



Quarterly Report

for the Quarter ended **December 2021**

Armada Metals Limited (ACN 649 292 080) (ASX: **AMM** or **Armada** or the **Company**) is pleased to provide a summary of activities for the December 2021 Quarter.

Over the Quarter, the Company successfully listed on the Australian Securities Exchange (ASX) after an oversubscribed Initial Public Offer (IPO) and commenced preparations for its 2022 exploration programs at the Nyanga Project in Gabon.

HIGHLIGHTS

- Preparations for a Diamond Drilling program of up to 3,000 meters (m) on Armada's highest priority targets are underway.
- Drilling contractor, Boart Longyear, has been secured with drill rigs planned to be mobilised to site in early 2022.
- Establishment of exploration camps and drilling sites has commenced.
- The upcoming drilling program is designed to test highly-priority electromagnetic conductors positioned along the 25 kilometre (km) prospective strike of the Libonga-Matchiti Trend (LMT). The LMT has never been previously explored for nickel and copper.
- The Company achieved a successful, oversubscribed IPO and commenced trading on the ASX on 15 December 2021 under the company code AMM, raising its maximum targeted amount of AUD \$10M.

Armada's Managing Director Dr Ross McGowan commented:

"The Company is excited to have achieved its successful listing on the ASX in December- a major company milestone which will enable the launch of Armada's planned drilling program in early 2022. We look forward to providing shareholders with exploration updates as we execute our initial drilling program on the Nyanga Project."

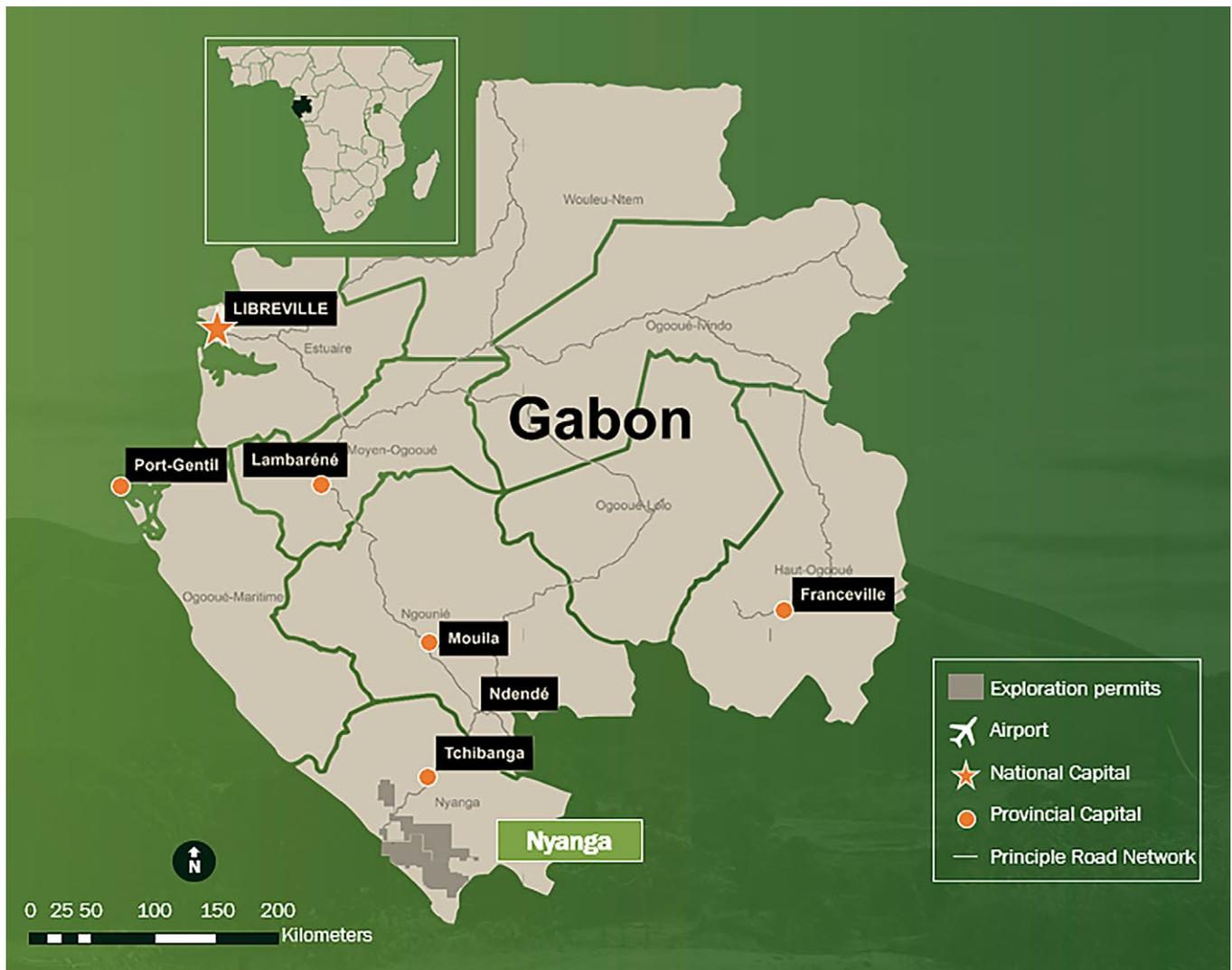


NYANGA NICKEL-COPPER PROJECT, GABON

Armada is advancing preparations to explore its prospective, 100%-owned, Nyanga Nickel-Copper (Ni-Cu) Project located in Southern Gabon. Covering a total of nearly 3,000km², the licence holding presents a district-scale, early-stage exploration opportunity for magmatic Ni-Cu sulphides (Figures 1 and 2 & Appendix 1).

Armada plans to drill test high-priority electromagnetic conductors positioned along the 25km strike of the Libonga-Matchiti Trend ('LMT'). The LMT has never been previously explored for nickel and copper.

Figure 1: The Nyanga Ni-Cu Project exploration permits



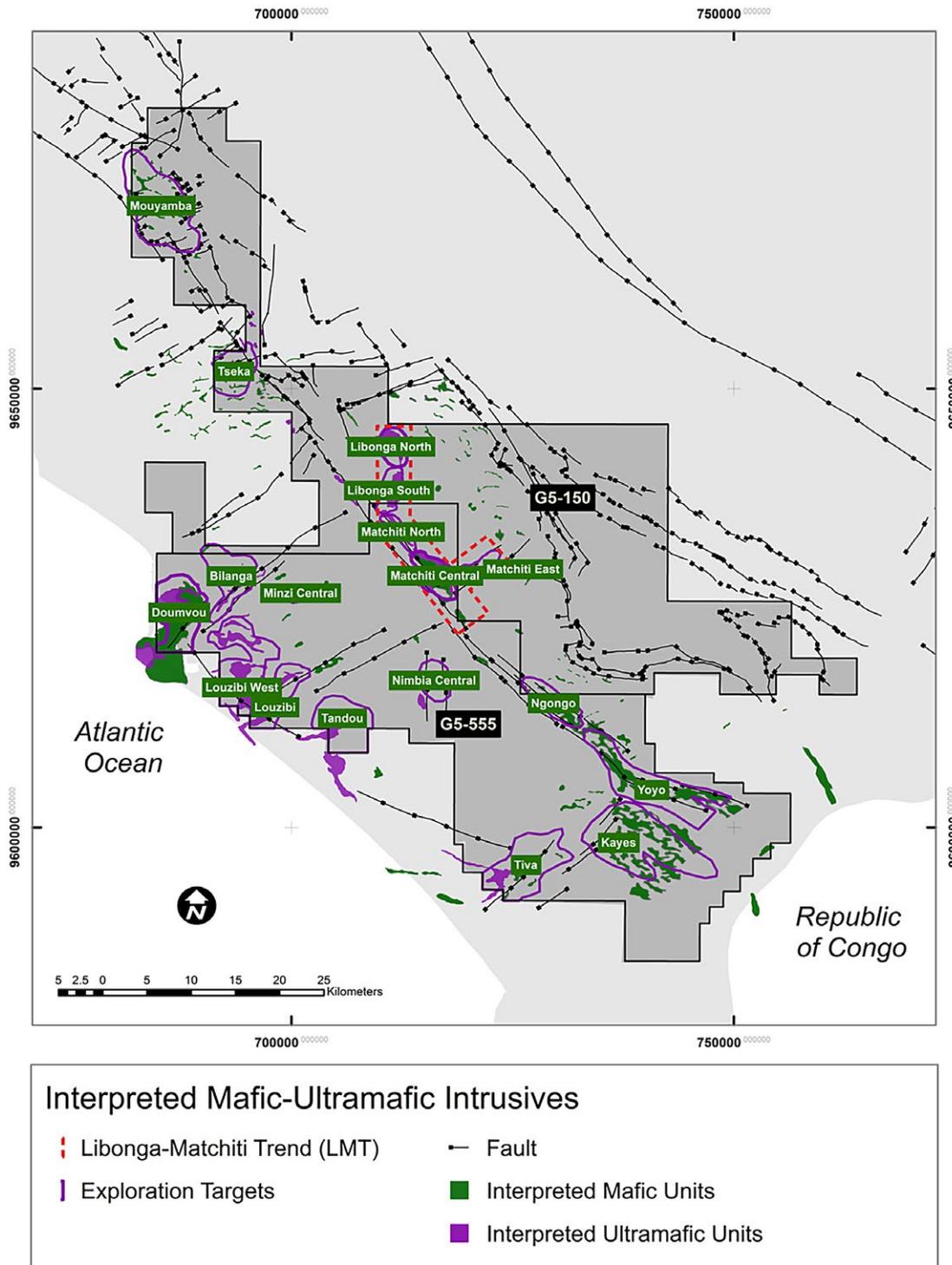
Priority Targets Identified Along the Libonga-Matchiti Trend

Prior to listing on the ASX, the Company completed a high-resolution airborne electro-magnetic (HTDEM) program over the LMT in Q1 2021 (Figure 3). The survey identified a series of moderate to high conductance anomalies with plates X-LBN04, X-LBN05, X-LBN06, X-LBN01, X-LBN02, X-MTC21, X-LBN07, and X-MTC20 (Table 1) subsequently selected for drill testing. A planned 12-hole (up to 3,000m) diamond drilling program is due to commence in early 2022.



The high conductance anomalies, with consistent positions along the margins of strongly magnetic units, are interpreted to be potentially sourced from massive sulphides in mafic-ultramafic bedrock. The upcoming drilling has been designed to test these conductors at shallow depths. Boart Longyear, a leading drill contractor, has been contracted to complete the drilling programs.

Figure 2: Interpreted Mafic-Ultramafic intrusives and Armada targets





PLANNED ACTIVITIES FOR Q1 2022

- Continued preparation of drilling sites and exploration camps at the priority Libonga North target and other sites along the Libonga-Matchiti Trend (LMT).
- Mobilisation of the drill rigs, equipment, and drilling personnel.
- Commencement of the Phase 1 drilling program along the LMT.

CORPORATE

- Armada Metals successfully listed on the ASX, commencing trading on 15th December 2021 under the company code AMM.
- The maximum targeted subscription of AUD \$10,000,000 was raised.

FINANCIAL

- During the Quarter, \$592,000 was spent on exploration including a USD \$400,000 deposit paid to Board Longyear which will be paid back during expected drill programs through drill cost.
- Payments totalling approximately \$252,000 were paid to related parties, mainly being directors and management fees including fees that had been accrued since the Company was incorporated in June 2021.

USE OF FUNDS

- As per ASX listing rule 5.3.4, the following is a summary of use of funds as a comparison between actual and the use of funds statement as detailed in the Company's prospectus:

	Prospectus	Dec-21	Total
Exploration	7,890,000	576,000	576,000
Working Capital	1,990,836	627,000	627,000
Expenses per offer	1,168,952	1,131,000	1,131,000
	11,049,788	2,334,000	2,334,000

- The working capital payments of \$627,000 include the payments of fees that had been accrued since the Company was incorporated in June 2021, but only became payable upon the company's admission to the ASX.

Table 1: 2021 – Xcite™ HTDEM plate results

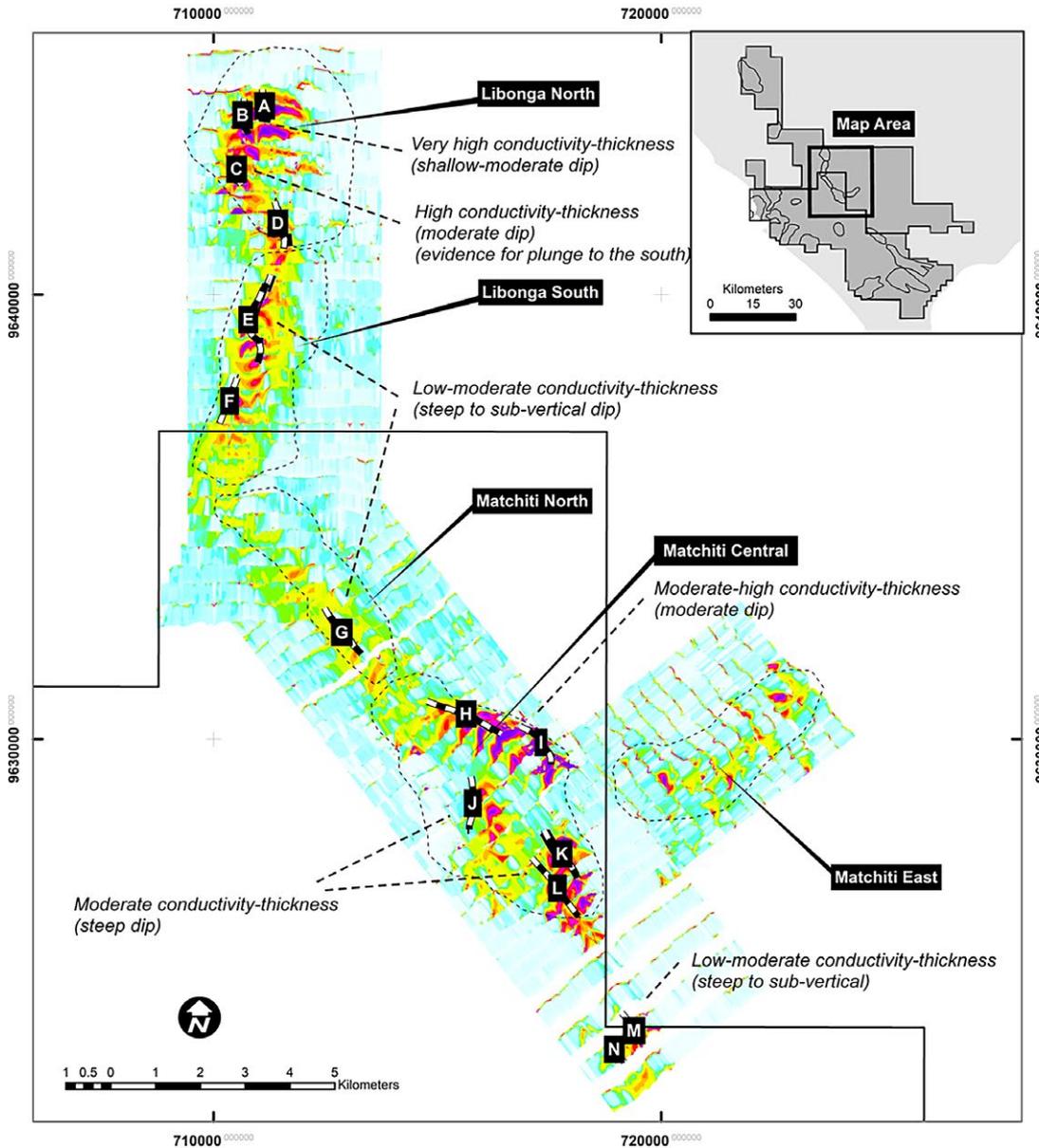
XCITE™ HTDEM PLATE RESULTS								
Plate ID	Technical Rank (2021)	Conductance (s)	Length (m)	Depth From Surface (m)	Depth Extent (m)	Dip	Dip Direction	Modelled Conductor
X-LBN05	1	100	400	80-110	200	50	95.00	B
X-LBN04	1	100	300	80-110	200	50	90.00	B
X-LBN06	1	100	300	80-130	250	40	90.00	C
X-LBN01	1	85	250	80-130	450	30	90.00	A



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-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



Figure 3: HTDEM data processing displaying modelled conductors along the Libonga-Matchiti Trend (LMT).



Libonga-Matchiti Trend (LMT) - XciteTM HTDEM + Magnetic Survey

- Modelled Conductor
- Modelled HTDEM Plate
- Exploration Target

[Image: 2D conductivity depth images]



TENEMENT SCHEDULE

In accordance with ASX Listing Rule 5.3., a listing of all tenement holdings is as follows:

Permit ¹	Area (km ²)	Granted	Term	End date	Registered Holder	Interest
G5-150	1,496	10 July 2019	3 years	09 July 2022	Armada Exploration Gabon Sarl	100%
G5-555 ²	1,495	25 April 2018	3 years	25 April 2021	Armada Exploration Gabon Sarl	100%

1. Exploration permit translates from French 'Permis de Recherche Minière'
2. Under renewal as at 31 December 2021

- No permits were acquired (directly or beneficially) during the Quarter.
- No permits were relinquished, reduced, or lapsed (directly or beneficially) during the Quarter.

EVENTS SUBSEQUENT TO QUARTER END

There have been no material events subsequent to the end of the quarter not already disclosed herein.

ANNUAL GENERAL MEETING

Notice is hereby given that the Company's Annual General Meeting of shareholders will be held on Thursday 26 May 2022. The closing date for the receipt of nominations from persons wishing to be considered for election as a director, is 26 March 2022.

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

For further information, please contact:

Dr Ross McGowan
Managing Director & CEO

Armada Metals Limited
ross@armadametals.com.au

BACKGROUND ON ARMADA

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



COMPETENT PERSONS STATEMENT

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

FORWARD-LOOKING STATEMENTS

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

Appendix 5B

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

Name of entity

Armada Metals Limited

ABN

75 649 292 080

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(107)	(107)
(e) administration and corporate costs	(894)	(894)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,001)	(1,001)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation	(592)	(592)
(e) investments		

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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(f) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) investments		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)	918	918
2.6 Net cash from / (used in) investing activities	326	326
2.5 Other relates to cash acquired when the company took control of Armada Exploration Limited on 11 October 2021		
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	10,000	10,000
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(914)	(914)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)	438	438
3.10 Net cash from / (used in) financing activities	9,524	9,524
Other relates to cash received in relation to promissory notes from investments made in company's subsidiary Armada Exploration Limited before the company acquired it.		
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	-	-
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,001)	(1,001)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	326	32
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9,524	9,524
4.5	Effect of movement in exchange rates on cash held	5	5
4.6	Cash and cash equivalents at end of period	8,854	8,854

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	8,854	
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,854	

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	252
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

6.1 Include payments of directors fees including amounts accrued since incorporation which were not paid until the company successfully listed.

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

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,001)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(592)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,593)
8.4 Cash and cash equivalents at quarter end (item 4.6)	8,854
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	8,854
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.56
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

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

Date: **31 January 2022**

Authorised by: **By the Board**

(Name of body or officer authorising release – see note 4)

Notes

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