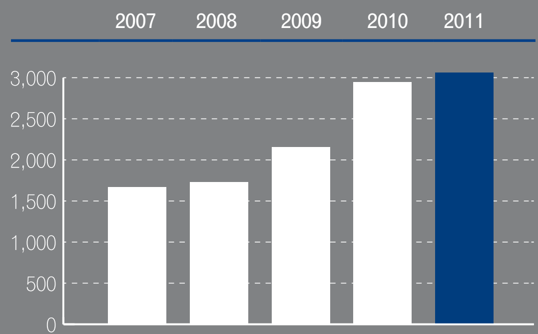
GROWING PROFITABLE DIVERSIFIED

2011
Annual Report

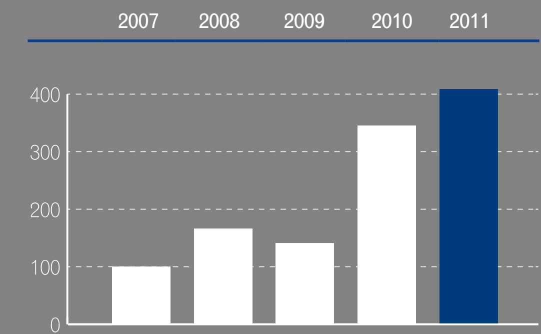
Armada
DATA CORPORATION

ARMADA'S SOLID FINANCIAL POSITION

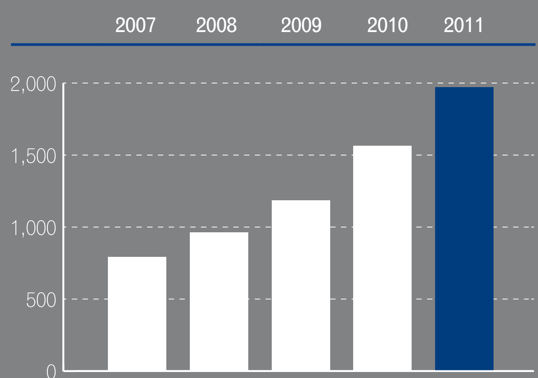
GROSS REVENUE (in $ thousands)



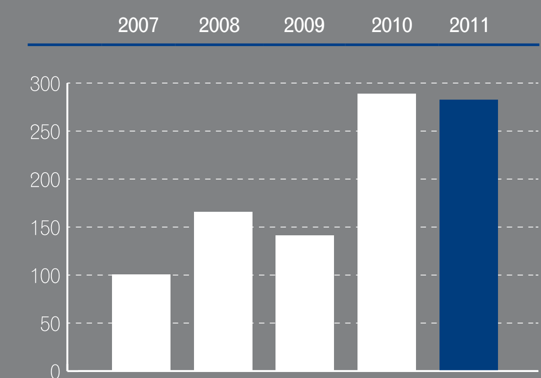
NET INCOME BEFORE TAXES (in $ thousands)



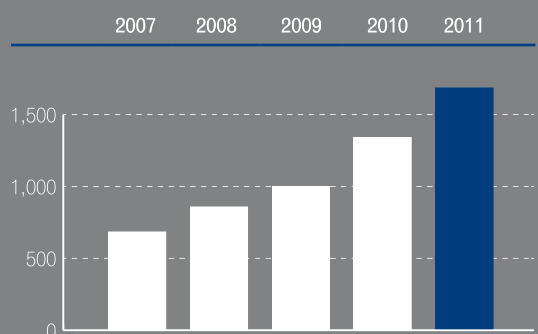
TOTAL ASSETS (in $ thousands)



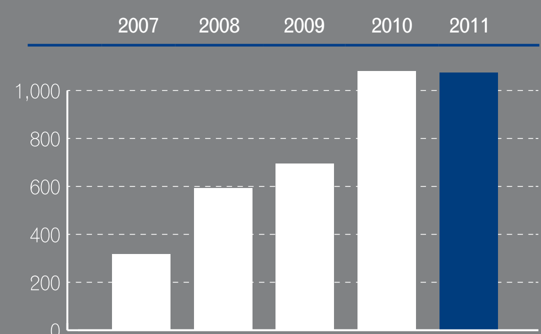
NET INCOME AFTER TAXES (in $ thousands)



SHAREHOLDERS EQUITY (in $ thousands)



CASH RESERVES (in $ thousands)



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MANAGEMENT'S DISCUSSION AND ANALYSIS of Financial Position and Operating Results for the year ending May 31, 2011

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 year ended May 31, 2011 and accompanying notes. The results reported herein have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and are presented in Canadian dollars.

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. The Company has been based in Mississauga, Ontario since its inception in July 1999.

The Company's operations consist of five main divisions: Insurance Services, Retail Services, Dealer Services, Information Technology Services and Advertising/Marketing Services.

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

The Retail Services division derives its revenue from the sale of new car pricing data to consumers primarily through the Company's flagship website www.CarCostCanada.com as well as the reselling of new car pricing data to qualified third party vendors, such as Consumers Union/Consumer Reports.

The Dealer Services division generates revenue through the sale of new vehicle leads derived from membership sales from Car Cost Canada.

The Information Technology division derives its revenue from web site hosting, web site development, email services, online marketing, search engine optimization, technical support and network support services.

The Advertising/Marketing Services division derives its revenue from the sale of online third party website advertising, consulting fees and other new car or car business related marketing activities.

Selected Annual Information

Fiscal Year Ended	**May 31, 2011**	May 31, 2010	May 31, 2009	May 31, 2008
Total Revenue	**$ 3,061,762**	$ 2,946,657	$ 2,157,900	$ 1,732,944
Net Income before Taxes	**$ 409,095**	$ 345,717	$ 141,146	$ 166,003
Income Taxes	**$ 126,321**	$ 56,997	NIL	NIL
Net Income after Taxes	**$ 282,774**	$ 288,720	$ 141,146	$ 166,003
Net Profit per share	**$ 0.02**	$ 0.02	$ 0.01	$ 0.01
Total Assets	**$ 1,969,475**	$ 1,564,061	$ 1,184,070	$ 963,555
Total Liabilities	**$ 280,842**	$ 221,805	$ 180,276	$ 103,571
Shareholder's Equity	**$ 1,688,633**	$ 1,342,256	$ 1,003,794	$ 859,984
Shareholder Dividend Paid	**$ 70,679**	$ 67,994	NIL	NIL

During the year ended May 31, 2011 Armada achieved a number of important milestones.

- The Company reported the 5th consecutive year of profitability with net income, before taxes of $409,095 and after taxes of $282,774 or $0.02 per share.
- Overall revenue grew from $2,946,657 in 2010 to $3,061,762 or an increase of 4%.
- Insurance Services revenue increased from $1,103,880 in 2010 to $1,141,456 or an increase of 3%.
- Dealer Services revenue grew from $849,642 in 2010 to $977,400 or an increase of 15%.
- The total assets of the Company grew from $1,564,061 in 2010 to $1,969,475 or an increase of 26%.
- Shareholders' equity increased from $1,342,256 in 2010 to $1,688,633 or an increase of 26%.
- The Company claimed and received a SRED (Scientific Research and Experimental Development) government tax credit of $54,222, net of consulting fees, for the fiscal year ending May 31, 2009.

Selected Quarterly Information

Fiscal Year	2011	2011	2011	2011	2010	2010	2010	2010
Quarter Ended	May 31 2011	Feb 28 2011	Nov 30 2010	Aug 31 2010	May 31 2010	Feb 28 2010	Nov 30 2009	Aug 31 2009
Total Revenue	855,412	753,013	711,520	743,551	741,817	707,517	750,628	746,695
Net Income (loss)	78,413	49,766	46,996	107,599	109,831	3,451	19,140	156,298
Net Profit per share	$0.01	$0.01	$0.01	$0.01	$0.01	$0.01	$0.01	$0.01

Operations

As a result of Armada's progressive operational, sales, marketing and efficiency efforts for the fiscal period, total revenue rose to a record $3,061,762 versus $2,946,657, a 4% increase over last year. The Company's two largest divisions were up. Insurance Services revenue was up 3% to $1,141,456 from $1,103,880 last year and Dealer Services revenue was up 15% to $977,400 from $849,642 last year.

The Retail Services division revenue was down 16% to $723,658 from $861,994 last year primarily due to a more competitive online search and advertising environment and advertising spend which was down 4% to $506,853 from $528,417 last year. The Advertising/ Marketing Services division, which derives its revenue from the sale of online third party advertising on CarCostCanada.com and TheCarMagazine.com was down 70% to $37,217 from $123,647 last year due to lower traffic levels and a switch to a different advertising agency, which underperformed. Subsequent to year end, the Company engaged a new agency and initial results are up significantly from the same period last year.

The Information Technology division added $177,566 revenue, plus more importantly, lowered related expenses which had previously been outsourced and improved work flow efficiencies throughout the company.

Total net income, before taxes increased to $409,095 compared to $345,717, an 18% increase over last year.

Total expenses increased to $2,652,667 compared to $2,600,940, a 2% increase over last year. The increase in operating expenses at 2% continues to be out-paced by the increase in revenues at 4% as efficiencies continue to improve, despite the acquisition of the IT Services division and moving to a larger location. Much of the credit for the low expense increase can be attributed to the IT Services division's focus on improving efficiencies throughout the company and the lower cost of IT related expenses after bringing them in-house. The Company also claimed and received a SRED (Scientific Research and Experimental Development) government tax credit of $54,222, net of consulting fees, for the fiscal year ending May 31, 2009.

The Company, after applying all previous year losses carried forward during the previous fiscal year, was subject to corporate income taxes this year of $126,321 compared to $56,997 last year, which resulted in the company recording a net profit after taxes of $282,774 compared to $288,720 last year.

Cash on hand decreased to $1,074,263 at May 31, 2011 from $1,081,165 last year.

Accounts receivable increased to $601,902 as at May 31, 2011 from $411,938 last year. This increase is primarily due to improved revenues during Q4 in the Insurance and Dealer Services divisions.

Accounts payable increased to $240,842 as at May 31, 2011 from $164,808 a year earlier. Note payable related to the IT Services acquisition was $40,000 compared to NIL last year. Corporation income taxes payable as at May 31, 2011 were NIL as compared to $56,997 last year.

As a result of the profit reported by the Company in 2011, the Company's retained earnings increased to $303,106 as at May 31, 2011 compared to $91,011 last year.

Annual Dividends totalling $70,679 were paid out to shareholders in September of 2010 compared to $67,994 last year.

4th Quarter Results

The quarter ending May 31, 2011 finished with the Company recording the highest 4th quarter revenue in the Company's history, of $855,412 versus $741,817 last year, an increase of 15%. Net income after taxes for the 4th quarter decreased to $78,413 compared to $109,831 last year. The decreased net income was primarily due to increased income taxes, compared to last year where the Company was able to apply previous year losses carried forward to minimize taxes payable.

Segmented Annual Information

Revenues earned by divisions were as follows:

	2011	**%**	2010	%
Insurance Services	**$ 1,141,456**	**37**	$ 1,103,880	38
Retail Services	**$ 723,658**	**24**	$ 861,994	29
Dealer Services	**$ 977,400**	**32**	$ 849,642	29
IT Services	**$ 177,566**	**6**	$ 0	0
Advertising/Marketing Services	**$ 37,217**	**1**	$ 123,647	4
Auto Marketing Group Services	**$ 4,465**	**0**	$ 7,494	0
Total Revenue	**$ 3,061,762**	**100**	$ 2,946,657	100

Related Party Transactions

Salaries and expenses are paid to two officers of the Company, who are also major shareholders of Lease Busters Inc. Spouses of two of the officers are employed by the Company, and are paid market value salaries. Legal fees are paid to a law firm, of which a partner is a (non-remunerating) director of the Company. All of the actual costs noted in this section are paid at fair market value in the normal course of business.

Liquidity

Based on a year-end cash position of $1,074,263 and accounts receivable of $601,902, no bank debt and positive cash flow, Management believes Armada is in a good position to meet all current and foreseeable financial obligations.

As the Company has begun its new fiscal year, which commenced June 1st 2011, the future of the Company appears positive. The Company is debt free and is poised, under current conditions, to continue to report profitable and sustainable bottom-line results for the coming fiscal year.

As for our competition; history has demonstrated that due to the proprietary nature of much of our data, the barrier to entry into our business remains high. To the best of management's knowledge, currently there is no other company offering both the range of products and services and the ability to deliver these products and services online operating in Canada.

Risk Management

Armada Data Corporation is subject to the risk generally associated with the operation of income-producing websites and normal course business risk. These risks include fluctuations in site traffic, sales, operating expenses, and the risk of unavailability of further equity financing and/or funding. Other associated risks may include competition, technical constraints in further business development, and possible service interruptions.

Future accounting changes – International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines 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 is the changeover date for publicly-listed companies to use IRFS, replacing Canada's own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended May 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time; however the company has engaged a consultant to assist them in the transition and expects to file all IFRS related statements on a timely basis as required by all regulatory bodies.

Controls and Procedures

Disclosure Controls and Procedures – As at May 31, 2011, 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, 2011 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, with its financial resources, is poised for significant growth as it grows its niche markets in all aspects of its Internet and traditionally based businesses.

It is expected that Management can meet these objectives regardless of economic conditions. Although a robust economy can lead to a greater number of cars sold and thus a potentially larger market opportunity for many of Armada's divisions, a down economy has proven to have an equally positive impact as individuals, dealers and insurance companies become more cost conscious.

Proposed Acquisition of The Big & Easy Bottle Brewing Company Inc.

On August 8th, 2011 the Company announced that it entered into an agreement in principal to acquire 90% of the issued and outstanding shares of The Big & Easy Bottle Brewing Company Inc. ("TBE"). TBE is the holder of all of the shares of Mister Beer Inc., a company which invented and has a pending patent on a unique 'microbrewery in a bottle', allowing consumers to easily produce premium beer at roughly half the cost of regular beer.

The aggregate purchase price for the 90% of the shares of TBE to be acquired by Armada will be $857,000. For further details on the terms of the proposed acquisition, please refer to the Company's press release dated August 8, 2011.

The closing of the transaction related to the acquisition of TBE is expected to occur during Armada's fiscal second quarter and is conditional on Armada and the shareholders of TBE entering into a share purchase agreement and shareholders agreement, and Mister Beer Inc. (as approved by Armada) entering into an employment agreement with Mr. Riedelsheimer. Armada will also commit to financing capital investments for the Mister Beer business of $700,000 over a 36 month period and contributing $100,000 towards marketing and business development costs for the Mister Beer business.

This acquisition expands the Company's strategy of diversifying its revenue streams and leveraging its cost-effective online marketing expertise. By combining TBE's products with Armada's financial strength and marketing strategies, management is confident this acquisition will have a positive impact on Armada's earnings moving forward.

The Armada board has approved the transaction and the transaction qualifies as an expedited transaction pursuant to TSX-V policies, and will not therefore require shareholder approval.

Costs associated with ramping up the TBE business to the point of profitability will have a negative impact on Armada's current cash reserves. Beyond the acquisition expenses, the company anticipates a total negative cash flow of approximately $250,000 to $300,000 from the TBE business during the initial 12 month period after the acquisition is completed.

Outlook

The Company's outlook is to continue to aggressively increase sales and deliver bottom line results to our shareholders by way of the following:

1. Build on the success of the Company's ongoing sales and marketing effort focused on increasing sales at Retail Services, Dealer Services and Advertising/Marketing Services divisions.
2. Close the TBE deal and execute a plan to grow the Mister Beer brand.
3. Expand the implementation of our A.C.V. Insurance Services product offering.
4. Maintain operating expenses and achieve the economies of scales of an Internet based business.
5. Continue the expansion of third-party fee-based online advertising.
6. Sustain material levels of growth and profitability with ongoing sequential earnings growth while obtaining and achieving cost efficiencies and savings in all operations where possible.

On behalf of the Board of Directors

Paul Timoteo
President and C.F.O.

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Armada Data Corporation

I have audited the accompanying consolidated financial statements of Armada Data Corporation, which comprise the consolidated balance sheet as at May 31, 2011 and the consolidated statements of income and retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on my judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, I consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Armada Data Corporation as at May 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards.

Philip Gigan
Chartered Accountant
Licensed Public Accountant

Toronto, Ontario
August 31, 2011

CONSOLIDATED BALANCE SHEET AS AT MAY 31, 2011

	2011	2010
		(note 1)
ASSETS		
CURRENT		
Cash	**$1,074,263**	$1,081,165
Accounts receivable (note 6 (b), 10)	**601,902**	411,938
Corporation income taxes recoverable (note 8)	**21**	–
Prepaid expenses and sundry assets	**25,940**	20,550
Deposits on acquisition (note 12)	**–**	22,975
	1,702,126	1,536,628
PROPERTY, PLANT AND EQUIPMENT – NET (notes 3, 4 and 12)	**75,517**	27,433
OTHER ASSETS		
Goodwill - net (notes 3, 5, 6 (d) and 12)	**191,832**	–
	$1,969,475	$1,564,061
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (note 6 (b))	**$ 240,842**	$ 164,808
Note payable (note 12)	**40,000**	–
Corporation income taxes payable (note 8)	**–**	56,997
	280,842	221,805
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (note 7)	**1,210,022**	1,079,690
RETAINED EARNINGS	**303,106**	91,011
CONTRIBUTED SURPLUS (note 11)	**175,505**	171,555
	1,688,633	1,342,256
	$1,969,475	$1,564,061

APPROVED ON BEHALF OF THE BOARD:

Director
R. James Matthews

Director
Paul Timoteo

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

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDING MAY 31, 2011

	May 31, 2011	May 31, 2010
		(note 1)
REVENUE (notes 3 and 10)	**$3,061,762**	$2,946,657
EXPENSES (note 6)		
Office salaries	**782,308**	542,751
Advertising and business promotion	**506,853**	528,417
Management salaries	**276,606**	273,180
Computer consulting and supplies	**228,719**	257,628
Commissions and fees	**215,146**	240,708
Selling fees	**101,383**	93,186
Rent, common area costs and utilities (note 9 (b))	**84,514**	60,292
Employee benefits	**81,184**	58,967
Selling salaries	**55,573**	21,481
Professional fees	**51,046**	88,614
Automobile and travel	**45,093**	54,390
Bank charges, credit card charges and interest	**38,974**	35,746
Office and general	**37,252**	16,671
Telephone	**32,775**	44,582
Investor relations	**27,655**	68,334
Outside data services	**19,335**	22,088
Insurance	**18,151**	14,925
Printing	**17,424**	18,254
Customer service	**16,553**	34,492
Transfer and exchange fees	**14,391**	10,342
Operating leases (note 9 (a))	**13,216**	11,620
Stock based compensation costs (notes 3, 7 (d) and 11)	**3,950**	97,570
Bad debts (recovery)	**–**	(23,330)
Less: Scientific research and experimental development refund (note 8 (b))	**(54,222)**	–
	2,613,879	2,570,908
INCOME BEFORE AMORTIZATION	**447,883**	375,749
LESS: AMORTIZATION AND IMPAIRMENT		
Goodwill impairment (notes 3 and 5)	**21,315**	–
Property, plant and equipment (notes 3 and 4)	**17,473**	12,035
Intangible assets (note 3)	**–**	17,997
	38,788	30,032
INCOME BEFORE CORPORATION INCOME TAXES	**409,095**	345,717
LESS: PROVISION FOR CORPORATION INCOME TAXES – CURRENT (note 8 (a))	**(126,321)**	(56,997)
NET INCOME (Basic and fully diluted income per share (2011 - $0.02; 2010 - $0.02))	**282,774**	288,720
RETAINED EARNINGS (DEFICIT), beginning of year	**91,011**	(129,715)
LESS: DIVIDENDS	**(70,679)**	(67,994)
RETAINED EARNINGS, end of year	**$ 303,106**	$ 91,011

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDING MAY 31, 2011

	May 31, 2011	May 31, 2010
		(note 1)
CASH USED IN OPERATING ACTIVITIES		
Net income	**$ 282,774**	$ 288,720
Amortization	**38,788**	30,032
Stock based compensation costs	**3,950**	97,570
	325,512	416,322
Net changes in non-cash working capital balances related to operations	**(153,363)**	25,419
	172,149	441,741
CASH FROM (USED) IN INVESTMENT ACTIVITIES		
Increase in note payable – net	**40,000**	–
Acquisition of goodwill	**(213,147)**	–
Purchase of capital assets	**(65,557)**	(7,766)
	(238,704)	(7,766)
CASH FROM (USED) IN FINANCIAL ACTIVITIES		
Proceeds from issuance of share capital pursuant to acquisition	**90,000**	–
Proceeds from issuance of share capital pursuant to stock options exercised	**40,332**	20,166
Dividends	**(70,679)**	(67,994)
	59,653	(47,828)
(DECREASE) INCREASE IN CASH	**(6,902)**	386,147
CASH, beginning of year	**1,081,165**	695,018
CASH, end of year	**$1,074,263**	$1,081,165

NET CHANGES IN NON-CASH WORKING CAPITAL CONSISTS OF:		
Accounts receivable	**$ (189,964)**	$ 13,597
Prepaid expenses and sundry assets	**(5,390)**	(6,732)
Deposits on acquisition	**22,975**	(22,975)
Accounts payable and accrued liabilities	**76,034**	(15,468)
Corporation income taxes payable	**(57,018)**	56,997
	$ (153,363)	$ 25,419

SUPPLEMENTARY INFORMATION:		
Income Taxes Paid	**$ 44,378**	$ –
Interest Paid	**$ –**	$ –

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2011

1. BASIS OF PRESENTATION

The consolidated balance sheet of Armada Data Corporation (Formerly CCC Internet Solutions Inc./ Formerly Duke Capital Corp.) ("CCCBC") a company incorporated under the laws of the province of British Columbia, gives effect to the reverse takeover whereby CCCBC, the legal parent, was acquired by CCC Internet Solutions Inc. (Formerly E-Tom Technologies Inc.) ("CCCFED") a company incorporated under the laws of Canada, the legal subsidiary.

This reverse takeover occurred on October 30, 2000 pursuant to a Share Purchase Agreement whereby CCCBC acquired all of the outstanding shares of CCCFED in exchange for 6,500,000 CCCBC shares and $150,000 of which $100,000 had been paid. The remaining $50,000 was exchanged for 166,666 common shares of "CCCBC" in fiscal 2002.

These consolidated financial statements include the accounts of CCCBC and CCCFED. All material inter-company balances, transactions and profits have been eliminated.

The prior year's comparative figures have been reclassified, where necessary, to conform with the current year's presentation.

2. BUSINESS COMBINATION

a) The business combination occurred on October 30, 2000 and is accounted for by the purchase method, with CCCFED being deemed the acquirer, because this exchange of shares leaves the former shareholders of CCCFED with the majority of the issued shares of CCCBC.

As a result, the balance sheet of CCCFED is recorded at book value and the balance sheet of CCCBC is recorded at fair market value at October 30, 2000.

b) Current Assets of CCCBC @ October 30, 2000	**$677,842**
Liabilities Assumed of CCCBC @ October 30, 2000	**–**
Cost of Purchase	**$677,842**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include short-term investments having an original maturity of less than or equal to 90 days.

COMPREHENSIVE INCOME

Section 1530 – "Comprehensive Income" introduces the concept of comprehensive income to Canadian Generally Accepted Accounting Principles. Comprehensive income is the change in equity (net assets) of the Company during a reporting year from transactions and other events and circumstances from non-owner sources. It includes all changes to equity during a year except those resulting from investments by owners and distributions to owners. Comprehensive income is comprised of net income for the year and other comprehensive income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MAY 31, 2011

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPREHENSIVE INCOME (Continued)

The Company had no comprehensive income or loss transactions, other than its net income which is presented in the Consolidated Statement of Income, during the years that have been presented. Accordingly a statement of comprehensive income has not been presented.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of significant policies:

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at historical cost. Amortization is charged to earnings 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, plant and equipment purchased during the year are amortized at one-half the above stated rates.

REVENUE RECOGNITION AND DEFERRED REVENUE

The Insurance Services division derives its revenue from the sale of total-loss replacement vehicle reports to major Canadian insurance companies. Revenue is recognized when the vehicle report is filed with the insurance company.

The Retail Services division derives its revenue from the sale of new car pricing data to consumers primarily through the Company's flagship website www.CarCostCanada.com as well as the reselling of new car pricing data to qualified third party vendors, such as Consumers Union/Consumer Reports. Revenue is recognized when the consumer submits their payment information.

The Dealer Services division generates revenue through the sale of new vehicle leads derived from membership sales from Car Cost Canada. Revenue is recognized on a monthly pro-rated basis. The unearned portion, if any, is recognized as deferred revenue on the balance sheet.

The Information Technology division derives its revenue from web site hosting, web site development, email services, online marketing, search engine optimization, technical support and network support services. Revenue is recognized when it is invoiced to the customer.

The Advertising/Marketing Services division derives its revenue from the sale of online third party website advertising, consulting fees and other new car or car business related marketing activities. Revenue is recognized when it is invoiced to the customer.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOODWILL

Goodwill is recorded at acquisition cost and includes any professional fees pertaining to the acquisition. Impairment, if any, is provided for in the year in which the impairment has occurred.

SHARE ISSUE COSTS

Costs directly identifiable with the raising of capital are charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred acquisition costs.

Share issue costs consist primarily of corporate finance fees, legal fees and managing dealer commissions and marketing fees.

INCOME PER SHARE

The computation of Income per share is based on the weighted average number of common shares outstanding during the year.

STOCK BASED COMPENSATION

The Company has a stock-based compensation plan which is described in Note 7. The Company uses the Canadian Institute of Chartered Accountant's Handbook Section 3870 "Stock-Based Compensation and Other Stock-Based Payments", which established standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. Agent's warrants, stock options and direct awards of stock are recorded at fair value on the date of grant.

ASSET RETIREMENT OBLIGATIONS

Effective June 1, 2005, the Company adopted CICA 3110, "Asset Retirement Obligations" ("CICA 3110"). CICA 3110 requires that the estimated fair value of liabilities for asset retirement obligations be recognized in the year in which they were incurred. A corresponding increase to the carrying amount of the related asset (where one is identifiable) is recorded and depreciated over the life of the asset. Where a related asset is not easily identifiable with a liability, the change in fair value over the course of the year is expensed. The amount of the liability will be subject to remeasurement at each reporting year. The estimates are based principally on legal and regulatory requirements. Presently there are no assets subject to retirement obligations.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Significant areas requiring the use of management estimates relate to the determination of impairment of assets and risk management and useful lives for depreciation and amortization. Actual results could differ from those estimates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS – DISCLOSURES

Effective April 1, 2010, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants' Handbook Section 3862, Financial Instruments – Disclosures.

The provisions in Section 3862, Financial Instruments – Disclosures, increase the disclosures currently required that will enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. In addition, disclosure is required of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about liquidity risk and market risk. The quantitative disclosures must also include a sensitivity analysis for each type of market risk to which an entity is exposed, showing how net income and other comprehensive income would have been affected by reasonably possible changes in the relevant risk variable. The Company has included disclosures recommended by the new Handbook section in Note 3 and Note 14 to its May 31, 2011 financial statements.

FINANCIAL INSTRUMENTS – PRESENTATION

Effective April 1, 2010, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants' Handbook Section 3863, Financial Instruments – Presentation, which replaces the existing requirements on presentation of financial instruments.

CAPITAL DISCLOSURES

Effective April 1, 2010, the Company adopted CICA Handbook Section 1535 Capital Disclosures, which specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Company has included disclosures recommended by the new Handbook section in Note 14 to these financial statements.

GOODWILL AND INTANGIBLE ASSETS

Effective October 1, 2010, the Company adopted CICA Handbook Section 3064 Goodwill and Intangible Assets, the new guidance on the recognition of intangible assets in accordance with the definition of an asset and the criteria for asset recognition, clarifying the application of the concept of matching revenues and expenses, whether these assets are separately acquired or are developed internally. The adoption of this standard is not expected to have a material effect on the Company's earnings and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUTURE ACCOUNTING CHANGES – INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines 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 is the changeover date for publicly-listed companies to use IRFS, replacing Canada's own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended May 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time. The Company has engaged an independent consultant to assist them in the transition and expects to file all IFRS related statements on a timely basis as required by all regulatory bodies.

FUTURE INCOME TAX

The Company accounts for income taxes using the liability method of income tax allocation. Future income taxes are recognized for the future income tax consequences attributable to differences between the carrying values of assets and liabilities and their respective income tax basis. Future income tax assets and liabilities are measured using substantively enacted income tax rates as at the balance sheet date. The effect on future income tax assets and liabilities of a change in rates is included in income during the year that includes the enactment date. Future income tax assets are recorded in the financial statements if realization is considered more likely than not.

The Company has experienced continuing profits for the past four years and expects to continue being profitable. In the fiscal year ended 2010 all non-capital losses were utilized and Income Taxes payable were accrued. In the opinion of management, the realization of any future income tax assets is considered more likely than not. A future income tax asset has not been disclosed as at May 31, 2011 as the aggregated timing differences that create the future income tax asset are not material.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

		May 31, 2011		May 31, 2010
	Cost	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Computer hardware	**$126,539**	**$ 82,341**	**$44,198**	$20,873
Furniture and fixtures	**21,557**	**11,732**	**9,825**	2,267
Telephone equipment	**21,214**	**6,054**	**15,160**	2,289
Leasehold improvements	**7,038**	**704**	**6,334**	2,004
Computer software	**39,238**	**39,238**	**–**	–
	$215,586	**$140,069**	**$75,517**	$27,433

5. GOODWILL

Goodwill was purchased on acquisition (as described in note 12) and is comprised of the following:

	May 31, 2011
Acquisition cost	**$180,000**
Legal fees	**33,147**
	213,147
Less: Goodwill impairment	**(21,315)**
	$191,832

6. RELATED PARTY TRANSACTIONS

a) Two directors of the Company are also directors and 50% (in the aggregate) shareholders of Lease Busters Inc. Another director is a partner in a legal firm which provides services to the Company.

b) i) Included in accounts receivable is $75,022 due from a related company (Lease Busters Inc.)
ii) Included in accounts payable is $19,366 due to related parties.

c) Management salaries were paid to certain directors of the Company.

d) Goodwill was acquired from Cybernet Finder Corporation as described in note 12. Legal fees included in goodwill were paid to a legal firm of which a director is a partner.

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

	2011	2010
Management salaries	**$276,606**	$273,180
Office salaries	**177,266**	104,171
Professional fees	**26,333**	57,089
Automobile	**21,600**	24,498
Insurance	**7,900**	3,900
Customer service	**7,475**	1,186
Printing	**6,161**	4,590
Computer consulting	**5,238**	131,175
Rent	**4,500**	18,000
Advertising	**3,840**	3,373
	$536,919	$621,162

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 approximate fair value. All transactions with related parties are measured at their exchange amount.

7. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value.

b) Issued

	2011		2010	
CCC Internet Solutions Inc.	**Number of shares**	$	Number of shares	$
Balance as at May 31	**100**	$ 1	100	$ 1
Armada Data Corporation				
Balance as at May 31	**13,755,497**	$1,940,763	13,598,831	$1,920,597
Issuance of common shares to directors pursuant to exercise of options	**313,334**	40,332	156,666	20,166
Issuance of common shares to director pursuant to acquisition of Cybernet Finder Corporation (note 12)	**290,323**	90,000	–	–
Balance as at May 31	**14,359,154**	2,071,095	13,755,497	1,940,763
Combined balances at May 31	**14,359,254**	2,071,096	13,755,597	1,940,764
Eliminate consolidation of subsidiary	**(100)**	(861,074)	(100)	(861,074)
Consolidated balance sheet at May 31	**14,359,154**	$1,210,022	13,755,497	$1,079,690

c) Fully Diluted Shares

	2011		2010	
Balance at May 31 in (note 7 (b))	**14,359,154**	$1,210,022	13,755,497	$1,079,690
Common shares issuable pursuant to incentive stock options held by directors and officers of CCCBC (note 7 (d))	**500,000**	50,000	813,334	90,333
Fully diluted share capital	**14,859,154**	$1,260,022	14,568,831	$1,170,023

d) Stock Options

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 are 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 and are presently exercisable for a period of up to 10 years from the date of grant.

7. SHARE CAPITAL - 7 (d) Stock Options (Continued)

As of June 1, 2005, the Company adopted the Canadian Institute of Chartered Accountants recommendations on stock-based compensation. The Company uses the fair value method to value and expense stock-based compensation. This method consists of recording compensation cost to earnings over the vesting year of options granted. When stock options are exercised, any consideration paid by the grantee and the related compensation expense recorded as Contributed Surplus in Shareholders' Equity is credited to share capital. The Company has chosen to recognize this accounting policy on a prospective basis, whereby prior-years' financial statements are not restated to reflect this accounting policy. The Company has adopted the cash method of accounting for forfeitures.

Stock Options Outstanding

			Number of Options		
Expiry	Price Per Option	Balance Beginning of Year	Granted (Exercised)	Forfeited	Balance End of Year
Directors and Officers					
May 2012	$0.10	633,334	(133,334)	–	500,000
Others					
Aug 2014	$0.15	180,000	(180,000)	–	–
Total		813,334	(313,334)	–	500,000

Summary of the status of the company's Stock options are as follows:

for the year ended	**2011**		2010	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Directors and Officers				
Balance, beginning of year	**633,334**	**$0.10**	980,000	$0.14
Granted	–	–	–	–
Exercised	**(133,334)**	**0.10**	(66,666)	0.10
Forfeited	–	–	(180,000)	0.30
Forfeited	–	–	(100,000)	0.10
Balance, end of year	**500,000**	**$0.10**	633,334	$0.10
Others				
Balance, beginning of year	**180,000**	**$0.15**	150,000	$0.30
Granted	–	–	270,000	0.15
Exercised	**(180,000)**	**0.15**	(90,000)	0.15
Forfeited	–	–	(150,000)	0.30
Balance, end of year	–	–	180,000	0.15
Total	**500,000**	**$0.10**	813,334	$0.11

7. CAPITAL STOCK (Continued)

d) Stock Options (Continued)

The fair value of the options granted during the year ended May 31, 2011 was estimated at the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

Expected volatility	125%
Risk free interest rate	1.98%
Expected life	4.25 years
Expected dividend yield	0.05%

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

e) Shares Issuable Under the Plan

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 Shareholder Approval,

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

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;

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

8. 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 assets 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.

A reconciliation between Income for accounting and income taxes is as follows:

	2011	2010
Accounting income	**$409,367**	$345,717
Add: Non-deductible stock Based compensation costs	**3,950**	97,570
Add: Non-deductible portion of promotion	**11,378**	6,420
Less: Capital cost allowance claimed in excess of amortization	**(25,772)**	(107,430)
Scientific research and experimental development – non taxable portion	**(29,283)**	–
Less: Share issue costs deductible for income tax	–	(31,565)
Less: Non-capital loss carry forwards utilized in current fiscal year	**(770)**	(135,801)
Taxable income	**$368,870**	$174,911
Effective tax rate	**28%**	33%
Income tax provision, before adjustments, if any	**$103,798**	$56,997
Prior year's underprovision	**22,523**	–
Income tax provision	**$126,321**	$56,997

b) During the current fiscal year, the Company applied for and received $54,222 net refunds for a scientific research and experimental development expenditures claim pertaining to the year ending May 31, 2009. The refund is comprised of the following:

Fiscal 2010 Federal taxes	$45,356
Fiscal 2010 Ontario research and development tax credit	11,888
Fiscal 2009 Ontario innovation tax credit	29,352
	86,596
Less: Fees paid to consultant to file claim	(32,374)
Net Refund	$54,222

The Company has not yet applied for claims for fiscal 2010 and 2011. As such, it is uncertain as to whether refunds will be received for those fiscal years. As a result, no asset has been set up in these financial statements.

9. COMMITMENTS

a) The Company has entered into various operating leases which continue until fiscal 2016. The minimum rental payments (net of H.S.T.) for the next five fiscal year is:

Fiscal 2012	$10,759
Fiscal 2013	10,759
Fiscal 2014	10,759
Fiscal 2015	10,759
Fiscal 2016	2,432
	$45,468

b) In June 2011, the Company entered into a five year lease with respect to its premises. This lease is from September 2011 to August 2015. The minimum rental for the next five fiscal years including estimated operating costs are as follows:

Fiscal 2012	$117,152
Fiscal 2013	109,350
Fiscal 2014	112,590
Fiscal 2015	113,400
Fiscal 2016	28,350
	$480,842

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.

10. SEGMENTED INFORMATION

The Company's operations consist of six main divisions; Insurance Services, Retail Services, Dealer Services, Auto Marketing Group Services ("AMGS"), Internet Technology (IT) and Advertising/Marketing Services. The Insurance Service division derives its revenue from the sale of total loss replacement vehicle reports to major Canadian insurance companies. The Retail Services division consists of the sale of new car pricing data to consumers primarily through the Company's website as well as the reselling of this new car pricing data to qualified third party vendors. The Dealer Services division generates revenue through the sale of new vehicle leads derived from membership sales from Car-Cost-Canada. The IT division comprises web and email hosting, website development and design, and desktop support. The AMGS division derives its revenue from the administration and maintenance of certain websites of business partners. The Advertising/Marketing Services division is made up of the sale of online third party website advertising, consulting fees and other new car or car business related marketing activities.

Revenue earned by divisions are as follows:

	2011	**%**	2010	%
Insurance services	**$1,141,456**	**(37)**	$1,103,880	(38)
Retail services	**723,658**	**(24)**	861,994	(29)
Dealer services	**977,400**	**(32)**	849,642	(29)
IT	**177,566**	**(6)**	–	–
Advertising/Marketing Services	**37,217**	**(1)**	123,647	(4)
Auto Marketing Group Services	**4,465**	–	7,494	–
	$3,061,762	**(100)**	$2,946,657	(100)

10. SEGMENTED INFORMATION (Continued)

Segmented Information

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

	2011	2010
Insurance	**$277,785**	$173,436
Dealer	**178,576**	177,279
IT	**55,269**	–
Not reportable by segment	**90,272**	61,223
Total accounts receivable	**$601,902**	$411,938

11. CONTRIBUTED SURPLUS

	2011	2010
Opening balance as at May 31, 2010	**$171,555**	$73,985
Stock based compensation expense	**3,950**	97,570
Closing balance as at May 31, 2011	**$175,505**	$171,555

12. ACQUISITION

On July 21, 2010, the Company acquired the assets of Cybernet Finder Corporation, an internet technology corporation owned by a director of Armada Data Corporation. The assets acquired include $180,000 in goodwill and supplier contracts, and $20,000 in furniture and fixtures, computer hardware and software. The purchase price was $200,000 payable as follows:

$ 20,000	Cash
90,000	Non-interest bearing note payable in 18 equal $5,000 monthly installments, effective August 2010
90,000	290,323 common shares of Armada Data Corporation at $0.31
$ 200,000	

In addition to the above purchase price the Company incurred $33,147 in professional and other fees.

As at May 31, 2011, the balance owing on the non-interest bearing note payable was $40,000.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

All significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the consolidated financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. The Company is also subject to the risk generally associated with the operation of income-producing websites and normal course business risk.

These risks include fluctuations in site traffic, sales, operating expenses, and other risk of unavailability of further equity financing and/or funding. Other associated risks may include competition, technical constraints in further business development, and possible service interruptions.

Fair Value

The fair value of cash, amounts receivable, accounts payable and accrued liabilities approximate carrying value due to the relatively short term maturities of these instruments.

The fair value of short-term investments is recorded at its fair value being its face value plus accrued interest.

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.

Capital Risk

The Company manages its capital with the objective of providing adequate capital resources for the Company to maintain and develop its websites and other business activities. The capital structure of the Company consists of shareholder's equity and depends on the ability of the Company to raise ongoing capital and on the future profitability of the Company's operations.

Credit Risk

The Company is exposed to credit risk. Credit risk is the risk that a client or vendor will be unable to pay or receive any amounts owed or owing by the Company. Management's assessment of the Company's credit risk is low as it is primarily attributable to funds held in Canadian banks, Goods and Services Tax payable to the Federal Government of Canada which taxes are included in amounts payable. In the opinion of management the Company is not exposed to a material credit risk.

Liquidity Risk

The Company is exposed to liquidity risk. 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 Company is not exposed to a material liquidity risk.

Market Risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is exposed to these risks. The ability of the Company to develop or market its services and the future profitability of the Company is related to these market risks.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Interest rate risk

The Company has cash balances and no interest-bearing debt.

Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases, which consist primarily of expenses, are transacted in Canadian dollars. The Company operations are in Canada, and it does not engage in hedging activities.

Price risk

The Company is not exposed to price risk.

Sensitivity analysis

The Company's cash is measured at fair value. Financial instruments included in amounts receivable are classified as accounts receivable, which are measured at cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at cost. As at May 31, 2011, the carrying and fair value amounts of the Company's financial instruments are the same.

Based on management's knowledge and experience of the financial markets, the Company believes that the movements in interest rates that are reasonably possible over the next twelve month year will not have a significant impact on the Company.

The Company does not hold material reserves of foreign currencies to give rise to exposure to foreign exchange risk. Therefore a percentage change in certain foreign exchange rates will not have a significant impact on the Company.

14. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and development of additional business opportunities. 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 interests 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 the year ended May 31, 2011.

15. SUBSEQUENT EVENT – PROPOSED ACQUISITION OF THE BIG & EASY BOTTLE BREWING COMPANY INC.

On August 8th, 2011 the Company announced that it entered into an agreement in principal to acquire 90% of the issued and outstanding shares of The Big & Easy Bottle Brewing Company Inc. ("TBE"). TBE is the holder of all of the shares of Mister Beer Inc., a company which invented and has a pending patent on a unique 'microbrewery in a bottle', allowing consumers to produce premium beer at roughly half the cost of regular beer.

The aggregate purchase price for 90% of the shares of TBE to be acquired by Armada will be $857,000 payable as follows: (i) $280,000 cash payable on closing; (ii) a convertible promissory note in the amount of $100,000; (iii) $400,000 worth of Armada common shares issued at closing at an issue price of $0.20, such that 2,000,000 shares of Armada will be issued; and (iv) assumption by Armada of $77,000 of debt of the Mister Beer business. The Note will be payable in monthly non-interest bearing installments of $4,167 over a 24 month term. The outstanding principal balance on the Note is convertible into shares of Armada at a conversion rate of $0.25 per share of Armada, at any time during the 24 month term of the Note. The shares to be issued will be subject to all applicable securities and regulatory hold periods.

The closing of the transaction related to the acquisition of TBE is conditional on Armada and the shareholders of TBE entering into a share purchase agreement and shareholders agreement, and Mister Beer Inc. (as approved by Armada) entering into an employment agreement with a key employee. Armada will also commit to financing capital investments for the Mister Beer business of $700,000 over a 36 month period and contributing $100,000 towards marketing and business development costs for the Mister Beer business.

This transaction has not been completed as at the date of the financial statements and the company believes that it will finalize the transaction by the end of the second quarter of fiscal 2012. The transaction is subject to uncertainty in that there are conditions of the sale that must be met by both parties. It is the intention of the company and TBE to complete the transaction, although it is not a certainty.

SCHEDULE "B" – SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED MAY 31, 2011

	Number	Name	Exercise Price	Date Granted	Expiry Date
i) Directors and Officers					
	100,000	Eli Oszlak	0.10	May 11, 2009	May 11, 2012
	100,000	Rob Montemarano	0.10	May 11, 2009	May 11, 2012
	100,000	Gregory Harris	0.10	May 11, 2009	May 11, 2012
	100,000	Fred Marotta	0.10	May 11, 2009	May 11, 2012
	100,000	Michael Cooper	0.10	May 11, 2009	May 11, 2012
Total	500,000				

List of Directors and Officers

R. James Matthews – Director, CEO and Secretary Treasurer

Paul Timoteo – Director, CFO and President

Eli Oszlak – Director, Vice President

Rob Montemarano – Director, Audit Committee Member

Fred Marotta – Director, Chairman of Audit Committee

Gregory Harris – Director, Audit Committee Member

Michael Cooper – Director

Corporate Information

Corporate Office	Armada Data Corporation 5710 Timberlea Blvd., Suite 201 Mississauga, Ontario L4W 4W1 Telephone: (866) 453-6995 Facsimile: (905) 624-3259
Directors	Michael Cooper BA Greg Harris BA. LLB. Fred Marotta James Matthews B. Comm Robert Montemarano BA. Eli Oszlak Paul Timoteo
Officers	James Matthews | Secretary & Chief Executive Officer Paul Timoteo | President & Chief Financial Officer Eli Oszlak | Vice President & Chief Technical Officer
Stock Exchange	TSX Venture Exchange
Symbol	ARD
Transfer Agent	Computershare Limited
Legal Counsel	Harris & Harris LLP Barristers and Solicitors, Mississauga, Ontario
Auditor	Philip Gigan C.A., Toronto, Ontario
Bank	Bank of Montreal and HSBC, Mississauga, Ontario
Annual Meeting	Annual Meeting of Shareholders will be held at: Armada Data Corporation 5710 Timberlea Boulevard, Suite 201 Mississauga, Ontario November 16th, 2011 at 4:00 PM

www.ArmadaData.com
www.ArmadaInsurance.ca
www.CarCostCanada.com
www.TheCarMagazine.com

Armada Data Corporation trades on the TSX Venture Exchange
TSX: ARD.V