

This is the form of a material change report required under Section 85(1) of the Securities Act.

FORM 53-901F

BRITISH COLUMBIA SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

Item 1. Reporting Issuer

State the full name and address of the principal office in Canada of the reporting issuer:

Armada Mercantile Ltd.
Suite 2300, 1066 West Hastings Street
Vancouver, B.C. V6E 3X2

Item 2. Date of Material Change

August 18, 2003

Item 3. Press Release

The press release dated August 18, 2003 was disseminated via Canada Stockwatch and Market News.

Item 4. Summary of Material Change

The Company announced that Mark Varley resigned as Executive Vice-President of the Company and was appointed a director of the Company effective August 18, 2003.

Item 5. Full Description of Material Change

The Company announced that Mark Varley resigned as Executive Vice-President of the Company and was appointed a director of the Company effective August 18, 2003.

Item 6. Reliance on Section 85(2) of the Act

Not Applicable.

Item 7. Omitted Information

Not Applicable.

Item 8. Senior Officers

The following Senior Officer of the Company is available to answer questions regarding this report:

Patrick Cole
President
916-446-1585

Item 9. Statement of Director

The foregoing accurately discloses the material change referred to herein.

Dated at Vancouver, B.C., this 18th day of August, 2003.

Armada Mercantile Ltd.

Per:

"Dianne Szigety"
Corporate Secretary