charge of Mines.

For the application of the 2019 Mining Code, changes of direct or indirect control of a company holding a mining title are considered as transfers of authorisation or mining titles, with the exception of operations between affiliated companies which have been existing for 5 years or more.

This approval is formalised by an order of the Minister in charge of Mines, which must be issued within sixty (60) days of the application.

Failure to comply with these requirements may lead to the suspension or the withdrawal of the mining permits.

The State has a pre-emptive right in relation to assignment of a mining title. The State's pre-emptive right must be exercised within 60 days of notification by the transferor and does not apply to transfers between affiliates.

Regulations on foreign investment provide in any case that the direct or indirect change of control of a mining company for the benefit of a foreign investor is subject to a prior authorisation from the Minister in Charge of Finances.

4.2 – Encumbrances

According to the 2019 Mining Code, exploitation permits are considered a real estate property, as well as any assets used for the mining exploitation. They can therefore be mortgaged.

Residue deposits and products coming from the processing of mineral resources can also be pledged.

V – Main rights and obligations under Gabonese mining titles

5.1 – Rights to use the surface of land

Under the Mining Code, the holder of an exploration or mining title is authorised to use the surface of lands for the purpose of its mining operations by using forestry products, raw materials he found on land and constructing facilities, bridges and roads, subject to applicable law.

When the holder of an exploration or mining title is using products or infrastructures or facilities of a landowner or lawful occupier, it needs to negotiate with him conditions of use and inform the Minister in Charge of Mines if specific rights of way are necessary. If he creates damages to a lawful occupier, he needs to indemnify it. A specific mediation commission is provided within the Mining Code to solve such types of disputes.

5.2 Expropriation rights

As some facilities to be erected by a mining title holder may be declared of public utility according to the 2019 Mining Code, expropriation could be facilitated under Gabonese expropriation rules, in certain exceptional circumstances.

5.3 - Indemnisation

The holder of a mining title who, by mining activities, causes damage to the holder of title to land is required to compensate. However, the Constitution provides that property is an inviolable and sacred right and, therefore, no-one can be deprived except where public necessity, legally ascertained, obviously requires it, and with the condition of a just and prior indemnity.

To comply with this requirement, the Government has instituted several laws governing expropriation for public utility and a mediation commission to solve any dispute regarding damages made to neighbours.

5.4 – Local processing refining, beneficiation and export

The 2019 Mining Code provides that any holder of an exploitation license has to locally process mineral resources according to rate to be fixed in the mining conventions to be signed with the State.

The 2019 Mining Code provides that, in order to promote local content and processing of mineral substances, export of some processed mineral resources are exempted from the proportional mining royalties and that additional tax incentive could be provided in the mining convention (such as reduction of export duties capped in any case to 1%).

5.5 Local contents and ownership



Subject to the small mines, there are no restrictions for foreign ownership while the foreign applicant can demonstrate his technical and financial capabilities.

Any foreign investor controlling a mining company is however requested to apply for an investment authorisation to be granted by the Gabonese Minister in Charge of Economy, as well as submit a prior declaration for foreign investment according to foreign exchange regulations applicable in Gabon.

Requirements for ownership by indigenous persons or entities does not apply to big mines. However, if a mining operator is subcontracting a portion of its activities, such subcontractor should be controlled by at least 51% of nationals, if such local company can offer similar price and services conditions.

5.6 State free carry rights or options to acquire shareholdings

According to 2019 Mining Code, natural resources, in particular any mineral substances contained in the ground, the continental waters and in the marine domain of the national territory, remain the property of the State. As such, the State benefits from a free automatic participation of 10% in the share capital, free from all encumbrances and which cannot be diluted, of any mining company in the exploitation phase, save for the State's right to waive its rights.

The State also benefits from an optional participation for cash consideration in the share capital up to 25%.

In the event of transfer of mining titles to a third party, the State has also a pre-emptive right

VI – Environment, Health and Safety

6.1 – Environment

Prior to undertaking a mining activity, the investor must draft an environmental impact assessment (E.I.A.) of the project (exploration or mining of a mineral deposit) and wait for the technical approval of the Environmental Committee. The E.I.A. shall present the main aspects of the project and its impact on the environment and local population. It may also be considered a classified installation which needs to be authorised, in particular during the mining phase.

Under the Mining Code and the legislation on classified installations, mines need to be dismantled.

In order to take account of obligations resulting from the rehabilitation of sites and the protection of the environment, mining companies are allowed to deduct from their net

operating income as a result of the balance sheet a provision for environmental protection.

Procedures for the establishment of this provision, not subject to time restriction, are specified in the Mining Convention.

The holder of a mining licence may undertake early rehabilitation and development site security. General rehabilitation of the operating site must intervene progressively during the production phase or immediately after the end of mining according to the initial closure programme established for the application of the production mining title. The holder of a mining title also has to prepare a plan for the follow-up and the control of quality of rehabilitation of the production site.

When the public interest requires, a Decree of the President of the Republic, upon proposal of the Minister in Charge of Mines, may prohibit or authorise exploration or mining within and around certain specific areas under such mining titles.

It is prohibited to undertake, within a 200-meters radius of the dwelling, places of burial, sacred places and religious buildings, an exploration, mining gallery or surface work without the consent of the holder of the property or occupant in good faith.

If the mining area is within a national park, specific

6.2 – Health and safety

The Mining Code provides for general principles of QHSE and also refers to international practices. It is also supplemented by notably the Labour Code and the Decree establishing general rules of health and safety in the workplace and other regulations, such as protection against ionising radiation.

Every holder of a mining licence shall continue research diligently and according to the rules of the art used in the international mining industry. The mining convention also lays down specific duties and obligations of the holder of the mining title and determines which steps must be taken to protect the environment during and after completion of the development of the mining title.

VII – Taxes and royalties

Taxes are stabilised according to the 2019 mining Code under a mining convention for at least 10 year from the entry into force of a mining convention.

7.1 – Taxes

Mining companies carrying on mining activities in Gabon are subject to both specific mining fixed rate fees and royalties and duties which may vary in accordance with the mining activity phase and types of mineral resources in question



Mining companies are also liable to the common tax regime (corporate income tax at 30% on net profits, 20% withholding tax on foreign services providers, 20% distribution tax on dividends, 18% VAT, land contributions, tax on wages, stamp and registration duties, harbour fees, etc.), although the Mining Code may provide specific rules and may provide for certain tax holiday periods in particular for local processing and critical mining projects.

Some specific mining taxes apply to both exploration and mining titles (fixed fees and surface royalty payments), while others apply only to mining titles (proportional mining tax) according to rates which vary with the substances in question and the period in question.

7.2 – Royalties

As part of social responsibility and local content requirements, the 2019 Mining Code also requires a mining title holder to contribute to certain funds:

- mines support funded notably by mining royalties;
- local communities funded notably by mining royalties;
- provision for rehabilitation of sites which need to be put in a local bank account according to conditions to be set forth in the mining convention;
- 1% of the net profit for provisions for industrial responsibility, if no proper insurance can be provided.

VIII – Cancellation, relinquishment and abandonment

8.1 Abandonment

The holder of an exploration permit or an exploitation permit is entitled to totally or partially abandon his rights, provided it is done before the end of the term of the title in question and is notified to the State at least:

- 3 months before the end of the activities for an exploration permit, and
- 12 months before the end of the activities or an exploitation permit.

The 2019 Mining Code does not provide for any minimum period of time of activities before a holder of a mining title may decide to relinquish his rights.

8.2 Cancellation

Non-compliance by a mining title holder with his obligations may lead to sanctions which vary from mere penalties to withdrawal of the title in question, in the following main conditions listed in the 2019 Mining Code.

- (A) Exploitation activities conducted without an exploitation permit;
- (B) The exploration or exploitation activities are suspended or severely restricted for more than 12 months without legitimate reason;
- (C) The feasibility study demonstrates the existence of an economically exploitable deposit within the perimeter of the exploration permit, without being followed by exploitation within the time limits provided for by the Mining Law or the Mining Convention (as defined below);
- (D) Infringement of one of the provisions of the Mining Law;
- (E) Non-compliance with the clauses of the applicable Mining Conventions;
- (F) Failure by the holder to keep or produce the required registers;
- (G) Research or exploitation activity outside the perimeter of the mining title or for substances not provided for in the title;
- (H) Disappearance of the required financial guarantees or technical capacities;
- (I) Assignment, transfer or amodiation of all mining rights without the prior authorisation of the competent authority; or
- (J) Tax fraud.

The withdrawal is, however, effective only after the failure of the mining title holder to comply with obligations in question in a 60 day period as far as exploration permits are concerned, and 120 day period as far as exploitation permits are concerned.

IX – Sanctions and control

Sanctions and control are decided by the Mining Administration and other relevant Gabonese Administrations (Taxes, Customs, Environment...) according to their legislation. A right for a settlement agreement is usually recognised.

The non-compliance by the holder of mining title with his obligations may lead to sanctions which vary from mere penalties to non renewal or withdrawal of the title in question, in conditions listed in the new Mining Code such as:

- The transfer of the mining rights without the prior authorisation of the Minister in charge of Mines;
- Operate out of the perimeter of the area granted;
- The non-compliance of the provisions contained in the research or exploitation agreement;
- Suspend the operations for more than six months for research phase or more than twelve month for exploitation phase without a legitimate motives;
- Etc.



The withdrawal is, however, effective only after the failure of the mining title holder to comply with obligations in question in a period provided by the 2019 Mining Code according to the default in question.

X - Dispute Resolutions

Until mining conventions are in force and providing notably for arbitration clauses, any dispute between the Company and the Gabonese State is subject to the Gabonese courts through claims made to the Ministry of Mines, save if an amicable solution or an expertise has been decided by parties.

Appeal against mining administrative decisions follows the general rules of filing claims against any administrative decision: a prior claim needs to be filed in front of the issuing administration or its upper authority before any claims can be made in front of the competent administrative court.

If an arbitration is agreed between parties, foreign arbitration awards will be enforceable. However, to be enforceable, an exequatur awarded by the local competent judge is required in Gabon. Gabon has ratified the New York Convention on the Enforcement of Foreign Arbitral Awards.

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