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MANAGEMENT'S DISCUSSION AND ANALYSIS of Financial Position and Operating Results for the quarter ending August 31, 2019 - effective October 25, 2019

The following management's discussion and analysis ("MD&A") should be read in conjunction with the Armada Data Corporation's unaudited interim consolidated financial statements for the period ended August 31, 2019, and accompanying notes, and the Company's annual 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") and are presented in Canadian dollars.

These unaudited interim consolidated financial statements have been prepared in accordance with International financial Reports Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies have been selected to be consistent with IFRS as was effective May 31, 2012, the Company's first annual IFRS reporting date. These accounting policies have been applied consistently to all periods presented.

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

Company Overview

Armada Data Corporation ("Armada" or the "Company") is an Information Services Company providing accurate and real-time data to institutional and retail customers, through developing, owning and operating automotive pricing related web sites and providing information technology and marketing services to its clients.

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

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

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

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

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

The Information Technology division comprises web and email hosting, 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 Quarterly Information

Fiscal Year	2020	2019	2019	2019	2019	2018	2018	2018	2018
Quarter Ended	Aug-31 2019	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	775,200	713,646	718,174	704,521	748,287	684,745	738,576	750,684	777,838
Comprehensive Income(loss) before taxes	97,865	(85,663)	1,617	(30,407)	91,679	(35,922)	51,455	166,313	199,064
Comprehensive Income(loss) per share	$0.01	$(0.01)	$0.00	$0.00	$0.01	$0.00	$0.00	$0.01	$0.01

Operations

The Company's total revenue increased 4% in the period ended August 31, 2019 to $775,200 from $748,287 in the same period a year earlier. Comprehensive income increased to $97,865 in this quarter, by 7% from $91,679 at August 31, 2018.

The Insurance Services division experienced a 12% increase in revenue, from $344,700 in the three months ended August 31, 2018 to $385,558 in 2019.

The CarCostCanada division (combining the former Retail, Dealer and Advertising divisions) revenue was up by 2% for the period ended August 31, 2019, to $323,999 from $316,725 during the period ended August 31, 2018.

The Information Technology division revenue decreased by 24% to $65,643 in the first quarter of fiscal 2020 ended August 31, 2019, from $86,862 in the same quarter in fiscal 2019. IT continues to offer technical support and web site hosting to hundreds of customers, and is developing new customer relationships on a regular basis, as well as offering new services for sale.

Expenses in this first quarter of fiscal 2020 before amortization, interest and stock-based compensation, increased to $636,810, compared to $633,966, less than 1% increase over the same period last year.

Accounts receivable increased less than 1% to $505,722 as at August 31, 2019, compared to $504,379 as at August 31, 2018. Related party accounts receivable increased from $1,116 to $2,310.

Accounts payable increased 39%, to $357,135 as at August 31, 2019 from $256,660 a year earlier. There was nil Related parties accounts payable as at August 31, 2019 and August 31, 2018.

The Company's deficit increased to $(872,989) as at August 31, 2019, compared to $(841,721) as at August 31, 2018. Earnings per share at August 31, 2019 are $0.01, the same as those reported August 31, 2018.

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.

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

Stock Options

On April 10, 2018, the Company granted options for the purchase of 1,200,000 common shares of the Company, expiring 2 years form the date of grant and with an exercise price of $0.11 per share. The options vest 1/3 every six months beginning six months from the grant date. The Company had no options outstanding prior to April 30, 2018. As of August 31, 2019, 2/3 or 800,000 of the options are 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).

Related Party Transactions

Salaries and expenses are paid to a director and officer of the Company, who is also 50% shareholder of Lease Busters Inc. Legal fees are paid to a law firm, of which a partner is a (non-remunerated) director of the Company. In management's opinion, the actual costs noted in this section were paid at fair market value in the normal course of business.

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

	3 months ended August 31 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

Segmented Quarterly Information

Revenues earned by divisions are as follows:

	3 months ended August 31, 2019	3 months ended August 31, 2018
Insurance Services	**$ 385,558**	$ 344,700
CarCost Canada	**323,999**	316,725
Information Technology	**65,643**	86,862
Total revenue - Armada Data Corp	**$ 775,200**	$ 748,287

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Liquidity

Based on a quarter-end cash position of $406,130, accounts receivable of $505,722, and accounts payable of $357,135, the company is in a positive cash position. There are many initiatives, partnerships and features being 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 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 by any customer that approaches their credit limit or does not keep to their normal payment pattern. While the Company has credit controls and processes for the purpose of mitigating credit risk, these controls cannot eliminate credit risk and there can be no assurance that theses controls will continue to be effective, or that the Company's low credit loss experience will continue. Most of the Company's sale are by credit or with large insurance companies. In the opinion of management, the credit risk is low due to the controls on place and the lack of concentration among customers. This risk is unchanged from prior periods.

Liquidity Risk

The Company is exposed to Liquidity risk of their accounts payable, $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.

Accounting changes – International Financial Reporting Standards ("IFRS") 16 Leases

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.

The Company holds real estate and a vehicle under lease. The new accounting policy had the effect of capitalizing the underlying assets based on the future lease payments. The effect on the financial position at August 31, 2019 was an increase in long-term assets of $295,075 and an increase in liabilities of $297,410. Of the liabilities, an amount of $129,622 is presented as current, however, the Company is still in a positive working capital position.

The new standard changed the nature of expense related to these leases for the three months ended August 31, 2019 from lease payments expensed to depreciation of the right-of-use asset and interest expense on the lease liability. The effect on the Company's performance was a net decrease in comprehensive income for the period of $2,335.

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Controls and Procedures

Disclosure Controls and Procedures - As at August 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 quarter ended August 31, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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