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MANAGEMENT'S DISCUSSION AND ANALYSIS of Financial Position and Operating Results for the quarter ending August 31, 2018 - effective October 29, 2018

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 period ended August 31, 2018, and accompanying notes, and the Company's annual audited consolidated financial statements for the years ended May 31, 2018 and 2017 and accompanying notes. The results reported herein have been prepared in accordance with International Accounting Standards, 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 International financial Reports Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). 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. These accounting policies have been applied consistently to all periods presented.

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 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 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 October 1, 2011, Armada acquired 90% the issued and outstanding shares of The Big & Easy Bottle Brewing Company Inc. ("TBE"). TBE owns 100% of all the issued and outstanding commons shares of Mister Beer Inc. ("MB"), a company which invented and has a patent pending on a unique "microbrewery in a bottle", allowing consumers to produce premium beer at roughly half the cost of regular beer. Management made the decision to close the Mister Beer production facility and cease operations, effective December 31, 2014.

The Company's operations consisted of three main segments: Insurance Services, CarCostCanada, (combining the former Retail, Dealer and Advertising/Marketing divisions) and Information Technology (IT) Services.

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

The CarCostCanada division derives its revenue from: the sale of new car pricing data to consumers primarily through the Company's flagship website www.CarCostCanada.com; the reselling of new car pricing data to qualified third-party vendors; through the sale of new vehicle customer leads derived from membership sales from CostCostCanada; and the sale of online third-party website advertising, consulting fees and other new car or car business related marketing activities. In previous periods, these revenues were reported separately, but because these revenues are all earned directly or indirectly from the website www.CarCostCanada.com, the three segments have been combined and all previous periods' comparative information has also been combined.

The Information Technology division comprises web and email hosting, online marketing, search engine optimization, technical support and network support services (for both internal use and retail sales) and the resale of hardware and software solutions.

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Selected Quarterly Information

Fiscal Year	2019	2018	2018	2018	2018	2017	2017	2017
Quarter Ended	Aug-31 2018	May-31 2018	Feb-28 2018	Nov-30 2017	Aug-31 2017	May-31 2017	Feb-28 2017	Nov-30 2016
Total Revenue	748,287	684,745	738,577	750,684	777,838	594,625	568,029	633,385
Comprehensive Income(Loss) before taxes	91,679	(144,518)	51,456	166,313	199,064	(118,352)	51,733	117,740
Comprehensive Income per share	$0.01	$(0.01)	$0.00	$0.01	$0.01	$(0.01)	$0.00	$0.01

Operations

The Company's total revenue decreased by 4% in the period ended August 31, 2018 to $748,287 from $777,838 in the same period a year earlier. Comprehensive income decreased to $91,679 in this quarter, down 46% from $199,064 at August 31, 2017. Stock-based compensation expenses, and higher salaries and wages account for this decrease.

The Insurance Services division experienced a 4% decrease in revenue, from $359,470 in the three months ended August 31, 2017 to $344,700 in 2018.

The Company has combined the Retail, Dealer and Advertising/Marketing divisions into one segment, known as CarCostCanada, due to the fact that the revenues earned by these divisions comes directly or indirectly from the carcostcanada.com website, and as the Company has moved into free trial memberships, the business model for the former Retail Services Division has changed. CarCostCanada revenue was down 8% to $316,725 from $345,791 in 2017.

The Information Technology division revenue increased by 20% to $86,862 in the first quarter of fiscal 2019 ended August 31, 2018, from $72,577 in the same quarter in fiscal 2018. IT continues to offer technical support and web site hosting to hundreds of customers, and is developing new customer relationships on a regular basis, as well as offering new services for sale.

Expenses in this first quarter of fiscal 2019 before amortization and stock-based compensation increased to $633,966, compared to $568,908, an 11% increase over the same period last year. After the many cost-cutting measures to reduce expenses in 2015 and 2016, the largest increase is in salaries and wages, and employee benefits.

Accounts receivable decreased 1% to $504,379 as at August 31, 2018, compared to $510,299 as at August 31, 2017. Related party accounts receivable decreased from $3,508 to $1,116.

Accounts payable decreased 24%, to $256,660 as at August 31, 2018 from $339,317 a year earlier. Related parties accounts payable decreased to nil as at August 31, 2018, from $1,964 last year.

As a result of the income reported by the Company in this quarter ended August 31, 2018, the Company's deficit decreased to $(841,721) compared to $(1,007,480) at the quarter ended August 31, 2017. Earnings per share at August 31, 2018 are $0.01, unchanged from $0.01 per share at August 31, 2017.

Management does not plan on issuing any dividends until further notice.

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Stock Options

On April 10, 2018, the Company granted options for the purchase of 1,200,000 common shares of the Company, expiring 2 years form the date of grant and with an exercise price of $0.11 per share. The options vest 1/3 every six months beginning six months from the grant date. The Company had no options outstanding prior to April 30, 2018. As of August 31, 2018, none of the options were exercisable. The remaining fair value of options to be expensed in fiscal years subsequent to May 31, 2018 is $92,772. The fair value of options expenses in the quarter ended August 31, 2018 is $20,948.

Related Party Transactions

Salaries and expenses are paid to a director and officer of the Company, who is also 50% 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. In management's opinion, the actual costs noted in this section were paid at fair market value in the normal course of business.

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

	3 months ended August 31, 2018	3 months ended August 31, 2017	year ended May 31, 2018
Advertising	**$ 1,798**	$ -	$ 9,090
Automobile	**3,600**	3,600	14,400
Computer Consulting	**1,700**	2,170	9,980
Interest	**-**	-	19,460
Management Salaries	**75,000**	75,000	318,406
Professional Fees	**14,958**	5,400	24,996
Rent	**3,000**	3,000	15,650
	$ 100,056	$ 89,170	$ 411,982
Amounts due from Related Parties	**$ 1,116**	$ 3,508	$ 6,564
Amounts owing to Related Parties	**$ -**	$ 1,964	$ 2,340

Segmented Quarterly Information

Revenues earned by divisions are as follows:

	3 months ended August 31, 2018	3 months ended August 31, 2017
Insurance Services	**$ 344,700**	$ 359,470
CarCost Canada	**316,725**	345,791
Information Technology	**86,862**	72,577
Total revenue - Armada Data Corp	**$ 748,287**	$ 777,838

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Liquidity

Based on a quarter-end cash position of $417,370, accounts receivable of $504,379, and accounts payable of $256,660, the company is in a positive cash position. All divisions of Armada are poised for revenue gains in fiscal 2019 as a result of new projects and feature launches as well as more than one significant partnership that the Insurance Services and CarCostCanada teams are working on. Management believes that these divisions will not only remain very stable and profitable but begin to make significant inroads in new verticals that will result from our partnerships, project releases and new revenue streams.

The CarCostCanada division was competition-free for many years and had to re-group and re-strategize in order to prevent further erosion caused by an aggressive competitor. Management expects CarCostCanada.com to start realizing additional market gains this fiscal year and with the overall new car market remaining poised for more growth nationally (and more specifically in the web-rich Canadian urban centres), the division plans to earn more members to enhance the new car buying process for the Canadian new car buying marketplace.

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.

Credit Risk

The Company is exposed to credit risk due to its accounts receivable, which are stated net of an allowance for doubtful accounts. Cash is held at a major Canadian bank and is not considered to be subject to significant credit risk. Credit risk is the risk that a customer will be unable to pay amounts owed causing the Company to suffer a financial loss. The Company's largest customer accounts for 16.3% (August 31, 2017 14.5%) of consolidated revenue or 36% (August 31, 2017 31%) of Insurance Services segment revenue. This customer is one of Canada's largest insurance companies and is considered by management to be of negligible credit risk. The Company's remaining consolidate revenue is derived from a large number of relatively small customers and therefore are not subject to any concentrations of credit risk. Furthermore, individual revenue transactions are of nominal value.

Management reduces credit risk by monitoring the amounts owed to them by their customers on a regular basis, performing regular credit reviews by any customer that approaches their credit limit or does not keep to their normal payment pattern. 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 theses controls will continue to be effective, or that the Company's low credit loss experience will continue. Most of the Company's sale are by credit or with large insurance companies. In the opinion of management, the credit risk is low due to the controls on place and the lack of concentration among customers. This risk is unchanged from prior periods.

Liquidity Risk

The Company is exposed to Liquidity risk of their accounts payable, $256,660 (August 31, 2016 $339,317). 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

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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. This risk is unchanged from prior periods.

Market Risk

The Company is not exposed to significant foreign currency, interest rate or other price risks.

Capital Management

The Company manages its capital structure, which management defines as shareholders' equity net on non-controlling interest, in order to support the acquisition, and development of additional business opportunities and to ensure the Company is able to continue as a going concern. 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 ventures 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.

Accounting changes – International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that significantly affected financial reporting requirements for Canadian companies. The AcSB strategic plan outlined the convergence of Canadian generally accepted accounting principles with IFRS over an expected five year transitional year. In February, 2010, the AcSB announced that 2011 was the changeover date for publicly-listed companies to use IRFS, replacing Canada's own generally accepted accounting principles. The date was for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 required the restatement for comparative purposes of amounts reported by the Company for the year ended May 31, 2011.

Controls and Procedures

Disclosure Controls and Procedures - As at August 31, 2018, 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 August 31, 2018 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Management believes that Armada Data Corporation is taking all the measures necessary to rebound our growth trends in the "data" division and by divesting itself of the Mister Beer division, has reduced the drain on Company finances.

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Outlook

The Company's outlook is to continue 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 upon the historical success of the Company's ongoing sales and marketing efforts focused on increasing sales in the three divisions – Insurance, CarCostCanada and IT.

2. Launch first-to-the-market features and tools to further increase market share and take advantage of the significant available base of new car buyers currently not using third-party pricing and dealer referral services.

3. Exploit market awareness and demand for new vehicle pricing information and dealer referrals that result from the additional competition with that market space; by putting more emphasis on outside partners, data outsourcing and our underutilized online magazine TheCarMagazine.com

4. 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.

On behalf of the Board of Directors

"R. James Matthews"

R. James Matthews
Chief Executive Officer