ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED AUGUST 31, 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 AUGUST 31, 2019
(Expressed in Canadian Dollars)

	as at August 31, 2019	as at August 31, 2018	as at May 31, 2019
ASSETS			
Current			
Cash	**$ 406,130**	$ 417,370	$ 397,808
Accounts receivable (note 5)	**505,722**	504,379	427,786
Related Party Receivable (notes 5 and 11)	**2,310**	1,116	8,741
Prepaid Corporation Income Taxes	**113,867**	23,917	94,815
Prepaid expenses and sundry assets	**38,189**	42,681	49,635
Deposits - Future purchase of property (note 6)	**85,600**	30,000	80,000
TOTAL CURRENT ASSETS	**1,151,818**	1,019,463	1,058,785
Right-of-use assets (note 7)	**295,075**	-	-
Property and Equipment - net (note 8)	**25,809**	21,329	26,489
Goodwill - net (note 9)	**180,000**	180,000	180,000
TOTAL ASSETS	**$ 1,652,702**	$ 1,220,792	$ 1,265,274
LIABILITIES			
Current			
Accounts payable and accrued liabilities (note 10)	**$ 357,135**	$ 256,660	$ 350,669
Related party payable (notes 10)	**-**	-	1,762
Lease liability (note 7)	**129,622**	-	-
Deferred revenue (note 15)	**10,000**	10,000	25,000
Corporation income taxes payable (note 13)	**-**	-	-
TOTAL CURRENT LIABILITIES	**496,757**	266,660	377,431
Lease liability (note 7)	**167,788**	-	-
TOTAL LIABILITIES	**664,545**	266,660	377,431
SHAREHOLDERS' EQUITY			
Share Capital (note 12)	**1,730,022**	1,730,022	1,730,022
(Deficit)	**(872,989)**	(841,721)	(970,854)
Contributed Surplus	**280,814**	215,521	278,365
Total Equity Attributable to Equity Holders of the Company	**1,137,847**	1,103,822	1,037,533
Non-Controlling Interest (Note 16)	**(149,690)**	(149,690)	(149,690)
TOTAL SHAREHOLDERS' EQUITY	**988,157**	954,132	887,843
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 1,652,702**	$ 1,220,792	$ 1,265,274

ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AS AT AUGUST 31, 2019
(Expressed in Canadian Dollars)

	3 months ended August 31, 2019	3 months ended August 31, 2018
REVENUE (note 15)	**$ 775,200**	$ 748,287
Expenses - General and Administration		
Wages and other Office Expenses	**636,810**	633,966
Income before undernoted	**138,390**	114,321
Amortization	**35,018**	1,694
Interest Expense (note 7)	**3,058**	-
Stock-based compensation expense	**2,449**	20,948
Comprehensive Income	**$ 97,865**	$ 91,679
Atttributable to equity holders of the company	**97,865**	$ 91,679
Atttributable to non-controlling interests	**-**	-
	$ 97,865	$ 91,679
Income Per Share		
Basic	**$0.01**	$0.01
Fully Diluted	**$0.01**	$0.01
Weighted Average number of Common Shares	**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 AUGUST 31, 2019
(Expressed in Canadian Dollars)

	Share Capital	Deficit	Contributed Surplus	Non-Controlling Interest	Total Equity
Balance at August 31, 2017	$ 1,730,022	$ (1,007,480)	$ 175,505	$ (148,861)	$ 749,186
Net Income		74,080		(829)	73,251
Stock-based compensation expense (notes 3 and 12(c))			19,068		19,068
Balance at May 31, 2018	1,730,022	(933,400)	194,573	(146,690)	841,505
Net Income		91,679			91,679
Stock-based compensation expense (notes 3 and 12(c))			20,948		20,948
Balance at August 31, 2018	1,730,022	(841,721)	215,521	(149,690)	954,132
Net loss		(129,133)			(129,133)
Stock-based compensation expense (notes 3 and 12(c))			62,844		62,844
Balance at May 31, 2019	1,730,022	(970,854)	278,365	(149,690)	887,843
Net Income		97,865			97,865
Stock-based compensation expense (notes 3 and 12(c))			2,449		2,449
Balance at August 31, 2019	**$ 1,730,022**	**$ (872,989)**	**$ 280,814**	**$ (149,690)**	**$ 988,157**

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 AUGUST 31, 2019
(Expressed in Canadian Dollars)

	3 months ended August 31, 2019	3 months ended August 31, 2018
Operating Activities		
Comprehensive income for the period	**$ 97,865**	$ 91,679
Items not involving cash:		
Stock-based compensation expense	**2,449**	20,948
Interest expense	**3,058**	
Amortization	**35,018**	1,694
	138,390	114,321
Changes in non-cash working capital		
Accounts receivable	**(77,936)**	61,851
Related party receivable	**6,431**	5,448
Prepaid corporation income taxes	**(19,052)**	(23,917)
Prepaid expenses and sundry assets	**11,446**	(27,665)
Deposits - Future purchase of property	**(5,600)**	-
Accounts payable and accrued liablities	**6,467**	(18,627)
Related party payable	**(1,762)**	(26,173)
Deferred revenue	**(15,000)**	(15,000)
Corporation income taxes payable	**-**	(28,635)
Cash (used in) provided by operating activities	**(95,006)**	(72,718)
Investing Activities		
Purchase of property and equipment	**(910)**	-
Cash (used in) investing activities	**(910)**	-
Financing Activities		
Payment of lease obligations	**(34,152)**	-
Cash (used in) financing activities	**(34,152)**	-
Net Increase in Cash	**8,322**	41,603
Cash, beginning of period	**397,808**	375,767
Cash, end of period	**$ 406,130**	$ 417,370

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

ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED AUGUST 31, 2019
(Expressed in Canadian Dollars)

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 August 31, 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 August 31, 2019 were authorized for issuance by the Board of Directors of the Company on October 25, 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, except for thee application of IFRS 16 *Leases* as described below and in note 7.

The Company has adopted IFRS 16 *Leases*, retroactively but without restatement, as at June 1, 2019. On adoption there was no cumulative effect to be recognized in opening retained earnings as at June 1, 2019. The information related to the comparative period has not been restated and continues to be accounted for in accordance with the previous accounting policy.

Policy from June 1, 2019

A lease liability and right-of-use asset are recognized at the date at which the leased asset is made available. Options to extend or cancel a lease are reflected in the lease term only if they are reasonably certain to be extended. The lease payments for leases for assets of low value assets and with lease terms that are less than one year are expensed as incurred.

The lease liability is measured as the present value of the future lease payments, discounted using the borrowing rate for a similar asset. Tax, maintenance and insurance (TMI) costs that are required to be paid under leases for premises are accounted for as non-lease components. The lease liability is subsequently accounted for at amortized cost using the effective interest method. The right-of-use asset is initially measured at cost, calculated as the value of the lease liability adjusted for any lease payments made on or prior to commencement and less any lease incentives received. The right-of-use asset is subsequently depreciated, straight-line, over the lease term.

Policy before June 1, 2019

Leases were classified as either finance or operating leases. Finance leases were those that substantially transferred the benefits and risks of ownership of an asset to the lessee. All leases other than finance leases were operating leases. Assets held under finance leases were recognized as assets, and a corresponding liability was recognized as a finance lease obligation. Lease payments were 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 were expensed on a straight-line basis over the term of the relevant lease. Incentives received upon entry into an operating lease were recognized straight-line over the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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.

(Expressed in Canadian Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

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 August 31, 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 August 31, 2019 and August 31, 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. ACCOUNTS RECEIVABLE

	August 31 2019	August 31 2018
Neither impaired nor past due	**$ 236,807**	$ 202,198
Not impaired and past due in the following periods:		
31 to 60 days	**153,992**	119,451
61 to 90	**58,638**	52,549
Over 90 days	**58,595**	131,297
Impaired accounts receivable	**10,707**	-
Allowance for doubtful accounts	**(10,707)**	-
Total accounts receivable and related parties accounts receivable	**$ 508,032**	$ 505,495
Broken down as follows:		
Related parties accounts receivable	**$ 2,310**	$ 1,116
Accounts receivable	**505,722**	504,379
Total accounts receivable and related parties accounts receivable	**$ 508,032**	$ 505,495

None of the allowance for doubtful accounts at August 31, 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.

(Expressed in Canadian Dollars)

6. DEPOSITS – FUTURE PURCHASE OF PROPERTY AND EQUIPMENT

In July 2018, the Company signed a contract with a mobile app development company for the creation of an all new iOS and Android 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 $85,600 in deposits prior to August 31, 2019. Subsequent to this date, an additional $10,000 was paid, with the balance payable prior to the end of the current fiscal year. Once fully operational, the software will be presented as a category within property and equipment.

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

The Company holds real estate and a vehicle under lease, none of which contain any extension or termination provisions. The following table presents the right-of-use assets:

	Real estate	Vehicle	Total
Balance, beginning of period	-	-	-
Adoption of IFRS 16	309,576	18,928	328,504
Balance, June 1, 2019	309,576	18,928	328,504
Depreciation	(31,807)	(1,622)	(33,429)
Balance, end of period	**277,769**	**17,306**	**295,075**

The following table presents the continuity of the lease liability:

	Total
Balance, beginning of period	-
Adoption of IFRS 16	328,504
Balance, June 1, 2019	328,504
Principal payments	(31,094)
Balance, end of period	**297,410**
Less current balance	**(129,622)**
Balance due in more than 1 year	**167,788**

Interest expense on the lease liability for the three months ended August 31, 2019 was $3,058 and is presented as interest expense on the statement of comprehensive income. An incremental borrowing rate of 4.0% was used as the discount rate. The expense for leases of low dollar value items are not material. The undiscounted cash flows for lease obligations are disclosed in note 14.

8. PROPERTY AND EQUIPMENT

Property and equipment consist of:

	August 31, 2019			May 31, 2019
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Leasehold Improvements	**$ 183,793**	**$ 174,546**	**$ 9,247**	$ 9,733
Furniture and fixtures	**26,829**	**23,466**	**3,363**	3,540
Computer hardware	**155,023**	**144,334**	**10,689**	10,573
Telephone equipment	**21,742**	**19,232**	**2,510**	2,643
Computer Software	**41,075**	**41,075**	**-**	-
Total	**$ 428,462**	**$ 402,653**	**$ 25,809**	$ 26,489

(Expressed in Canadian Dollars)

9. GOODWILL

	August 31, 2019	August 31, 2018	May 31, 2019
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.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	August 31, 2019	August 31, 2018
Accounts payable	**$ 219,818**	$ 114,500
Accrued liabilities	**120,074**	125,632
Sales tax payable	**17,243**	13,872
Payroll tax payable	**-**	2,656
	$ 357,135	$ 256,660
Broken down as follows:		
Related parties accounts payable	**$ -**	$ -
Accounts payable	**357,135**	256,660
Total accounts payable and related parties accounts payable	**$ 357,135**	$ 256,660

11. 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 $4,118 from parties related to directors of Armada Data Corporation (August 31, 2018 $10,074).

e) Related party receivables of $2,310 are due from parties related to directors of Armada Data Corporation (August 31, 2018 $1,116).

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS (continued)

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

	3 months ended August 31, 2019	3 months ended August 31, 2018	year ended May 31, 2019
Advertising	**$ 5,321**	$ 1,798	$ 2,868
Automobile	**3,600**	3,600	14,202
Computer Consulting	**1,827**	1,700	13,707
Management Salaries	**75,000**	75,000	307,118
Professional Fees	**12,000**	14,958	19,145
Rent	**-**	3,000	3,000
Fair value of stock-based compensation expense	**2,041**	17,457	69,827
	$ 99,789	$ 117,513	$ 429,867
Amounts due from Related Parties	**$ 2,310**	$ 1,116	$ 8,741
Amounts owing to Related Parties	**$ -**	$ -	$ 1,762

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.

12. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value

b) Issued

	Fiscal 2020		Fiscal 2019	
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	$ 1,730,02

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 August 31, 2019, 2/3 or 800,000 of the options were exercisable (August 31, 2018 – nil). The remaining fair value of options to be expensed in fiscal years subsequent to May 31, 2019 is $8,980. The fair value of options expensed in the quarter ended August 31, 2019 is $2,449 (of which $2,041 is for Related Parties).

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (continued)

c) Stock Options (continued)

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)

13. 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, 2019 The Big and Easy Bottle Brewing Company Inc. and Mister Beer Inc. had combined non-capital losses for income tax purposes of $2,208,218 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, 2028	$ 2,268
May 31, 2029	48,677
May 31, 2030	82,200
May 31, 2031	60,561
May 31, 2032	239,083
May 31, 2033	546,096
May 31, 2034	593,360
May 31, 2035	300,785
May 31, 2037	45
May 31, 2038	335,143
	$ 2,208,218

14. COMMITMENTS

a) The Company has entered into various operating leases which continue until fiscal 2022. The minimum rental payments (net of H.S.T.) for the next three fiscal years is:

Fiscal 2020	$ 9,201
Fiscal 2021	6,835
Fiscal 2022	6,767
	$ 22,803

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 two fiscal years including estimated operating costs are as follows:

Fiscal 2020	$ 73,082
Fiscal 2021	18,304
	$ 91,386

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 three fiscal years including estimated operating costs are as follows:

Fiscal 2020	$ 160,030
Fiscal 2021	156,953
Fiscal 2022	145,108
	$ 462,091

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.

(Expressed in Canadian Dollars)

14. COMMITMENTS (continued)

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 three years including estimated operation costs are as follows:

Fiscal 2020	$ 155,023
Fiscal 2021	155,023
Fiscal 2022	142,105
	$ 452,151

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 revenues earned by the combined Retail, Dealer and Advertising/Marketing divisions are a single reportable segment on the basis of CarCostCanada.com, which is the common platform used to generate revenues, either directly or indirectly, for these divisions. The IT division comprises web and email hosting, dedicated servers, technical support and network support services (for both internal and retail sales), and the resale of hardware and software solutions.

Revenues earned by the divisions are as follows:

	3 months ended August 31, 2019	3 months ended August 31, 2018	year ended May 31, 2019
Insurance Services	**$ 385,558**	$ 344,700	$ 1,482,623
CarCost Canada	**323,999**	316,725	1,153,541
Information Technology	**65,643**	86,862	248,464
Total revenue - Armada Data Corp	**$ 775,200**	$ 748,287	$ 2,884,628

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 August 31, 2019	3 months ended August 31, 2018	year ended May 31, 2019
Insurance	**$ 262,599**	$ 302,807	$ 182,212
CarCostCanada	**167,564**	166,495	164,351
Information Technology	**20,823**	26,271	48,025
Not reportable by segment	**57,046**	9,922	41,939
Total Accounts Receivable	**$ 508,032**	$ 505,495	$ 436,527
Broken down as follows:			
Related parties	**2,310**	1,116	8,741
Accounts Receivable	**505,722**	504,379	427,786
	$ 508,032	$ 505,495	$ 436,527

Note * Included in CarCostCanada are revenues of $15,000 (August 31, 2018 $15,000) of advertising revenue recognized over the time period of the contract. The unearned portion is presented as deferred revenue. All other revenues of the Company are recognized at a point in time when services are rendered.

(Expressed in Canadian Dollars)

16. NON-CONTROLLING INTEREST

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

	August 31 2019	August 31 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	**$ -**	$ -

17. 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 17% and 14% (August 31, 2018 17% and 11%) of consolidated revenue or 34% and 27% (August 31, 2018 36% and 24%) 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.

17. FINANCIAL INSTRUMENTS (cont'd)

Liquidity Risk

The Company is exposed to Liquidity risk of their accounts payable and accrued liabilities, $357,135 (August 31, 2018 $256,660). 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.

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.