

MANAGEMENT'S DISCUSSION AND ANALYSIS of Financial Position and Operating Results for the quarter ending November 30, 2013

The following management's discussion and analysis ("MD&A") should be read in conjunction with the Armada Data Corporation's unaudited interim consolidated financial statements for the quarter ended November 30, 2013 and accompanying notes and the Company's annual audited consolidated financial statements for the year ended May 31, 2013. The results reported herein 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") and are presented in Canadian dollars.

These unaudited interim consolidated financial statements have been prepared in accordance with IAS 34 using accounting policies consistent with IFRS. The accounting policies have been selected to be consistent with IFRS as was 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 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").

Additional information relating to Armada Data Corporation is filed on SEDAR, and can be viewed at www.sedar.com.

Company Overview

Armada Data Corporation ("Armada" or the "Company") is an Information & Marketing Services Company providing accurate and real-time data to institutional and retail customers, through developing, owning and operating automotive pricing-related web sites and providing information technology and marketing services to its clients. Armada's information and marketing experience has enabled the company to leverage that experience into the beverage industry by acquiring Mister Beer Inc.

Armada is a publicly traded Canadian company with its shares listed on the TSX Venture Exchange under the trading Symbol ARD. Armada currently has a total of 17,670,265 shares outstanding. The Company has been based in Mississauga, Ontario since its inception in July 1999.

On Oct 1, 2011, Armada acquired 90% of the issued and outstanding shares of The Big & Easy Bottle Brewing Company Inc. ("TBE"). TBE owns 100% of all the issued and outstanding common shares of Mister Beer Inc. ("MB"), a company which invented and has a patent pending on a unique "microbrewery in a bottle" or more specifically, "bottle-brew". This new beer category (bottle-brew) allows consumers to produce and brew premium beer at home at roughly half the cost of regular premium or imported beers. This acquisition and business line adds a new dimension to Armada which management believes has potential for increasing shareholder value.

The Company's operations consist of six main divisions: Insurance Services, Retail Services, Dealer Services, Information Technology Services (IT), Advertising and Marketing Services, and Mister Beer Inc. (MB).

The Insurance Services division derives its revenue from the sale of total-loss replacement vehicle reports to major Canadian insurance companies.

The Retail Services division derives its revenue from the sale of new car pricing data to consumers primarily through the Company's flagship website www.CarCostCanada.com as well as the reselling of new car pricing data to qualified third party vendors, such as Consumers Union/Consumer Reports.

The Dealer Services division generates revenue through the sale of new vehicle leads derived from membership sales from Car Cost Canada.

The Information Technology division comprises web and email hosting, internal web site development and design, online marketing, search engine optimization, technical support and network support services (for both internal purposes resulting in saving the Company from the costs associated with high priced IT services, and external sales and service).

The Advertising and 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.

Mister Beer Inc. derives its revenue from the wholesale distribution sale of the Mister Beer Inc. beer-making kit and wholesale sales of unfermented beer.

Selected Quarterly Information

Fiscal Year	2014	2014	2013	2013	2013	2013	2012	2012
Quarter Ended	Nov-30 2013	Aug-31 2013	May-31 2013	Feb-28 2013	Nov-30 2012	Aug-31 2012	May-31 2012	Feb-28 2012
Total Sales	704,626	764,576	731,644	727,511	738,763	748,301	800,148	797,129
Cost of Goods Sold	(85,911)	(62,034)	(110,123)	(115,184)	(63,475)	(69,515)	(71,923)	(54,890)
Gross Operating Profit	618,715	702,542	621,521	612,327	675,288	678,786	728,225	742,239
Comprehensive (Loss) Income	(5,338)	154,941	(519,430)	26,633	(31,503)	28,754	(604,075)	(71,441)
Comprehensive (Loss) Income per Share	\$0.00	\$0.01	\$(0.03)	\$0.01	\$(0.01)	\$0.01	\$(0.01)	\$(0.01)

The prior periods' comparative figures have been reclassified where necessary, to conform to the current period's presentation.

Operations

The sales for the quarter ended November 30, 2013 decreased to \$704,626 versus \$738,763 at November 30, 2012 or a decrease of 5%. Gross profit decreased from \$675,288 in 2012, to \$618,715 in 2013, or by 8%.

Wages and other office expenses decreased to \$597,707 from \$685,179 at November 30, 2012 or a decrease of 13%. Management is committed to keeping expenses controlled during periods of change, therefore the decrease in expenses is greater than the decrease in sales and gross profit.

The Company recorded comprehensive loss before corporate income tax provision, of \$(5,338) compared to \$(31,503) last year, a decrease of 83%. This change is a direct result of the reduction of divisional expenses offsetting the divisional loss in the Mister Beer Inc. operations.

Amortization expense increased to \$39,378 from \$23,855 last year, due to the capital expenditures the Company has invested in for the Mister Beer Inc. division's new brewery facility.

The Insurance Services division sales increased to \$250,805 from \$210,695, or by 19%. Insurance Services contributed 36% of the Company's total sales this quarter, compared to 29% for the quarter ended November 30, 2012.

The Retail Services division sales decreased by 10% to \$108,876 from \$121,387 last year. The Retail Services division contributed 15% of the Company's total sales, compared to 16% from the prior year's quarter.

The Dealer Services division sales decreased by 14% (to \$178,634 from \$208,453) from the prior year's quarter. The continuation of efficiencies undertaken by management has ensured that this decrease is more than matched by decreases in expenses. The Dealer Services division's contribution of 25% to the Company's total sales is a decrease over last year's contribution of 28%.

The Internet Technology division sales decreased by 41%, from \$58,485 to \$34,571. The division's focus has been redirected to the internal needs of the organization as opposed to outside projects. There are several new technological trends within this sector and management is committed to ensuring that all of Armada's divisions keep pace with the market to the best of their ability. The IT division contributed 5% of the corporate quarterly revenue; a decrease over the 8% contribution in the prior year's quarter.

The Advertising and Marketing division decreased to \$2,320 from \$19,091, a decrease of 88%. The contribution to total revenue has decreased from 3% in the prior year's quarter; the division now brings in less than 1% of the corporate revenues. Management made the decision to stop serving advertisements on the CarCostCanada.com website. CarCostCanada.com is an ecommerce website that converted to a secure format which is not an ideal platform to serve advertisements while remaining fully secure. Web users have become more educated over the past several years and will often not purchase goods and services online with an unsecure site; hence decision to make CCC a secure site was in the best interest of the company and our customers. The Company will begin to refocus efforts on TheCarMagazine.com (TCM) which is designed to educate and inform car buyers with related news, reviews and automotive pricing information; TCM will focus on customer traffic and deriving revenue through the sale of advertising.

The Mister Beer Inc. division had gross sales of \$129,420, less \$85,911 of direct costs and labour, to report gross profit of \$43,509, compared to gross sales of \$120,652 less \$63,475 direct costs and labour resulting in gross profit of \$57,177 in the quarter ended November 30, 2012. Mister Beer Inc. contributed 18% to the Company's total sales, compared to 16% from the previous year's quarter. Inventory on hand decreased to \$103,259 at November 30, 2013 from \$137,873 at November 30, 2012. Although the sales figures declined in this quarter compared to 2012, the majority of the sales were derived in November since the majority of September 2013 and all of October 2013 were designated to brewery restructuring, maintenance and repairs as well as training of a completely new team of brewing and production specialists. Although the sales for the quarter declined, sales in the month of November 2013 were one of the highest in company history.

Bank indebtedness increased from \$(138,950) at November 30, 2012 to \$(172,938) at November 30, 2013. This is directly attributed to the acquisition of 90% interest in TBE/Mister Beer Inc. In addition, capital investments in the new Mister Beer Inc. brewery have had and will continue to have significant impact on the Company's cash on hand. The Company obtained a credit facility from its bank to assist in day-to-day operations.

Accounts receivable increased from \$394,187 in the prior year's quarter to \$512,199 in the quarter ended November 30, 2013. Related party Accounts Receivable increased to \$4,994 from \$396.

Accounts payable decreased to \$267,149 from \$289,087. Related party Accounts Payables decreased from \$45,585 to \$38,196. The Note payable related to the TBE and Mister Beer Inc. acquisition is \$Nil, compared to \$45,834 last year.

As a result of the comprehensive loss reported by the Company for fiscal 2013 and comprehensive loss for this second quarter of 2014, the retained earnings are a deficit of \$(773,144), as compared to retained earnings of a deficit of \$(429,950) at November 30, 2012.

Sales earned by division were as follows:

	3 months ended November 30, 2013			3 months ended November 30, 2012		year ended May 31, 2013		
Insurance Services	\$	250,805	36%	\$	210,695	29%	\$ 833,529	28%
Retail Services		108,876	15%		121,387	16%	467,197	16%
Dealer Services		178,634	25%		208,453	28%	828,228	28%
Internet Technology		34,571	5%		58,485	8%	235,168	8%
Advertising and Marketing		2,320	1%		19,091	3%	67,004	2%
Mister Beer Inc		129,420	18%		120,652	16%	515,093	18%
Total consolidated sales		704,626	100%		738,763	100%	2,946,219	100%
Less: Direct product costs/wages - Mister Beer Inc.		(85,911)			(63,475)		(358,297)	
Total Gross Profit	\$	618,715		\$	675,288		\$ 2,587,922	

Related Party Transactions

Management salaries were paid to certain directors and officers of the Company and one director is a 25% shareholder of Lease Busters Inc. Legal fees are paid to a law firm, of which a partner is a (non-remunerated) director of the Company. A firm controlled by a (non-remunerated) director of the Company has been retained for sales consulting for the Mister Beer Inc. division of the Company. All of the actual costs noted in this section are paid at fair market value in the normal course of business.

Liquidity

Based on bank indebtedness of (\$172,938) and accounts receivable of \$512,199, management believes that the Company will remain in a debt position utilizing the current bank facility to assist in the ongoing operations of the business.

The Company realizes the need for additional financing to achieve future goals of revenue increases based on the Mister Beer Inc. division's potential impact into the market place. The data divisions (Insurance Services, Retail Services, Dealer Services, Advertising/Marketing Services and IT Services) under current conditions fully expect to continue to report profitable results for the balance of this fiscal year and will support the Mister Beer Inc. division until it reaches the projected growth, sales and revenue objectives.

With respect to market competition, the Retail and Dealer services divisions enjoyed several years without competition. Currently there is one significant competitor to the Company's CarCostCanada.com website. This competition has increased market awareness to the online new vehicle pricing industry, which necessitated the launching of the updated and refreshed CarCostCanada.com site. The new mobile CarCostCanada.com website has made our vehicle pricing information available on all major smartphone devices. The barrier to entry remains high within this industry and the competition will continue to initiate new demands on Armada Data Corporation's new vehicle pricing and dealer referral services.

Risk Management

Armada Data Corporation is subject to the risk generally associated with the operation of income-producing websites, production of a beer-based kit and normal course business risk. These risks include fluctuations in site traffic, sales, operating expenses, and the risk of unavailability of further equity financing and funding. Other associated risks may include competition, technical constraints in further business development, and possible service interruptions.

Controls and Procedures

Disclosure Controls and Procedures - As at November 30, 2013, the Company's senior management, including the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures and concluded that they were effective.

Internal Control Over Financial Reporting - There have been no changes in the Company's internal control over financial reporting during the quarter ended November 30, 2013 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. For all future financial reporting periods, management intends to continue to fully comply with the new disclosure obligations.

Management has made certain critical accounting estimates pertaining to the Amortization of Capital Assets. These critical estimates were based on the expected useful lives of the particular asset when they were acquired. Management also believes that Armada Data Corporation is taking all the measures necessary to rebound our growth trends in the data divisions and begin to realize a return on investment in the Mister Beer Inc. division as a result of a new production facility, packaging improvements, marketing and branding efforts and the opening of sales and distribution channels throughout the major markets in Canada.

It is expected that Management can meet these objectives in the data divisions. The Mister Beer Inc. division does not have enough supportive sales history and contracts to accurately report optimistic results; the Mister Beer Inc. bottle-brew product is a unique beverage kit within its category and has a current customer base to build upon in the coming months and years. A robust or downward trending economy will have some impact on the future growth expectations however, the data divisions have historically benefited in either economic trends and historical evidence supports increases in beer type beverages during economic downturns.

Outlook

The company's outlook is to increase sales, update and improve our data services products and services, and deliver significantly better results to our shareholders by way of the following:

1. Build on the historical success of the Company's ongoing sales and marketing efforts focused on increasing sales at the Retail Services, Dealer Services and Advertising and Marketing Services divisions.
2. Exploit the new market awareness and demand for new vehicle pricing information and dealer referrals that result from the addition competition within that market space.
3. Continue to improve our relationships with some of the largest insurance companies in Canada and partner with some of these organizations to produce new products and services for their vast client base.
4. Maintain operation expenses and achieve the economies of scale of an Internet based business.
5. Continue the expansion of third-party fee-based online advertising.
6. Capitalize on the new relationship established between the Beer Division and Home Hardware; this relationship has the potential to maximize the capacity of the production facility and act as a catalyst to other major retailers to start carrying the MB Bottle Brew product.

Armada Data Corporation is poised and preparing for new levels of growth as it capitalizes and grows in the existing markets and begins to realize the potential of being a part of Canada's beer market.

It is expected that Management can meet these objectives regardless of economic conditions.

On behalf of the Board of Directors

"R. James Matthews"

R. James Matthews

Chief Executive Officer