ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED AUGUST 31, 2011

NOTICE OF NO AUDITOR REVIEW OF UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited interim consolidated financial statements. These unaudited interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS").

REVISED

ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT AUGUST 31, 2011

CANADIAN DOLLARS

	as at August 31, 2011	as at May 31, 2011	as at June 1, 2010
Current			
Cash	**$ 1,087,249**	$ 1,074,263	$ 1,081,165
Accounts receivable	**567,475**	526,880	377,432
Related Party Receivable (note 6)	**74,580**	75,022	34,506
Prepaid expenses and sundry assets	**32,429**	25,961	20,550
Deposits on Acquistion	**0**	0	22,975
	1,761,733	1,702,126	1,536,628
Property and Equipment - net (note 3)	**71,103**	75,517	27,433
Goodwill - net	**180,000**	180,000	0
	$ 2,012,836	$ 1,957,643	1,564,061
LIABILITIES			
Current			
Accounts payable and accrued liabilities	**$ 192,798**	$ 221,476	131,854
Related Party Payable (note 6)	**17,536**	19,366	32,954
Current portion-Note Payable (note 4)	**25,000**	40,000	0
Corporation income taxes payable	**25,490**	0	56,997
	260,824	280,842	221,805
SHAREHOLDERS' EQUITY			
Share Capital (note 7)	**1,210,022**	1,210,022	1,079,690
Contributed Surplus	**175,505**	175,505	171,555
Retained Earnings	**366,485**	291,274	91,011
	1,752,012	1,676,801	1,342,256
	$ 2,012,836	$ 1,957,643	1,564,061

The accompanying notes form an integral part of these interim consolidated financial statements.

ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD ENDED AUGUST 31, 2011

CANADIAN DOLLARS

	3 months August 31, 2011	3 months August 31, 2010
Revenue	**$777,324**	$743,551
Expenses - General and Administration		
Wages and other Office Expenses	**656,171**	581,728
Transaction costs of Acquistion		36,830
Amortization (note 3)	**4,942**	2,563
Stock-based compensation	**0**	2,229
	661,113	623,350
Net Income before Taxes	**116,211**	120,201
Less: Provision for corporation income taxes	**41,000**	46,000
Net Income and Comprehensive Income	**75,211**	74,201
Earnings Per Share		
Basic	**$0.01**	$0.01
Fully Diluted	**$0.01**	$0.01
Weighted Average number of Common Shares	14,359,154	14,135,820

APPROVED ON BEHALF OF THE BOARD:

"R. James Matthews" **Director**
R. James Matthews

"Paul Timoteo" **Director**
Paul Timoteo

The accompanying notes form an integral part of these interim consolidated financial statements.

ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

FOR THE PERIOD ENDED AUGUST 31, 2011

CANADIAN DOLLARS

Balance as at June 1, 2010	$ 1,079,690	$ 171,555	$ 91,011	$ 1,342,256
Capital Shares issued as consideration in business combination	90,000			90,000
Common Shares issued on exercise of Stock Options	13,500			13,500
Stock Based Compensation		2,229		2,229
Comprehensive Income			74,201	74,201
Balance as at August 31, 2010	$ 1,183,190	$ 173,784	$ 165,212	$ 1,522,186
Common Shares issued on exercise of Stock Options	26,832			26,832
Stock Based Compensation		1,721		1,721
Comprehensive Income			196,741	196,741
Dividends			(70,679)	(70,679)
Balance as at May 31, 2011	$ 1,210,022	$ 175,505	$ 291,274	$ 1,676,801
Comprehensive Income			75,211	75,211
Balance as at August 31, 2011	$ 1,210,022	$ 175,505	$ 366,485	$ 1,752,012

The accompanying notes form an integral part of these interim consolidated financial statements.

ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD ENDED AUGUST 31, 2011

CANADIAN DOLLARS

	2011	2010	May 31, 2011
Operating Activities			
Income for the period	**$75,211**	$74,201	$291,274
Items not involving cash:			
Amortization	**4,942**	2,563	1,958
Stock-based compensation costs	**0**	2,229	3,950
	80,153	78,993	297,182
Changes in non-cash working capital			
Accounts receivable	**(40,153)**	(106,522)	(189,964)
Prepaid Expenses	**(6,468)**	5,743	(5,390)
Deposits on acquisition	**0**	22,975	22,975
Accounts payable & accrued liabilities	**(30,509)**	74,090	76,034
Corporation income taxes payable	**25,490**	46,000	(57,018)
Cash (used in) operating activities	**(51,640)**	42,286	(153,363)
Investing Activities			
Purchase of capital assets	**(527)**	(35,525)	(70,374)
Proceeds from issue of share capital			
pursuant to stock options exercised	**0**	13,500	0
Purchase of intangible assets	**0**	(180,000)	(180,000)
Cash (used in) investing activities	**(527)**	(202,025)	(250,374)
Financing Activities			
Proceeds from issuance of share capital:			
pursuant to Acquistion	**0**	90,000	90,000
purusant to stock options exercised			40,332
Dividends	**0**	0	(70,679)
Note payable	**(15,000)**	85,000	40,000
Cash provided by Financing activities	**(15,000)**	175,000	99,653
Increase (Decrease) in Bank	**12,986**	94,254	(6,902)
Bank, beginning of period	**1,074,263**	1,081,165	1,081,165
Bank, end of period	**$1,087,249**	$1,175,419	$1,074,263
Interest Taxes Paid			**$44,378**
Interest Paid			

No amounts were paid for interest and income taxes paid or received in the current or prior interim period.

The accompanying notes form an integral part of these interim consolidated financial statements.

ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED AUGUST 31, 2011

CANADIAN DOLLARS

1. CORPORATE INFORMATION

Armada Data Corporate (the "Company") is engaged in the accumulation and sale of data related to the purchase of new and used vehicles.

The Company is incorporated under the Ontario Business Corporations Act in Canada, and its principal place of business is located at 5710 Timberlea, Blvd, Suite #201, Mississauga, Ontario, Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These unaudited interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”).

These are the company’s first unaudited interim consolidated financial statements prepared in accordance with IAS 34 using accounting policies consistent with IFRS. The accounting policies have been selected to be consistent with IFRS as is expected to be effective May 31, 2012, the Company’s first annual IFRS reporting date. Previously, the Company prepared its interim and annual consolidated financial statements in accordance with Canadian Generally Accepted Accounting Policies (“Canadian GAAP”).

The adoption of IFRS resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian GAAP. The accounting policies set out below have been applied consistently to all periods presented. They have also been applied in the preparation of the opening IFRS statement of financial position as at June 1, 2010, as required by IFRS 1, First time adoption of IFRS (“IFRS 1”), The impact of the transition to Canadian GAAP to IFRS is explained in Note 12.

The standards and interpretations within IFRS are subject to change and accordingly, the accounting policies for the annual period that are relevant to these unaudited interim consolidated financial statements will be finalized only when the first annual IFRS audited consolidated complete interim financial statements are prepared for the year ended May 31, 2012.

These interim consolidated financial statements for the period ended August 31, 2011 were authorized for issuance by the Board of Directors of the Company on November 29, 2011.

Basis of measurement

The financial statements have been prepared on the historical cost basis, except financial instruments classified as at fair value through profit and loss, which are measured at fair value.

Basis of consolidation

The financial statements are prepared on a consolidated basis and include the Company and its wholly owned subsidiary, CCC Internet Solutions Inc. All intercompany balances and transactions have been eliminated.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The acquiree's identifiable assets and liabilities are recognized at their fair values at the date of acquisition. The transaction costs associated with business combinations are expensed as incurred.

Goodwill represents the excess of the consideration transferred in a business acquisitions over the fair value of identifiable net assets acquired in such acquisitions. Goodwill is determined as at the date of the business combination. Goodwill is not amortized but is tested for impairment annually or more frequently, if events or changes in circumstances indicate the asset might be impaired.

Foreign currency translation

The Company's presentation and functional currency is the Canadian dollar.. The functional currency of the Company's subsidiary is also the Canadian dollar. Items included in the financial statements of the Company and its subsidiary are measured using that functional currency..

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the year-end exchange rate and non-monetary items are translated at historical rates of exchange at the time of the acquisition of assets or obligations incurred. Revenue and expenses are translated at an average rate of exchange in effect during the year. Foreign exchange translation gains and losses are recorded into income in the year in which they occur

Revenue recognition and Deferred Revenue

Customer membership fees are generated as services are provided to the customer. The unearned portion, if any, is reflected as deferred revenue on the interim balance sheet. The Dealer, Retail, Insurance and IT services revenue are recognized as the service is performed. The service primarily consists of inquiry into the database regarding the value of a vehicle. The primary method of settlement for the Dealer, Retail and Membership fee is by credit card which is billed just before the service is performed. The other services are invoiced and billed with normal business terms of settlement.

The Company recognizes revenue when the services have been provided, the amount of revenue can be measured reliably and collectability is reasonably assured. Revenue is measured at the fair value of consideration received or receivable.

Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and others. The board of directors grants such options for periods of up to ten years, with vesting periods determined at its sole discretion and at prices equal to or greater than fair value of the shares on the day preceding the date the options were granted.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Share issue costs

Costs directly identifiable with the raising of capital are recorded as a reduction of the proceeds received from common share issuances.

Income tax expense

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial Instruments

The Company recognizes financial assets and financial liabilities when the Company becomes a party to a contract. Financial assets and financial liabilities, with the exception of financial assets classified as at fair value through profit or loss, are measured at fair value plus transaction costs on initial recognition. Financial assets at fair value through profit or loss are measured at fair value on initial recognition and transaction costs are expensed when incurred.

Measurement in subsequent periods depends on the classification of the financial instrument:

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management, or if they are derivative assets. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the consolidated statements of income.

Cash is classified as FVTPL. The Company does not currently hold any derivative assets.

Loans and Receivables

Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method.

Accounts receivables, related party receivable and deposits on acquisition are classified as loans and receivables.

Other financial liabilities

Other financial liabilities are financial liabilities that are not derivative liabilities or classified as FVTPL. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

The Company's other financial liabilities include accounts payable and accrued liabilities, subordinated debt, related party payable and note payable. The Company does not currently hold any derivative liabilities.

The effective interest method is a method of calculating the amortized cost of an instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all transaction costs and other premiums or discounts) through the expected life of the debt instrument to the net carrying amount on initial recognition.

Cash

Cash and cash equivalents comprise of cash balances at a major Canadian based financial institution. Bank overdrafts are repayable on demand and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounts receivable

Accounts receivable are recorded net of an allowance for uncollectible or doubtful accounts. The Company reviews accounts receivable and provides a reserve for amounts estimated not to be collectible. During this review, historical experience, the age of the receivable balance, the credit-worthiness of the customer and the reason for the delinquency are considered.

Property and equipment

Items of property and equipment are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Property and equipment is amortized and charged to income over the estimated useful life of the assets on the following basis:

Leasehold improvements	- straight line over 5 years
Furniture and fixtures	- 20% declining balance
Computer hardware	- 30% declining balance
Computer software	- 100% declining balance
Telephone equipment	- 20% declining balance

Earnings per share

Basic earnings per share are computed by dividing the net earnings available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share is computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares for the potential exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Impairment of long-lived assets

The carrying amounts of the Company's long-lived assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the income statement.

The recoverable amount of goodwill is estimated and compared to the carrying value on an annual basis whether or not there is an indication the goodwill is impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted at a rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, with the exception of impairment losses on goodwill, which are not reversed.. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Leases

Leases are classified as either finance or operating leases. Finance leases are those that substantially transfer the benefits and risks of ownership of an asset to the lessee. All leases other than finance leases are operating leases.

Assets held under finance leases are recognized as assets, and a corresponding liability is recognized as a finance lease obligation. Lease payments are apportioned between interest expense and reduction of the lease obligation to achieve a constant rate of interest on the remaining liability. Total payments under operating leases are expensed on a straight-line basis over the term of the relevant lease. Incentives received upon entry into an operating lease are recognized straight-line over the lease term.

Critical Accounting Estimates and Judgments

The preparation of these interim consolidated financial statements requires the Company to apply judgment when making estimates and assumptions that affect the reported amounts recognized in the interim consolidated financial statements. These estimates have a direct effect on the measurement of transactions and balances recognized in the interim consolidated financial statements. Actual results could differ from estimates. The Company has also made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the interim consolidated financial statements.

Impairment of assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value. No impairments of non-financial assets have been recorded for the three months ended August 31, 2011, (2010 – Nil).

Useful life of property and equipment and intangible assets

Property and equipment and intangible assets are amortized over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of amortization recorded during the year. Total amortization recorded for the three months ended August 31, 2011 was $ 4,942 (2010 -$2,563).

Share-based compensation

Management is required to make certain estimates when determining the fair value of stock options awards and the number of awards that are expected to vest. The Company recognized stock-based compensation expense for the three months ended August 31, 2011 of $ nil (2010 – 2,229). These estimates affect the amount recognized as stock-based compensation in the statement of operations.

Income Tax

Management is required to apply judgement in determining whether it is probable deferred income tax assets will be realized. At August 31, 2011 and 2010, management had determined that future realization of its deferred income tax assets did not meet the threshold of being probable, and as such, has not recognized any deferred income tax assets in the interim consolidated balance sheet. In addition, The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

Future Changes in Accounting Standards

A number of new standards, amendments to standards and interpretations will not be effective for the year ended May 31, 2012, and have not been applied in preparing these financial statements.

IFRS 9 Financial Instruments: Classification and Measurement

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 Financial Instruments (IFRS 9) as a first phase in its ongoing project to replace IAS 39. IFRS 9, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The IASB has proposed the effective date of IFRS 9 be changed to annual periods beginning on or after January 1, 2015.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities. The Company is currently assessing the impact of this standard on the financial statements.

IFRS 13 Fair Value Measurement

In May 2011, the IASB issued IFRS 13 Fair Value Measurement (IFRS 13). IFRS 13, which is to be applied prospectively, is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IFRS 13 defines fair value, provides a framework for measuring fair value and includes disclosure requirements for fair value measurements. IFRS 13 will be applied in most cases when another IFRS requires (or permits) fair value measurement.

Management has not yet determined the potential impact that the adoption of IFRS 13 will have on the Company's consolidated financial statements.

Other

In June 2011, the IASB amended IAS 19 Employee Benefits (IAS 19). The amendments to IAS 19 relate primarily to defined benefit pension plans. The Company does not believe the changes resulting from these amendments are relevant to its financial statements.

In June 2011, the IASB issued amendments to IFRS 7 *Financial Instruments: Disclosures.* The Company does not believe the changes resulting from these amendments are relevant to its financial statements.

In May 2011, the IASB issued IFRS 10 *Consolidated Financial Statements,* IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities.* The Company does not believe the changes resulting from these new standards are relevant to its financial statements.

In June 2011, the IASB issued amendments to IAS 1 *Presentation of Financial Statements* and IAS 19 *Employee Benefits.* The Company does not believe the changes resulting from these amendments are relevant to its financial statements.

3. PROPERTY AND EQUIPMENT

Property and equipment consist of:

		August 31, 2011		May 31, 2011	June 1, 2010
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Net Book Value
Leasehold improvements	$7,038	$1,055	$5,983	$6,334	$2,004
Furniture and fixtures	21,557	12,223	9,334	9,825	2,267
Computer hardware	126,539	85,656	40,883	44,198	20,873
Computer software	39,238	39,238	0	0	0
Telephone equipment	21,742	6,839	14,903	15,160	2,289
Total	$216,114	$145,011	$71,103	$75,517	$27,433

4. BUSINESS COMBINATION

In July, 2010, the company purchased certain assets of Cybernet Finder Corporation, consisting of goodwill in the value of $180,000, and equipment and computer hardware in the value of $20,000. The purchase price for the acquisition was $200,000, which was paid by $20,000 cash on closing, an issuance of a promissory note (note payable) in the amount of $90,000 and the issuance of 290,323 shares at $0.31 per share, (which was the trading price at the time of the transaction), with an aggregate value of $90,000. The promissory note is non-interest bearing, commencing August 1, 2010 and ending January 1, 2012, with monthly installments of $5,000 on the first day of each month. As of August 31, 2011, the balance owing on the non-interest bearing note payable was $25,000. On August 31, 2011, May 31, 2011 and August 31, 2010, the balance in Goodwill was $180,000, on June 1, 2010 the balance was nil.

5. NOTE PAYABLE

In July, 2010, the company purchased certain assets of Cybernet Finder Corporation from a director of the company. The purchase price for the acquisition included the issuance of a promissory note (note payable) in the amount of $90,000. The promissory note is non-interest bearing, commencing August 1, 2010 and ending January 1, 2012, with monthly installments of $5,000 on the first day of each month. As of August 31, 2011, the balance owing on the non-interest bearing note payable was $25,000; August 31, 2010-$90,000; June 1, 2010-nil.

6. RELATED PARTY TRANSACTIONS

Two directors of the company are also directors and controlling shareholders of Lease Busters Inc. Another director is a partner in a legal firm which provides services to the company. Management salaries were paid to certain directors of the company. Goodwill and property, and equipment were acquired from Cybernet Finder Corporation, which was owned by a Director of Armada.

Included in expenses are the following paid to directors and parties related to directors of the company:

	3 months ended August 31, 2011	3 months ended August 31, 2010	year ended May 31, 2011
Advertising	$ -	$ 1,425	$ 17,476
Automobile	5,400	3,600	21,600
Computer Consulting	1,088	2,775	5,238
Insurance	1,500	900	7,900
Management Salaries	74,992	82,675	276,606
Professional Fees	5,551	3,206	26,333
Rent	-	4,500	4,500
Salaries – Office & IT	45,944	26,383	177,266
	$ 134,475	$ 125,464	$ 536,919
Amounts owing from Leasebusters	$ 74,850	$ 64,951	$ 75,022
Amounts owing to Directors	$ 17,536	$ 76,412	$ 19,366

All of the above transactions have been in the normal course of operations .The basis that these amounts were recorded was on the transaction amount, which was the amount that was agreed to by the related parties.

7. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value

b) Issued

Armada Data Corporation

	#	$
Balance as at June 1, 2010	13,755,497	1,079,690
Issuance of capital stock for partial consideration of Acquisition	290,323	90,000
Issuance of common shares to director pursuant to exercise of options August 2010	90,000	13,500
Balance as at August 31, 2010	14,135,820	1,183,190
Issuance of common shares to director pursuant to exercise of options February 2011	223,334	26,832
Balance sheet at May 31, & Aug 31, 2011	14,359,154	$ 1,210,022

c) Fully Diluted Shares

Balance sheet at May 31, & Aug 31, 2011	14,359,154
Common shares issuable pursuant to incentive stock options held by directors and officers of CCCBC (note 7(d)	500,000
Fully diluted share capital May 31, 2011, Aug 31, 2011	14,859,154

d) Stock Options

Stock Options of the Company are granted to eligible persons (as defined in the Company's Stock Option Incentive Plan) and include any director, employee or consultant of the Company. The exercise price of such options are determined by the Board of Directors, provided that such price is not lower than the closing price for the underlying shares as quoted on the TSX Venture Exchange for the market trading day immediately prior to the date of grant less any discount permitted by the TSX Venture Exchange. These options are not transferable and are presently exercisable for a period of up to 10 years from the date of grant.

SHARE CAPITAL (Continued)

Stock Options (Continued)

	Number of Share Options	Exercise Price		Date Granted	Date of Expiry
Options Owned by Directors:					
as at August 31, 2011	500,000	$	0.10	May 11, 2009	May 11, 2012
as at August 31, 2010	633,334	$	0.10	May 11, 2009	May 11, 2012
Options Owned by Others:					
as at August 31, 2011	nil	$	-		
as at August 31, 2010	90,000	$	0.15	August 19, 2009	August 19, 2014

The fair value of the options granted during the year ended May 31, 2011 was estimated at the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

Expected volatility	125%
Risk free interest rate	1.98%
Expected life	4.25 years
Expected dividend yield	0.05%

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

SHARE CAPITAL (continued)
Stock Options (Continued)

d) Shares Issuable Under the Plan

Subject to the requirements of the Exchange:

i. the aggregate number of Option Shares that may be issuable pursuant to Options granted under the Plan will not exceed 2,700,000 shares;

ii. unless approval of this Plan is obtained by Disinterested Shareholder Approval,

a. the number of shares reserved for issuance under Options granted to Insiders of the Corporation under this Plan and all outstanding stock option plans or grants of options may not at any time exceed ten percent (10%) of the issued shares of the Corporation;

b. no more than an aggregate of ten percent (10%) of the issued shares of the Corporation, calculated at the date the option(s) is(are) granted, may be granted to Insiders of the Corporation in any twelve (12) month year under this Plan and all outstanding stock option plans or grants of options;

c. no more than an aggregate of five percent (5%) of the issued shares of the Corporation, calculated at the date the Option is granted, may be granted to any one Optionee in any twelve (12) month year under this Plan and all outstanding stock option plans or grants of options; however, upon obtaining the requisite Disinterested Shareholder Approval, these provisions shall no longer apply;

iii. no more than two percent (2%) of the issued shares of the Corporation, calculated at the date the Option is granted, may be granted to any one Consultant in any twelve (12) month year;

iv. no more than an aggregate of two percent (2%) of the issued shares of the Corporation, calculated at the date the Option is granted, may be granted to persons providing Investor Relations Activities in any twelve (12) month year.

8. COMMITMENTS

The company has entered into various operating leases which continue until fiscal 2016**.** Subsequent to August 31, 2011, the company entered into a five year lease for its premises. This lease is from September 2011 to August 2015. At the end of the lease period there are no inducements to renew the lease.

The minimum rental payments (net of HST) for the next four fiscal years are as follows:

Fiscal	2012	$ 10,759
	2013	10,759
	2014	10,759
	2015	10,759
	2016	2,432
		$ 45,468

Lease for Premises

Fiscal	2012	$ 117,152
	2013	109,350
	2014	112,590
	2015	113,400
	2016	28,350
		$ 480,842

9. SEGMENTED INFORMATION

The Company's operations consist of five main divisions; Insurance Services, Retail Services, Dealer Services, Internet Technology (IT) and Advertising/Marketing Services. The Insurance Service division derives its revenue from the sale of total loss replacement vehicle reports to major Canadian insurance companies. The Retail Services division consists of the sale of new car pricing data to consumers primarily through the Company's website as well as the reselling of this new car pricing data to qualified third party vendors. The Dealer Services division generates revenue through the sale of new vehicle leads derived from membership sales from Car-Cost-Canada. The IT division comprises web and email hosting, website development and design, and desktop support. The previous AMGS division is now grouped with Dealer Services. The Advertising/Marketing Services division is made up of the sale of online third party website advertising, consulting fees and other new car or car business related marketing activities.

Revenues earned by the divisions are as follows:

	3 months ended August 31, 2011		3 months ended August 31, 2010		year ended May 31, 2011	
Insurance Services	$ 293,656	38%	$ 261,325	35%	$ 1,141,456	37%
Retail Services	167,899	22%	199,251	27%	723,658	24%
Dealer Services	255,532	33%	239,174	32%	977,400	32%
Internet Technology	44,649	6%	28,160	4%	177,566	6%
Advertising/Marketing	15,588	1%	15,641	2%	41,682	1%
	777,324	100%	743,551	100%	3,061,762	100%

Cash, prepaids, property, equipment together with goodwill are used commonly by the five divisions. The Company does not record or measure the usage of these assets that relate to their underlying value by segment.

The accounts receivable can be broken down by segment and is indicated below:

	3 months ended August 31, 2011		3 months ended August 31, 2010		year ended May 31, 2011	
Insurance	$ 311,365	48%	$ 222,737	43%	$ 277,785	46%
Dealer	176,733	28%	184,988	36%	178,576	30%
Information Technology	66,864	10%	22,444	4%	55,269	9%
Not reportable by segment	87,093	14%	88,291	17%	90,272	15%
Total	$642,055	100%	518,460	100%	601,902	100%

10. FINANCIAL INSTRUMENTS

Fair Value

The fair value of cash, accounts receivable, related party receivable, accounts payable and accrued liabilities and related party payable approximate carrying value due to the relatively short term maturities of these instruments. The fair value of the non-interest bearing note payable approximates its carrying value due to current interest rates and the short-term nature of the note.

Estimated fair value amounts are designed to approximate amounts at which financial instruments could be exchanged in a current transaction between willing parties who are under no compulsion to act. The Company uses a fair value hierarchy to categorize the inputs used in valuation techniques to measure fair value of financial instruments. The classifications are as follows: the use of quoted market prices for identical assets or liabilities (Level 1), internal models using observable market information as inputs (Level 2) and internal models without observable market information as inputs (Level 3).

The Company classifies cash as FVTPL and is measured at fair value on the on the consolidated balance sheet. Cash is reported at Level 1 of the fair value hierarchy. The Company has no financial assets and liabilities measured at fair value at Level 2 or Level 3.

Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed to are described below

Capital Risk

The Company manages its capital with the objective of providing adequate capital resources for the Company to maintain and develop its websites and other business activities. The capital structure of the Company consists of shareholder's equity and depends on the ability of the Company to raise ongoing capital and on the future profitability of the Company's operations.

Credit Risk

The company is exposed to credit risk of their accounts receivable, $567,475 (May 31, 2011-$526,880) representing the maximum exposure to credit risk of those financial assets. Credit risk is the risk that a customer will be unable to pay any amounts owed to the Company. The company does not have any customers that had a balance of more than 10% of total revenues, or 10% of total accounts receivables at any time during the periods that are reported in these financial statements. The company has a large volume of relatively small transactions with many customers. Management reduces this risk by carefully monitoring the amounts owed to them by their customers on a regular basis, performing regular credit reviews of any customer that approaches their credit limit or does not keep to their normal payment pattern. It also provides an allowance for doubtful accounts once it has exhausted all other means of collection. While the Company has credit controls and processes for the purpose of mitigating credit risk, these controls cannot eliminate credit risk and there can be no assurance that these controls will continue to be effective, or that the Company's low credit loss experience will continue. Most of the company's sales are by credit card or with large insurance casualty companies. In the opinion of management the credit risk is low and the company is not exposed to a material amount of credit risk.

Liquidity Risk

The company is exposed to Liquidity risk of their accounts payable, $192,798 (May 31, 2011-$221,476). Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. In the opinion of management the liquidity risk is low and the company is not exposed to a material amount of liquidity risk.

FINANCIAL INSTRUMENTS (Continued)

Market Risk
The Company is exposed to Market Risk. Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The ability of the Company to develop or market its services and the future profitability of the Company is related to these market risks. In the opinion of management the market risk is low and the company is not exposed to a material amount of market risk.

Foreign Currency Risk
The company is exposed to Foreign Currency risk. The Company's functional currency is the Canadian dollar and major purchase, which consist primarily of expenses are transacted in Canadian dollars. The Company operations are in Canada, and it does not engage in hedging activities. The number and dollar amount of these transactions, both individually and in aggregate are very low. In the opinion of management the foreign currency risk is low and the company is not exposed to a material amount of foreign currency risk.

Sensitivity Analysis
The Company's cash is measured at fair value. Financial instruments included in accounts receivable are classified as accounts receivable, which are measured at cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at cost. As at all dates presented herein, the carrying and fair value amounts of the Company's financial instruments are the same.

Based on management's knowledge and experience of the financial markets, the Company believes that the movements in interest rates that are reasonably possible over the next twelve month period will not have a significant impact on the Company.

The Company does not hold material reserves of foreign currencies to give rise to exposure to foreign exchange risk. Therefore a percentage change in certain foreign exchange rates will not have a significant impact on the Company.

Capital Management
The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and development of additional business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company will continue to assess new business opportunities and seek to acquire an interest in additional interests if it feels there is sufficient economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during any of the periods presented herein.

11. SUBSEQUENT EVENTS

On August 8th, 2011, the Company announced that it entered into an agreement in principal to acquire 90% of the issued and outstanding shares of The Big & Easy Bottle Brewing Company Inc. ("TBE"). TBE is the holder of all of the shares of Mister Beer Inc., a company which invented and has a pending patent on a unique 'microbrewery in a bottle', allowing consumers to produce premium beer at roughly half the cost of regular beer.

The aggregate purchase price for 90% of the shares of TBE to be acquired by Armada will be $857,000 payable as follows: (i) $238,000 cash payable on closing; (ii) a convertible promissory note in the amount of $100,000; (iii) $400,000 worth of Armada common shares issued at closing at an issue price of $0.20, such that 2,000,000 shares of Armada will be issued; and (iv) assumption by Armada of $77,000 of debt of the Mister Beer business. The Note will be payable in monthly non-interest bearing installments of $4,167 over a 24 month term. The outstanding principal balance on the Note is convertible into share of Armada at the conversion rate of $0.25 per share or Armada at any time during the 24 month term of the Note. The share to be issued will be subject to all applicable securities and regulatory hold periods.

The closing of the transaction related to the acquisition of TBE is conditional on Armada and the shareholders of TBE entering into a share purchase agreement and shareholders agreement, and Mister Beer Inc. (as approved by Armada) entering into an employment agreement with a key employee. Armada will also commit to financing capital investments for the Mister Beer business of $700,000 over a 36 month period and contributing $100,000 towards marketing and business development costs for the Mister Beer business.

This transaction has not been completed as at August 31, 2011. The transaction was completed as at October 1, 2011.

12. TRANSITION TO IFRS

Overview

IFRS replaces current Canadian GAAP for publicly accountable enterprises, including Armada, effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. These are the Company's first interim consolidated financial statements that have been prepared in accordance IAS 34 using accounting policies consistent with IFRS. The accounting policies have been selected to be consistent with IFRS as is expected to be effective on May 31, 2012, the Company's first annual IFRS reporting date. Previously, the Company prepared its interim and annual consolidated financial statements in accordance with Canadian GAAP. The standards and interpretations within IFRS are subject to change and accordingly, the accounting policies for the annual period that are relevant to these interim consolidated financial statements will be finalized only when the first annual IFRS financial statements are prepared for the year ending May 31, 2012.

First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS effective at the end of an entity's first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment. The Company has elected to apply the following optional exemptions in its preparation of its opening IFRS consolidated balance sheet as at June 1, 2010, the Company's Transition Date:

To apply IFRS 2 Share-based Payments only to equity instruments that were issued after November 7, 2002 and had not vested by the Transition Date.

To apply IFRS 3 Business Combinations prospectively from the Transition Date, therefore not restating business combinations that took place prior to the Transition Date.

To not reassess whether arrangements contain a lease under IFRS where the same determination that would be made under IFRIC 4, determining whether an Arrangement Contains a Lease (IFRIC 4) was made previously in accordance with Canadian GAAP.

TRANSITION TO IFRS (continued)

First-time adoption of IFRS (continued)

To apply the transitional provisions of IFRIC 4 to leases which the same determination as IFRIC 4 was not made previously in accordance with Canadian GAAP. Therefore, the determination of whether these arrangements contain a lease is based on the circumstances existing at the Transition Date.

IFRS 1 does not permit changes to estimates that have been made previously. Estimates used in the preparation of the Company's opening IFRS statement of financial position, and other comparative information restated to comply with IFRS, are consistent with those made previously under current Canadian GAAP.

Changes to accounting policies

The adoption of IFRS resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian GAAP. Accounting policies have been changed to be consistent with IFRS as is expected to be effective on May 31, 2012. The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS, and the effect on the Company's opening IFRS balance sheet as at June 1, 2010.

Business Combinations
IFRS requires that all transaction costs associated with Goodwill are expensed as incurred under IFRS. These expenses were included in the total consideration transferred as part of the business combination under Canadian GAAP, the Company's accounting policies have been changed to reflect this difference. The only acquisition that occurred in the period from June 1, 2010 to August 31, 2011 was the purchase of the assets of Cybernet Finder Corporation**,** described more fully in note 4.

Impairment of Non-Financial Assets
IFRS requires a write down of assets if the recoverable amount is less than its carrying value. The recoverable amount is defined as the higher of the fair value less costs to sell and the value in use. Value in use is determined using discounted estimated future cash flows. Under Canadian GAAP, a write down to estimated fair value was required only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

IFRS also requires the reversal of any previous impairment losses, with the exception of goodwill, where circumstances have changed such that the level of impairment in the value of the assets has been reduced. Canadian GAAP prohibits the reversal of impairment losses.

The Company has changed its accounting policies related to impairment of assets to be consistent with the requirements under IFRS. The changes in accounting policies related to impairment did not have a significant impact on the Company's financial statements.

Share-based Payments
In certain circumstances, IFRS requires a different measurement of share-based compensation than Canadian GAAP. In particular, IFRS requires that each tranche (that vests separately) must be treated as a separate grant and that and estimate of forfeitures be included in the determination of the expense associated with stock option grants.

Due to the nature of the Company's stock options, these changes in accounting policy did not have a significant impact on the Company's financial statements.

ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED AUGUST 31, 2011

CANADIAN DOLLARS

TRANSITION TO IFRS (continued)

There were no changes to the opening statement of financial position as at June 1, 2010 from the previous statement of financial position as at May 31, 2010 as a consequence of adopting IFRS from Canadian GAAP.

Reconciliation of Canadian GAAP to IFRS

The following provides reconciliations of the shareholders' equity and the comprehensive income from Canadian GAAP to IFRS for the respective periods. The adoption of IFRS did not have a material impact on the interim consolidated statement of cash flows.

IFRS Opening Statement of Financial Position

	note	May 31, 2011	August 31, 2010	June 1, 2010
Shareholders Equity under Canadian GAAP		$ 1,713,631	$ 1,559,016	$ 1,342,256
transaction costs related to Acquistion	a	(36,830)	(36,830)	0
Shareholders Equity under IFRS		$ 1,676,801	$ 1,522,186	$ 1,342,256

IFRS Opening Statement of Comprehensive Income

		year ended May 31, 2011	3 months ended August 31, 2010
Comprehensive Income under Canadian GAAP		$ 328,104	$ 111,031
transaction costs related to Acquistion	a	(36,830)	(36,830)
Comprehensive Income under IFRS		$ 291,274	$ 74,201

a) - The effect of the change in accounting policy is to expense transaction costs associated with business combinations as incurred. The policy under Canadian GAAP was to include the transaction costs in the total consideration transferred as part of a business combination.