5080 Timberlea Blvd Suite #215
Mississauga, Ontario
L4W 4M2, CANADA
Tel: 866-453-6995
Fax: 905-624-3259

MANAGEMENT'S DISCUSSION AND ANALYSIS of Financial Position and Operating Results for the year ending May 31, 2019 – effective September 23, 2019

The following management's discussion and analysis ("MD&A") should be read in conjunction with the Armada Data Corporation's audited consolidated financial statements for the years ended May 31, 2019 and 2018, 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").

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 fiscal 2019 operations consisted of three main segments: Insurance Services, CarCostCanada (combining the former Retail, Dealer and Advertising 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 Car Cost Canada, and the sale of online third party website advertising, consulting fees and other new car or car business related marketing activities. In previous years, 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 supplies web and email hosting, technical support and network support services (for both internal and retail users) and the resale of hardware and software solutions. The division has vendor relationships with Microsoft, Barracuda, DropBox and Webroot.

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Selected Annual Information

Fiscal Year Ended	May 31, 2019	May 31, 2018	May 31, 2017	May 31, 2016
Total Revenue	$2,884,628	$2,951,844	$2,391,186	$2,249,620
(Loss) Income before undernoted	$(22,774)	$380,910	$275,821	$272,545
Income from discontinued operations (Mister Beer Inc.)	NIL	NIL	NIL	$86,470
(Loss) Income before taxes	$(22,774)	$380,910	$275,821	$359,015
Income Taxes	$14,680	108,595	$79,957	$75,468
Comprehensive (Loss) Income after Taxes	$(37,454)	$272,315	$195,864	$283,547
Comprehensive Income (Loss) per share	$0.00	$0.02	$0.01	$0.02
Total Assets	$1,265,274	$1,196,600	$875,175	$953,751
Total Liabilities	$377,431	$355,095	$325,053	$599,493
Shareholder's Equity, including Non-controlling interests	$887,843	$841,505	$550,122	$354,258
Dividends	NIL	NIL	NIL	NIL

The Company's total revenue decreased by 2% in 2019 to $2,884,628 from $2,951,844 in 2018.

The Company reported comprehensive loss of $(37,454), due to the following factors:

- The Company recognized Stock-Based Compensation expense of $83,792 in fiscal year 2019, or 75% of the total Stock-Based Compensation expense of $111,840 on Options granted on April 10, 2019, during fiscal 2018. $19,068 of Stock-Based Compensation expense was recognized in 2018.
- Total payroll costs, excluding management salaries, increased by 25%, from $1,139,506 in the year ended May 31, 2018 to $1,429,143 in the year ended May 31, 2019.
- Advertising expenditures increased to $331,289 in 2019, compared to $316,376 in 2018, or by 5%
- Securing larger premises for the Insurance division.

Selected Quarterly Information

Fiscal Year	2019	2019	2019	2019	2018	2018	2018	2018
Quarter Ended	May-31 2019	Feb-28 2019	Nov-30 2018	Aug-31 2018	May-31 2018	Feb-28 2018	Nov-30 2017	Aug-31 2017
Total Revenue	713,646	718,174	704,521	748,287	684,745	738,576	750,684	777,838
Comprehensive (Loss) Income before taxes	(85,663)	1,617	(30,407)	91,679	(35,922)	51,455	166,313	199,064
Comprehensive Income per share	$(0.01)	$0.00	$0.00	$0.01	$(0.01)	$0.00	$0.01	$0.01

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Operations

The Insurance Services division realized an increase in revenue, from $1,450,329 in 2018 to $1,482,623 in 2019, or by 2%. The increase in revenue was the result of the concerted effort by the Insurance Division to process more claims faster.

The CarCostCanada division (combining the former Retail, Dealer and Advertising divisions) revenue was down 7% to $1,153,541 from $1,238,974. Free trial memberships resulted in a reduction in member revenue. Dealer revenue per lead has increased in 2019 over 2018, but the division did not sign up as many new dealer customers as anticipated.

The Information Technology division revenue decreased 5% to $248,464 in 2019, from $262,541 in 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.

The Mister Beer division ceased operations on December 31, 2014, and its assets disposed of in fiscal 2016. There was no activity in this division in fiscal 2019.

Armada's consolidated statement reflects losses this year, before corporation income taxes, of $(22,774), compared to the income before corporation income taxes of $380,910 in 2018. Corporation income tax expense is $14,680 in 2019, compared to $108,595 in 2018.

Total expenses increased to $2,907,402 in 2019, compared to $2,570,934, a 13% increase over last year. After the many cost-cutting measures to reduce expenses in 2015 and 2016, the largest increase is in payroll costs, which are up 25% over last year. Advertising expense has increased 5%, due to signing up a spokesperson for CarCostCanada.

Accounts receivable decreased 24% to $427,786 as at May 31, 2019, compared to $566,230 last year. Related party accounts receivable increased from $6,564 to $8,741.

Accounts payable increased 27%, to $350,669 as at May 31, 2019 from $275,287 a year earlier. Related parties accounts payable decreased to $1,762 as at May 31, 2019, from $26,173 last year. Corporation income taxes payable are a refund of $94,815 as at May 31, 2019 compared to $28,635 owing as at May 31, 2018.

As a result of the loss reported by the Company in 2019, the Company's deficit increased to $(970,854) as at May 31, 2019 compared to $(933,400) the prior year. Earnings per share at May 31, 2019 are $0.00 versus $0.02 per share at May 31, 2018.

In July 2018, the Company signed a contract with a mobile app development company for the creation of an all new mobile app for the Company's ecommerce website, CarCostCanada.com. the contract amount is estimated to be approximately $105,600, once fully complete and operational. The Company has paid $80,000 in deposits prior to May 31, 2019. Subsequent to year end, an additional $15,600 was paid, with the balance payable prior to the end of the next fiscal year. Once fully operational, the software will be presented as a category with property and equipment.

No dividends were paid out to shareholders in fiscal 2019 or fiscal 2018. Management does not plan on issuing any dividends until further notice.

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4th Quarter Results

The quarter ending May 31, 2019 finished with the Company recording revenue of $713,646 versus $684,745 last year, an increase of 4%. Loss before taxes for the 4th quarter of 2019 is $(85,663), compared to $(35,922) for the same period the previous year.

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 of May 31, 2019, 800,000 were exercisable, nil at May 31, 2018. The remaining fair value of options to be expensed in fiscal years subsequent to May 31, 2019 is $8,980.

Segmented Annual Information

Revenues earned by divisions were as follows:

	2019	2018
Insurance Services	**$1,482,623**	$ 1,450,329
CarCostCanada	**1,153,541**	1,238,974
IT Services	**248,464**	262,541
Total Revenue	**$ 2,884,628**	$2,951,844

Related Party Transactions

The following transactions with related parties were in the normal course of operations and are measured at their exchange amounts:

a) The Company recognized IT revenue of $41,941 (2018 - $47,699) from a company significantly influenced by one of the Company's directors. At May 31, 2019 there was an account receivable of $8,576 (2017 - $5,875) due from this related party and accounts receivable of $165 (2018 - $689) due from other related parties.

b) The following compensation was paid to key management, which comprises the Chief Executive Officer, Chief Financial Officer, Chief Technical Officer, and the Board of Directors, during the current and prior years:

	2019	2018
Management salaries	**$ 307,118**	$ 318,406
Fair value of stock-based compensation expense	**69,827**	15,890
Automobile and travel allowances	**14,202**	14,400
	$ 391,147	$ 348,696

c) Professional fees of $19,145 (2018 - $24,996) were recognized from to a law firm in which a director of the Company is a partner.

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d) During the year, the Company incurred rent expense of $3,000 (2018 - $15,650) with a company significantly influenced by one of the Company's directors.

e) During the year, the Company incurred advertising and computer consulting expenses of $16,575 (2018 - $9,090) with an entity controlled by the spouse of a director of the Company.

f) Related parties accounts payable of $1,762 (2018 - $26,173) are due to directors or persons and entities related to directors of the Company.

Liquidity

Based on a year-end cash position of $397,808, accounts receivable of $427,786, and accounts payable of $350,669, the company is in a positive cash position. Although the Company's two major business divisions were revenue-flat in 2019, there were many initiatives, partnerships and features developed behind the scenes that will be launched in fiscal 2020. The Company hired some key management and support personnel to assist in achieving revenue that should surpass 2019 levels. Management believes that the investment in these ventures and action plans will demonstrate significant returns for the Company in both revenue growth and corporate goodwill.

CarCostCanada revenues are primarily derived from the sale of new-car buyer members to our network of new car dealerships that will aim to sell the CarCostCanada member a new car. It is the mandate of management to monetize each CarCostCanada member by way of this lead-generation sale to new car dealers. In 2019, the CarCostCanada division hired a skilled and experienced Vice President and General Manager to enhance this member monetization, as well as increasing the size of the Company's new car dealership network, and maintain and strengthen the existing network. Management believes that our new hire and the dealer development team he is building will, over a short period of time, increase the revenues of the CarCostCanada division, as well as fortify the relationships with this dealer network.

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 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 18.7% (2018 – 16.6%) and 13.2% (2018 – 9.2%) of consolidated revenue, or 36% (2018 – 33.7%) and 26% (2018 – 18.7%) 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 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. 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 companies. In the opinion of management, the credit risk is low due to the controls in place and the lack of concentration amongst customers. This risk is unchanged from the prior year.

Liquidity Risk

The Company is exposed to liquidity risk due to its accounts payable and accrued liabilities and related parties accounts payable. 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 is managed through continuous cash flow management. This risk is unchanged from the prior year.

Market Risks

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

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 May 31, 2019, 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 year ended May 31, 2019 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 CarCostCanada division.

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Outlook

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

1. Develop a new, targeted CarCostCanada digital, video and traditional marketing campaign to enhance product and brand awareness to more Canadian new car buyers.
2. Forge new CarCostCanada marketing partnerships that focus specifically on Canadian new car buyers and convert these buyers to CarCostCanada members.
3. Continue to build out the CarCostCanada new car dealership network and strive to monetize over 80% of our members and introduce additional product offerings to our member-base.
4. Maintain and 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 client base.
5. Sign on one or two additional Canadian insurance companies to become Armada Insurance Services clients.
6. Introduce a new CarCostCanada Member Services product that caters specifically to our insurance company clients.

On behalf of the Board of Directors

"R. James Matthews"

R. James Matthews
Chief Executive Officer