ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED FEBRUARY 28, 2019
(Expressed in Canadian Dollars)

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").

ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT FEBRUARY 28, 2019
(Expressed in Canadian Dollars)

	as at February 28, 2019	as at February 28, 2018	as at May 31, 2018
ASSETS			
Current			
Cash	$ 292,027	$ 463,464	$ 375,767
Accounts receivable (note 6)	543,776	589,094	566,230
Related Party Receivable (notes 6 and 10))	5,579	7,927	6,564
Prepaid Corporation Income Taxes	81,073	58,141	-
Prepaid expenses and sundry assets	145,466	50,819	45,016
TOTAL CURRENT ASSETS	1,067,921	1,169,445	993,577
Property and Equipment - net (note 7)	28,754	19,434	23,023
Goodwill - net (note 8)	180,000	180,000	180,000
TOTAL ASSETS	$ 1,276,675	$ 1,368,879	$ 1,196,600
LIABILITIES			
Current			
Accounts payable and accrued liabilities (note 9)	$ 266,556	$ 360,455	$ 275,287
Deferred revenue	40,000	40,000	25,000
Related party payable (note 10)	2,881	1,471	26,173
Corporation income taxes payable (note 12)	-	-	28,635
TOTAL CURRENT LIABILITIES	309,437	401,926	355,095
SHAREHOLDERS' EQUITY			
Share Capital (note 11)	1,730,022	1,730,022	1,730,022
Contributed Surplus	257,417	175,505	194,573
(Deficit)	(870,511)	(788,884)	(933,400)
Total Equity Attributable to Equity Holders of the Company	1,116,928	1,116,643	991,195
Non-Controlling Interest (Note 13)	(149,690)	(149,690)	(149,690)
TOTAL SHAREHOLDERS' EQUITY	967,238	966,953	841,505
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,276,675	$ 1,368,879	$ 1,196,600

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

ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AS AT FEBRUARY 30, 2019
(Expressed in Canadian Dollars)

	3 months ended February 28, 2019	3 months ended February 28, 2018	**6 months ended February 28, 2019**	6 months ended February 28, 2018	**9 months ended February 28, 2019**	9 months ended February 28, 2018
REVENUE (note 15)	**$ 718,174**	$ 738,576	**$ 1,422,695**	$ 1,489,261	**$ 2,170,982**	$ 2,267,100
Expenses - General and Administration						
Wages and other Office Expenses	**693,915**	685,552	**1,406,200**	1,260,057	**2,040,166**	1,828,968
Income(Loss) before undernoted	**24,259**	53,024	**16,495**	229,204	**130,816**	438,132
Amortization	**1,694**	1,569	**3,389**	11,435	**5,083**	21,301
Stock-based compensation expense	**20,948**	-	**41,896**	-	**62,844**	-
Comprehensive Income (Loss)	**$ 1,617**	$ 51,455	**$ (28,790)**	217,769	**62,889**	$ 416,831
Atttributable to equity holders of the company	**1,617**	$ 51,455	**$ (28,790)**	218,599	**62,889**	418,490
Atttributable to non-controlling interests	**-**	-	**-**	(830)	**-**	(1,659)
	$ 1,617	$ 51,455	**$ (28,790)**	217,769	**62,889**	$ 416,831
Income Per Share						
Basic	**$0.00**	$0.00	**$0.00**	$0.01	**$0.00**	$0.02
Fully Diluted	**$0.00**	$0.00	**$0.00**	$0.01	**$0.00**	$0.02
Weighted Average number of Common Shares	**17,670,265**	17,670,265	**17,670,265**	17,670,265	**17,670,265**	17,670,265

APPROVED ON BEHALF OF THE BOARD:

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

"Eli Oszlak" **Director**
Eli Oszlak

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

ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

AS AT FEBRUARY 28, 2019
(Expressed in Canadian Dollars)

	Share Capital	Deficit	Contributed Surplus	Non-Controlling Interest	Total Equity
Balance at February 28, 2017	$ 1,730,022	$ (1,081,523)	$ 175,505	$ (155,419)	$ 668,585
Net Income		(125,851)		7,388	(118,463)
Balance at May 31, 2017	1,730,022	(1,207,374)	175,505	(148,031)	550,122
Net Income		418,490		(1,659)	416,831
Balance at February 28, 2018	1,730,022	(788,884)	175,505	(149,690)	966,953
Net Income		(144,516)			(144,516)
Stock-based compensation expense (notes 3 and 9)			19,068		19,068
Balance at May 31, 2018	1,730,022	(933,400)	194,573	(149,690)	841,505
Net Income		62,889			62,889
Stock-based compensation expense (notes 3 and 9)			62,844		62,844
Balance at February 28, 2019	**$ 1,730,022**	**$ (870,511)**	**$ 257,417**	**$ (149,690)**	**$ 967,238**

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

ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT FEBRUARY 28, 2019
(Expressed in Canadian Dollars)

	3 months ended February 28, 2019	3 months ended February 28, 2018	**6 months ended February 28, 2019**	6 months ended February 28, 2018	**9 months ended February 28, 2019**	9 months ended February 28, 2018
Operating Activities						
Comprehensive income (loss) for the period	**$ 1,617**	$ 51,455	**$ (28,790)**	$ 217,769	**$ 62,889**	$ 416,831
Items not involving cash:						
Stock-based compensation expense	**20,948**	-	**41,896**	-	**62,844**	-
Amortization	**1,694**	1,569	**3,389**	11,435	**5,083**	21,301
	24,259	53,024	**16,495**	229,204	**130,816**	438,132
Changes in non-cash working capital						
Accounts receivable	**(51,432)**	(31,562)	**(39,397)**	(78,796)	**22,454**	(276,965)
Related party receivable	**(469)**	5,511	**(4,463)**	(4,419)	**985**	(5,485)
Prepaid corporation income taxes	**(28,578)**	(21,840)	**(57,156)**	(38,898)	**(81,073)**	(58,141)
Prepaid expenses and sundry assets	**9,531**	6,763	**(72,784)**	(17,767)	**(100,450)**	(7,150)
Accounts payable and accrued liablities	**29,657**	98,239	**9,895**	21,137	**(8,731)**	66,699
Related party payable	**2,881**	98	**2,881**	(493)	**(23,292)**	(869)
Deferred revenue	**(15,000)**	(15,000)	**30,000**	30,000	**15,000**	15,000
Corporation income taxes payable	**-**	-	**-**	-	**(28,635)**	(3,957)
Cash (used in) provided by operating activities	**(53,410)**	42,209	**(131,024)**	(89,236)	**(203,742)**	(270,868)
Investing Activities						
Purchase of property and equipment	**(4,774)**	-	**(10,814)**	-	**(10,814)**	-
Cash (used in) investing activities	**(4,774)**	-	**(10,814)**	-	**(10,814)**	
Net (Decrease) Increase in Cash	**(33,925)**	95,233	**(125,343)**	139,968	**(83,740)**	167,264
Cash, beginning of period	**325,952**	368,231	**417,370**	323,496	**375,767**	296,200
Cash, end of period	**$ 292,027**	$ 463,464	**$ 292,027**	$ 463,464	**$ 292,027**	$ 463,464

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

1. CORPORATE INFORMATION

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

The Company was incorporated in Canada and its registered office is 5080 Timberlea Blvd. Suite 215, Mississauga, Ontario, Canada. The Company's common share are listed on the TSX – Venture Exchange under the symbol ARD.

2. BASIS OF PRESENTATION

The unaudited interim consolidated financial statements for the period ended February 28, 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited interim consolidated financial statements for the period ended February 28, 2019 were authorized for issuance by the Board of Directors of the Company on April 29, 2019.

These unaudited interim consolidated financial statements include: the accounts of Armada Data Corporation; its wholly owned subsidiary CCC Internet Solutions Inc; its 90% owned subsidiary The Big & Easy Bottle Brewing Company In. ("TBE"); TBE's wholly owned subsidiary Mister Beer Inc.; and the inactive subsidiary Mister Beer U Brew Inc. All of the Company's subsidiaries are incorporated in Canada and have their registered offices at 5080 Timberlea Blvd., Suite 215, Mississauga, Ontario. All intercompany balances and transactions have been eliminated.

These unaudited interim consolidated financial statements have been prepared under the going concern assumption and on the historical cost basis, except financial instruments classified as at fair value through profit and loss, which are measured at fair value.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently to all periods presented.

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 fair value of the consideration transferred in a business acquisition over the fair values of identifiable net assets acquired and liabilities assumed in such acquisitions. Goodwill is measured at the date that control is obtained.

Foreign Currency Translation

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Customer membership fees are generated as services are provided to the customer. The unearned portion, if any, is reflected as deferred revenue on the unaudited interim consolidated statement of financial position. CarCostCanada("CCC") Insurance and IT services revenue are recognized as the service is performed. The primary method of settlement for CCC fees is by credit card which is charged just before the service is performed. The other services are invoiced, with normal business terms of settlement, and revenues are recognized when services have been performed.

In addition, the Company recognizes revenue when 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 maturities 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 amount recognized is adjusted to reflect the number of share options expected to vest. The fair value is recognized as an expense over the vesting period with a corresponding increase in contributed surplus within equity.

Share Issue Costs

Costs directly identifiable with the raising of capital are recognized in equity as a reduction of the proceeds received from common share issuances. Share issue costs consist primarily of corporate finance fees, legal fees and managing dealer commissions and marketing fees.

Income Tax

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 only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

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.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 net income.

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.

Cash, accounts receivables and related parties receivables 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, accrued liabilities, and related parties 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 consists of cash balances at a major Canadian based financial institution.

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 depreciation and accumulated impairment losses, if any. 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

Property and equipment purchased during the year are amortized at one-half the above stated rates.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 impairment test is performed at the level of the cash generating unit (CGU) which is the smallest group of long-lived assets that generate cash inflows that are largely independent of the cash inflows of other long-lived assets.

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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unaudited interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported in the unaudited interim consolidated financial statements and accompanying notes. These estimates have a direct effect on the measurement of transactions and balances recognized in the unaudited interim consolidated financial statements. Actual results could differ from these 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 unaudited interim consolidated financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

Impairment of assets

In performing impairment test of ling-lived assets, the Company is required to exercise judgement in determining the appropriate CGU(s) and to estimate the future cash flows and discount rate that are used as inputs in measuring the CGU'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.

Share-based compensation

Management is required to make certain estimates when determining the fair value of stock-based compensation awards, in particular the volatility and the number of awards that are expected to vest The Company recognized stock-based compensation expense for the three months ended February 28, 2019 of $20,948 (2018 – $ Nil). These estimates affect the amount recognized as stock-based compensation in the unaudited interim statement of comprehensive income.

Income Tax

Management is required to apply judgement in determining whether it is probable deferred income tax assets will be realized. At February 28, 2019 and February 28, 2018, 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 unaudited interim consolidated statements of financial position. 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 becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the annual audited consolidated financial statements.

5. FUTURE CHANGES IN ACCOUNTING STANDARDS

A number of new standards, amendments to standards and interpretations were not effective for the year ended May 31, 2018, and have not been applied in preparing these unaudited interim consolidated financial statements.

IFRS 9 Financial Instruments

On July 24, 2014, the IASB issued the final version of IFRS 9. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost of fair value, replacing the multiple rules in International Accounting Standard (IAS) 39, *Financial instruments: Recognition and Measurement*. The approach in IFRS 9 is based on how an entity manages its financial instruments int the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also introduces an Expected Credit loss model, replacing the incurred loss model in IAS 39. The standard has a mandatory effective date for annual periods beginning on or after January 1, 2018 and the Company plans to adopt it for its May 31, 2019 year. The Company is currently assessing the impact of this standard on the financial statements.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, subsequently amended in September 2015 and April 2016, as a replacement of IAS 18, *Revenues*, IAS 11 *Constructions Contracts* and various international financial reporting interpretations. The standard introduces a comprehensive model for determining recognition and measurement of revenues for any contract with customers and provides increased disclosure requirements. IFRS 15 has a mandatory effective date for annual periods beginning on or after January 1, 2018 and the Company plans to adopt it for its May 31, 2019 year. The Company is currently assessing the impact of this standard on its financial statements.

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16 *Leases*, replacing IAS 17 Leases. The standard provides a single accounting model for lessees, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The cost of these leases will change from straight line operating lease expense to a depreciation charge for the right-of-use asset and an interest expense on the lease liabilities which will be accounted for at amortized cost. The standard has a mandatory effective date for annual periods beginning on or after January 1, 2019 and the Company plans to adopt it for its May 31, 2020 year. The impact of this standard on the financial statements will depend on the leases in place at the time of adoption.

(Expressed in Canadian Dollars)

6. ACCOUNTS RECEIVABLE

	February 28 2019	February 28 2018
Neither impaired nor past due	$ **291,026**	$ 319,407
Not impaired and past due in the following periods:		
31 to 60 days	**87,159**	95,523
61 to 90	**73,609**	104,479
Over 90 days	**97,561**	77,612
Impaired accounts receivable	**-**	-
Allowance for doubtful accounts	**-**	-
Total accounts receivable and related parties accounts receivable	$ **549,355**	$ 597,021
Broken down as follows:		
Related parties accounts receivable	$ **5,579**	$ 7,927
Accounts receivable	**543,776**	589,094
Total accounts receivable and related parties accounts receivable	$ **549,355**	$ 597,021

None of the allowance for doubtful accounts at February 28, 2019 or 2018 relates to related party accounts receivable. The Company's accounts receivable are non-interest bearing and are generally 30 day terms. The Company does not hold any collateral with respect to its receivable.

7. PROPERTY AND EQUIPMENT

Property and equipment consist of:

	February 28, 2019 Cost	February 28, 2019 Accumulated Amortization	February 28, 2019 Net Book Value	May 31, 2018 Net Book Value
Furniture and Fixtures	$ **26,829**	$ **23,068**	$ **3,761**	$ 4,425
Computer hardware	**153,514**	**142,373**	**11,141**	14,375
Telephone equipment	**21,742**	**18,934**	**2,808**	3,304
Computer software	**41,075**	**40,846**	**229**	919
Leasehold Improvements	**183,792**	**172,977**	**10,815**	-
Total	$ **426,952**	$ **398,198**	$ **28,754**	$ 23,023

(Expressed in Canadian Dollars)

8. GOODWILL

	February 28, 2019	February 28, 2018	May 31, 2018
Beginning and ending balance	$ 180,000	$ 180,000	$ 180,000

Management has determined that the goodwill underlies the cash inflows generated by all of the Company's reportable operating segments due to the synergies derived from the Cybernet Finder business combination completed in 2010.The smallest group of long-lived assets that generate cash inflows independently of other long-lived assets is the goodwill and property and equipment collectively. Management therefore considers that the Company has one CGU for the purpose of impairment testing. The recoverable amount of the CGU is determined on the basis of value in use. Management has used of period of two years of cash flow projections, incorporating past experience. A reasonably possible change in the discount rate or the cash flows projected (which are the assumptions used) would not cause an impairment loss to be recognized.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	February 28, 2019	February 28, 2018
Accounts payable	**$ 151,919**	$ 220,098
Accrued liabilities	**104,136**	85,741
Sales tax payable	**13,382**	11,459
Payroll tax payable	**-**	44,628
	$ 269,437	$ 361,926
Broken down as follows:		
Related parties accounts payable	**$ 2,881**	$ 1,471
Accounts payable	**266,556**	360,455
Total accounts payable and related parties accounts payable	**$ 269,437**	$ 361,926

10. RELATED PARTY TRANSACTIONS

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

a) A director of the Company is also a director and 50% shareholder of Lease Busters Inc. Another director is a partner in a legal firm which provides services to the Company.

b) Management salaries were paid to officers of the Company, two of whom are directors.

c) $180,000 in Goodwill was acquired from Cybernet Finder Corporation, which is owned by a director of Armada Data Corporation.

d) Included in revenue is $12,817 from parties related to directors of Armada Data Corporation (February 28, 2018 $11,502).

e) Related party receivables of $5,579 are due from parties related to directors of Armada Data Corporation (February 28, 2018 $7,927).

f) $2,881 in related party payables are due to directors or parties related to directors of Armada Data Corporation (February 28, 2018 $ 1,471).

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS (cont'd)

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

	3 months ended February 28, 2019	3 months ended February 28, 2018	year ended May 31, 2018
Advertising	**$ -**	$ 1,930	$ 9,090
Automobile	**3,600**	3,600	14,400
Computer Consulting	**1,827**	840	9,980
Interest	**-**	-	19,460
Management Salaries	**75,000**	75,000	318,406
Professional Fees	**5,760**	-	24,996
Rent	**-**	3,000	15,650
Fair value of stock-based compensation expense	**17,457**	-	15,890
	$ 103,644	$ 84,370	$ 427,872
Amounts due from Related Parties	**$ 5,579**	$ 7,927	$ 6,564
Amounts owing to Related Parties	**$ 2,881**	$ 1,471	$ 26,173

All of the above transactions have been in the normal course of operations, and in management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties. The value of these transactions approximates fair value. All transactions with related parties are measured at their exchange amount.

11. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value

b) Issued

	Fiscal 2019		Fiscal 2018	
CCC Internet Solutions Inc.	**Number of shares**	**$**	Number of shares	$
Armada Data Corporation				
Beginning balance	**17,670,265**	**$ 1,730,022**	17,670,265	$ 1,730,022
Weighted average number of potential common shares outstanding	**-**		25,802	
Ending balance – Basic and fully diluted	**17,670,265**	**$ 1,730,022**	17,696,067	$ 1,730,022

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

c) 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 from 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 10, 2018. As at February 28, 2019, 1/3 or 400,000 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 expensed in the quarter ended February 28, 2019 is $20,948 (of which $17,457 is for Related Parties).

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 is 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.

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 Shareholders,,

   a) the number of shares reserved for issuance under Options granted to Insiders of the Company 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 Company, 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;

   d) 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;

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; and

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

The fair value of the options granted was estimated at the grant date using the Black-Scholes option pricing model with the following assumptions:

Expected volatility	125%
Risk free interest rate	1.82%
Expected life	2 years
Expected dividend yield	0.0%

(Expressed in Canadian Dollars)

12. INCOME TAXES

a) The Company follows the liability method of accounting for income taxes. Under this method, future tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between the financial statement carrying amounts of asset and liabilities and their respective tax bases. Future tax liabilities and assets are measured using enacted tax rates. The effect on the future tax liabilities and assets of a change in tax rates is recognized in the year that the change occurs.

b) At May 31, 2018 The Big and Easy Bottle Brewing Company Inc. and Mister Beer Inc. had combined non-capital losses for income tax purposes of $2,228,733 available to offset future taxable income. The potential tax benefits have not been reflected in these financial statements as the likelihood of realization is uncertain. These losses will expire as follows:

May 31, 2025	$ 28,957
May 31, 2029	48,677
May 31, 2030	81,046
May 31, 2031	60,171
May 31, 2032	236,305
May 31, 2033	545,726
May 31, 2034	591,878
May 31, 2035	300,785
May 31, 2037	45
May 31, 2038	335,143
	$ 2,228,733

13. NON-CONTROLLING INTEREST

The financial position and results of the 90% owned subsidiary, Mister Beer Inc., are as follows:

	February 28 2019	February 28 2018
Current assets	**$ 15,059**	$ 15,059
Long term assets	**-**	-
Total assets	**$ 15,059**	$ 15,059
Current liabilities	**$ -**	$ -
Long term liabilities – intragroup payable	**(2,276,385)**	(2,276,385)
Total liabilities	**$ (2,276,385)**	$ (2,276,385)
Revenue	**-**	-
Net loss and total comprehensive loss	**$ -**	$ (16,590)

(Expressed in Canadian Dollars)

14. COMMITMENTS

a) The Company has entered into various operating leases which continue until fiscal 2020. The minimum rental payments (net of H.S.T.) for the next two fiscal years is:

Fiscal 2019	$ 9,466
Fiscal 2020	6,705
	$ 25,637

b) In August 2015, the Company entered into a five-year lease with respect to its premises. On September 1, 2018, the Company took on additional office space in conjunction with the existing lease. This lease is from September 2015 to August 2020. The minimum rental for the next three fiscal years including estimated operating costs are as follows:

Fiscal 2019	$ 65,442
Fiscal 2020	73,082
Fiscal 2021	18,304
	$ 156,828

In addition, the Company is entitled to renew the lease for a further five years if six months' notice (prior to the expiration of the current lease) is given to the land lord.

c)i) In March 2012, Armada Data Corporation (on behalf of Mister Beer Inc.) entered into a ten-year lease with respect to Mister Beer`s premises. This lease is from May 2012 to April 2022. The minimum rental for the next four fiscal years including estimated operating costs are as follows:

Fiscal 2019	$ 159,730
Fiscal 2020	160,030
Fiscal 2021	156,953
Fiscal 2022	145,108
	$ 621,821

In addition, the Company is entitled to renew the lease for a further five years if six months' notice (prior to the expiration of the current lease) is given to the landlord.

c)ii) The Company has sub-leased Mister Beer's premises in 10(c) i) above up to April 2022. The minimum rental amounts to be received for the next four years including estimated operation costs are as follows:

Fiscal 2019	$ 155,023
Fiscal 2020	155,023
Fiscal 2021	155,023
Fiscal 2022	142,105
	$ 607,174

(Expressed in Canadian Dollars)

15. SEGMENTED INFORMATION

The Company's operations consist of three main segments; Insurance Services, CarCostCanada, and Information Technology (IT). The Insurance Service division derives its revenue from the sale of total loss replacement vehicle reports to major Canadian insurance companies. The CarCostCanada segment consists of the sale of new car pricing data to consumers primarily through the Company's website, reselling of this new car pricing data to qualified third party vendors, the sale of new vehicle leads derived from membership sales on carcostcanada.com to qualified automobile dealers, and the sales of online third party website advertising, consulting fees and other new car or car business-related marketing activities. Advertising/Marketing Services and Dealer Services were previously reported as separate divisions, but are now included with CarCostCanada, as all of the revenues are initially derived through the carcostcanada.com website. The IT division comprises web and email hosting, and desktop support.

Revenues earned by the divisions are as follows:

	3 months ended February 28, 2019	3 months ended February 28, 2018	year ended May 31, 2018
Insurance Services	**$ 416,835**	$ 404,750	$ 1,450,329
CarCost Canada	**243,101**	259,650	1,238,974
Information Technology	**58,238**	74,176	262,541
Total revenue - Armada Data Corp	**$ 718,174**	$ 738,576	$ 2,951,844

Cash, prepaids, property, equipment together with goodwill are used commonly by the three 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 are indicated below:

	3 months ended February 28, 2019	3 months ended February 28, 2018	year ended May 31, 2018
Insurance	**$ 334,487**	$ 411,891	$ 392,659
CarCostCanada	**170,888**	132,693	150,765
Information Technology	**43,980**	51,345	29,370
Total Armada Data Corp	**549,355**	595,929	572,794
Total Mister Beer Inc	**-**	1,092	-
Total Accounts Receivable	**$ 549,355**	$ 597,021	$ 572,794
Broken down as follows:			
Related parties	**5,579**	7,927	6,564
Accounts Receivable	**543,776**	589,094	566,230
	$ 549,355	$ 597,021	$ 572,794

16. 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.

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.

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 two largest customers account for 20% and 16% (February 28, 2018 20% and 11%) of consolidated revenue or 35% and 27% (February 28, 2018 38% and 20%) of Insurance Services segment revenue. These customers are two of Canada's largest insurance companies and are considered by management to be of negligible credit risk. The Company's remaining consolidated 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 of 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 card or with large insurance companies. In the opinion of management, the credit risk is low due to the controls in 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 and accrued liabilities, $266,556 (February 28, 2018 $360,455). 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. This risk is unchanged from prior periods.

Market Risk

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

16. FINANCIAL INSTRUMENTS (cont'd)
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.