ARMADA MERCANTILE LTD.

Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended
November 30, 2024 and 2023

(Unaudited -Expressed in Canadian Dollars)

ARMADA MERCANTILE LTD.

CONTENTS

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – *Interim Financial Reporting.*

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Chartered Professional Accountants for a review of the interim financial statements by an entity's auditor.

ARMADA MERCANTILE LTD.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	November 30, 2024	February 29, 2024
ASSETS	$	$
Current		
Cash and cash equivalents	**451,055**	441,101
Accounts receivable	**6,469**	6,469
Prepayment	**-**	23,360
Marketable securities – (Note 7)	**5,416,016**	5,415,318
	5,873,540	5,886,248
Investment in Oxygen Funding, Inc. – (Note 3)	**1**	1
Investment in preferred shares (Note 6)	**342,500**	-
Advances and Investment in SNMBROTHERS LLC. - (Note 10)	**459,548**	459,548
Total Assets	**6,675,589**	6,345,797
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current		
Accounts payable & accrued liabilities	**39,490**	69,241
Due to related parties (Note 4, 11)	**425,761**	437,906
GST payable	**-**	1,949
Notes payable	**7,149**	7,149
Total liabilities	**472,400**	516,245
Shareholders' Equity (Deficit)		
Share capital – (Note 5)	**7,615,566**	7,277,441
Share capital subscribed – (Note 5)	**170,700**	170,700
Contributed surplus – (Note 5)	**437,139**	437,139
Accumulated other comprehensive income	**112,070**	85,875
Deficit	**(2,132,286)**	(2,141,603)
Total shareholders' equity	**6,203,189**	5,829,552
Total liabilities and shareholders' equity	**6,675,589**	6,345,797

Contingencies (Note 8)

Approved by the Board:

"Patrick Cole"
Director *Patrick Cole*

"Michelle Cole"
Director *Michelle Cole*

See accompanying notes to the condensed consolidated interim financial statements

ARMADA MERCANTILE LTD.
Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited - Expressed in Canadian Dollars)

	Three months ended November 30,		Six months ended November 30,	
	2024	2023	**2024**	2023
			$	$
Revenue				
Other income and interest	**44,397**	67,637	**134,272**	154,176
Total income	**44,397**	67,637	**134,272**	154,176
Expenses				
Listing and transfer agent	**6,051**	6,860	**12,635**	17,022
Management fees - (Note 4)	**16,512**	16,378	**49,296**	48,659
Office supplies and miscellaneous	**8,299**	3,316	**19,961**	14,923
Professional fees	**1,500**	1,900	**11,221**	5,600
Rent – (Note 4)	**3,302**	3,276	**9,859**	9,732
Travel	**10,424**	3,874	**22,681**	19,379
Total expenses	**46,088**	35,604	**125,653**	115,315
Income (loss) before the following:	**(1,691)**	32,033	**8,619**	38,861
Unrealized gain (loss) in marketable securities	**-**	(661)	**698**	(661)
Net earnings (loss)	**(1,691)**	31,372	**9,317**	38,200
Translation of subsidiary	**49,857**	5,974	**26,195**	(9,207)
Comprehensive loss	**48,166**	37,346	**35,512**	28,993
Earnings per share for the period – basic and diluted	**(0.00)**	0.00	**0.00**	0.00
Weighted average number of shares outstanding	**19,861,984**	19,025,418	**19,765,718**	19,025,418

See the accompanying notes to the condensed consolidated interim financial statements

ARMADA MERCANTILE LTD.
Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share Capital Subscribed	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total
		$	$	$	$	$	$
Balance, February 28, 2023	19,104,409	7,277,441	170,700	437,139	92,999	(2,125,674)	5,852,605
Translation of subsidiary	-	-	-	-	(7,124)	-	(7,124)
Net loss for the year	-	-	-	-	-	(15,929)	(15,929)
Balance, February 29, 2024	19,104,409	7,277,441	170,700	437,139	85,875	(2,141,603)	5,829,552
Share issuance	757,575	338,125	-	-	-	-	338,125
Translation of subsidiary	-	-	-	-	26,195	-	26,195
Net income for the period	-	-	-	-	-	9,317	9,317
Balance, November 30, 2024	19,861,984	7,615,566	170,700	437,139	112,070	(2,132,286)	6,203,189

See accompanying notes to the condensed consolidated Interim financial statements

ARMADA MERCANTILE LTD.
Condensed Consolidated Interim Statements of Cashflow
Unaudited - Expressed in Canadian Dollars

Nine months ended November 30,	**2024**	2023
	$	$
Operating Activities		
Net income (loss) for the period	**9,317**	38,200
Changes in non-cash working capital balances:		
Unrealized decrease (increase) in marketable securities	**(698)**	661
Accrued interest income	**-**	(5,028)
Receivable	**-**	(5,794)
Prepayment	**23,360**	-
Accounts payable and accrued liabilities	**6,495**	(3,853)
	38,474	24,186
Investing activities		
Acquisition of short-term investment	**-**	(342,885)
Investment in preferred shares	**(342,500)**	-
	(342,500)	(342,885)
Financing activities		
Share issuance	**338,125**	-
Advances from (to) related parties	**(24,145)**	20,586
	313,980	20,586
Increase (decrease) in cash during the period	**9,954**	(298,113)
Cash and equivalents, beginning of period	**441,101**	399,556
Cash and cash equivalents, end of period	**451,055**	101,443
Amount of cash equivalent (term deposit with original maturity less than 90 days)	**330,417**	341,224

See accompanying notes to the condensed consolidated interim financial statement

1. Nature of Business and Going Concern

The Company was incorporated under the laws of British Columbia on June 24, 1987 and is engaged in the business of investing in new and existing businesses and organizations. The Company is a financial services company that focuses on merchant banking primarily through its wholly-owned subsidiary Armada Group USA, Inc. On July 19, 2002, the Company incorporated Armada Group USA, Inc. to establish business operations in the United States in the financial services industry. Armada Group USA, Inc. is wholly-owned by the Company and was incorporated in the State of Delaware. On December 28, 2011, Armada Group USA, Inc., incorporated in the State of California, a wholly owned subsidiary, Armada Finance LLC. On September 20, 2013, Armada Group USA, Inc. dissolved Armada Finance LLC in the State of California. On October 24, 2013, Armada Group USA, Inc. formed Armada Finance LLC in the State of Wyoming. The principal assets in Armada Finance LLC were the Liquid Capital of America Corp. franchise. Effective December 31, 2014, all parties involved agreed to terminate the agreement.

On March 18, 2021, the Company incorporated a 51% subsidiary, RichGrandDad Financial Ltd. (“RGD”) under the Business Corporations Act (BC). RGD was capitalized on April 21, 2021, with $20,000 USD ($24,144CDN) by way of a $20,000 USD ($24,144CDN) loan from the minority shareholder. A total of 100,000 common shares in the capital stock of RGD were subscribed for at an aggregate value of $1 USD. On February 16, 2024, RGD Incorporated a wholly-owned US subsidiary, RichGrandDad USA, Inc. in the state of Wyoming, USA.

The Company’s head office is located at 9575 Pinehurst Drive, Roseville, CA, USA 95747.

The Company, through its investment in Oxygen Funding, Inc., offers commercial finance services to companies; internationally, including account receivables “factoring”, supply chain, equipment leasing, merchant cash advance, and purchase order and other types of specialized finance.

These condensed consolidated interim financial statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

The Company had accumulated losses of $2,132,286 as at November 30, 2024 (2024/5/31: $2,130,595), and the Company had a working capital of $5.40 million on November 30, 2024 (2024/2/29: $5.37 million). The Company expects to have adequate working capital to finance its operations in the next twelve months and continue as a going concern. The Company's ability to continue as a going concern is dependent on its ability to generate profitable future operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due.

These condensed consolidated interim financial statements for the three and nine months ended November 30, 2024 and 2023 have been prepared in accordance with the International Financial Reporting Standards (“IFRS”), include the accounts of the Company and its wholly-owned subsidiaries, Armada Group USA Inc. and Armada Finance, LLC and a 51% owned subsidiary, RGD (Note 11). All inter-company transactions and balances are eliminated upon consolidation.

1. Nature of Business and Going Concern (cont'd)

These condensed consolidated interim financial statements were approved and authorized for issue by the board of directors on November 27, 2024.

2. Summary of Significant Accounting Policies

The Company has not adopted new accounting policies since its recent year ended February 29, 2024.

3. Investment in Oxygen Funding, Inc.

In January 17, 2018, the Company by way of its wholly owned subsidiary, Armada Group USA, Inc. (Armada) acquired a 30% ownership in Oxygen Funding Inc. (OFI), a State of California, USA company, and in conjunction with Oxygen Funding LLC (OFL) are in the business of factoring the accounts of its clients pursuant to factoring and security agreements in consideration for the following:

a. Armada will seek capital from its sources on a best efforts basis into OFI to replace certain capital investment in OFI's clients: $350,000 (US) by January 25, 2018, and the remainder by February 28, 2018.
b. OFI will file the necessary paperwork to change its S corporation status to C corporation status.
c. All accounts factored through OFI will be underwritten and serviced by OFI.
d. OFI will pay a broker fee whenever OFI funds a client referred by Armada or OFL.
e. OFI shall pay Armada USA a funding fee of 50% of net earnings for any factored account funded by OFI using capital arranged by Armada.
f. OFI shall pay OFL a servicing fee of 50% of net earnings for any factored account funded by OFI using capital arranged by Armada.
g. In the event OFI funds factored accounts using capital not arranged by Armada, OFL shall be paid a serving fee of 100% of the net earnings.

The Company has assessed that the fair value of the 2,423 shares of OFI, representing 30% of the total issued and outstanding common shares of OSI of 8,077 common shares, on a fully diluted basis is not determinable and has accordingly recorded a nominal value of $1 at November 30, 2024 (2024/2/29 - $1).

(Unaudited - Expressed in Canadian Dollars)

4. Related Party Transactions

In addition to shares issuance to the CEO of the Company disclosed in Note 5, the following table summarizes the Company's key management compensation for the director and CEO who is responsible for planning, directing and controlling the activities of the entity and related party transactions not otherwise disclosed in these consolidated financial statements.

Nine months ended November 30,	2024	2023
Management fees	$ 49,296	$ 48,659
Office rent charged by a director of the Company	$ 9,859	$ 9,732

,

These transactions were in the normal course of operations and are measured at the fair value, being the consideration established and agreed to by the related parties.

The amounts due to related parties were as follows:

	November 30, 2024	February 29, 2024
Due from (to) a director and officer of the Company	$ (435,440)	$ (435,440)
Due from (to) the president and director of the Company	9,679	(2,466)
	$ (425,761)	$ 437,906

The balances are non-interest bearing and have no set terms of repayment.

5. Share Capital and Share Capital Subscribed

Authorized:

The authorized common share capital of the Company at November 30, 2024 is 200,000,000 (Feb. 29, 2024 - 200,000,000) shares without par value. The authorized preferred share capital of the Company at November 30, 2024 is 100,000,000 (Feb. 29, 2024 - 100,000,000) shares without par value.

Issued and outstanding:

On March 26, 2024, the Company conducted a non-brokered private placement for the issuance of 757,575 common shares at USD 0.33/share for gross proceeds of USD250,000 ($338,125) to a director of the Company. The Company will use the proceeds to finance its working capital.

Subscribed preferred share capital

There were no activities during the nine months ended November 30, 2024 and the year ended February 29, 2024.

(Unaudited - Expressed in Canadian Dollars)

5. Share Capital and Share Capital Subscribed (cont'd)

Incentive stock option

The Company has a stock option plan whereby the granting of stock options, exercise prices and terms are determined by the Board of Directors. Stock options must be non- transferable and the aggregate number of shares that may be reserved for issuance pursuant to stock options may not exceed an aggregate of 10% of the issued and outstanding shares of the Company at the time of granting and may not exceed 5% to any one individual. For incentive options, the exercise price shall not be less than the fair market value of the Company's common stock on the grant date. Options can have a maximum term of five years and terminate 30 days following the termination of the optionee's employment, except in the case of retirement, death or disability, in which case they terminate six months after the event. Vesting of options is made at the time of granting of the options at the discretion of the Board of Directors. Once approved and vested options are exercisable at any time.

During the nine months ended November 30, 2024 and the year ended February 29, 2024 there were no share purchase options activities.

As at November 30, 2024, there was no stock options outstanding (2024/2/29 – Nil)

6. Investment in Preferred Shares

As at November 30, 2024, the Company held 50,000 voting Class A Preferred Units (approximate 5% equity interest) of ANOS Holdings LLC)("ANOC"), a Delaware corporation, which were acquired on March 19, 2024 for $342,500 (USD 250,000). As at November 30, 2024, the fair value of this investment was $342,500 as there were no significant changes of ANOS since the acquisition. During the nine months ended November 30, 2024, the Company received $6,521 dividend from ANOS which has been included in the Company's other income.

7. Marketable Securities

The Company's marketable securities, which are classified as FVTPL have been valued at their market prices.

November 30, 2024		February 29, 2024	
Cost	**Fair value**	**Cost**	**Fair value**
426,224	5,416,016	426,224	5,415,318

8. Contingencies

The Company's wholly owned subsidiary, Armada Group USA, filed a complaint for breach of contract and fraud related to a $150,000 convertible note plus accrued interest provided to Vocalscape Networks, Inc. Judgment has been granted to the Company in the amount of approximately USD$462,000. In the Company's judgment, no portion of this amount will be recognized until collection can be assured.

(Unaudited - Expressed in Canadian Dollars)

9. Financial Instruments

Fair Value Measurement and Classification

The fair value hierarchy established by IFRS 13 Fair Value Measurement has three levels to classify the inputs to valuation techniques used to measure fair value described as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Financial instruments included in the statements of financial position are as follows:

		November 30, 2024	**February 29, 2024**
		$	$
Cash and cash equivalents (Level 1)	FVTPL	451,055	441,101
Marketable securities (Level 1)	FVTPL	5,416,016	5,415,318
Investment in preferred shares	Amortized cost	342,500	-
Accounts receivables	Amortized cost	6,469	6,469
Accounts payable and accrued liabilities	Amortized cost	(39,490)	(69,241)
Due to related parties	Amortized cost	(425,761)	(437,906)
Notes payable	Amortized cost	(7,149)	(7,149)

The fair values of the Company's accounts receivable, due from related parties, accounts payable and accrued liabilities, note payable are equivalent to their carrying values due to their short-term nature.

Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The fair values of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's credit risk is primarily attributable to its bank accounts and accounts receivable. The Company keeps its cash and cash equivalent with banks of high creditworthy. Management believes that the credit risk with respect to receivable is remote.

(Unaudited - Expressed in Canadian Dollars)

9. Financial Instruments (Cont'd)

Risk Management (Cont'd)

Liquidity Risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due or that it will be required to meet them at excessive cost. The Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company manages its liquidity risk through private placements. The Company's operating cash requirements including amounts projected to complete its existing capital expenditure program are continuously monitored and adjusted as input variables change.

The Company's operating cash requirements including amounts projected to complete its existing capital expenditure program are continuously monitored and adjusted as input variables change. These variables include but are not limited to commodity prices, cost overruns on capital projects and changes to government regulations relating to land tenure, allowable production and availability of markets. As these variables change, liquidity risks may necessitate the need for the Company to pursue equity issuances, obtain project or debt financing, or enter into joint arrangements. There is no assurance that the necessary financing will be available in a timely manner.

Interest Rate Risk

The Company is exposed to the risk that the value of financial instruments will change due to movements in market interest rates. As at November 30, 2024 and February 29, 2024, the Company did not have financial instruments subject to variable interest rates. As a result, the Company is not subject to significant interest rate risk.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

The Company's exposure to foreign currency risk on its financial instruments is as follows:

	November 30, 2024		February 29, 2024	
Cash and cash equivalent	US$	327,322	US$	321,211
Due from related parties		776,191		855,500
Net financial assets denominated in foreign currency	US$	1,103,513	US$	1,176,711
Canadian dollar equivalent	$	1,544,918	$	1,596,797

A 10% change in the US dollar against the Canadian dollar at November 30, 2024 would have an impact of $155,000 (2024/2/29 - $160,000) to the Company's comprehensive loss.

10. Advances and Investment in SNMBROTHERS LLC

Pursuant to an Amended Operating Agreement dated May 19, 2022, the Company's 51% owned subsidiary RichGrandDad Financial Ltd. and Mohamed Badi Deroulche of Long Beach, State of California, USA have formed SNMBROTHERS LLC, a Limited Liability Company (the "LLC"), according to the laws of the state of Delaware, USA in which the Company was formed on October 17, 2018. Prior to this amended operating agreement (the "Amended Agreement"), the LLC entered into an operating agreement on October 17, 2018 (the "Agreement"). On May 19, 2022, the LLC registered to "do business as" Ace Foods for the purposes of conducting business and performing marketing activities under this name. The LLC is hereby entering into this Amended Agreement effective as of May 19, 2022 and it is adopted by the members.

11. Subsequent Events

The Company issued 1,087,068 common shares at USD $0.29 per share on January 10, 2025 through a non-brokered private placement to raise gross proceeds of USD $315,250. The Company's CEO participated for USD $315,250.

On January 3, 2025, the Company issued 33,793 shares of the Company to the Company's CEO in exchange for the 49% ownership of RGD. After this acquisition, RGD became the wholly owned subsidiary of the Company.

The Company also repaid the Company's CEO an outstanding loan in the amount of $435,440.00 held in RGD.