

MANAGEMENT'S DISCUSSION AND ANALYSIS of Financial Position and Operating Results for the third fiscal quarter ending February 29, 2012

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 quarter ended February 29, 2012 and accompanying notes. The results reported herein 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") and are presented in Canadian dollars.

The accounting policies have been selected to be consistent with IFRS as is expected to be effective May 31, 2012, the Company's first annual IFRS reporting date. Previously, the Company prepared its interim and annual consolidated financial statements in accordance with Canadian Generally Accepted Accounting Policies ("Canadian GAAP")

The adoption of IFRS resulted in changes to the accounting policies as compared to the most recent annual financial statements prepared under Canadian GAAP. The accounting policies set out in the unaudited interim financial statements have been applied consistently to all periods presented. They have also been applied in the preparation of the opening IFRS statement of financial position as at June 1, 2010.

The standards and interpretations within IFRS are subject to change and accordingly, the accounting policies for the annual period that are relevant to the unaudited interim consolidated financial statements will be finalized only when the first annual IFRS audited consolidated complete financial statements are prepared for the year ended May 31, 2012.

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

Company Overview

Armada Data is a diversified Canadian publicly traded Information & Marketing Services Company providing data to a diverse group of corporate and retail clients. Armada also provides information technology, e-commerce and online marketing services to its clients.

On October 1st 2011, Armada acquired 90% of The Big & Easy Bottle Brewing Company, which produces and markets the unique Mister Beer Bottle Brew beer-making kit. This adds a new dimension to Armada which Management believes has great potential for increasing shareholders value.

Armada is one of the very few profitable micro-cap companies trading on the TSX Venture exchange. The company has been able to grow, while continuously improving its financial strength and solid balance sheet.

The combination of revenue and net earnings growth, coupled with increasing Shareholder's equity, ample free cash flow, virtually no debt and an annual shareholder dividend is very rare with a Canadian public company of its size.

Armada Data shares are listed on the TSX Venture exchange under the trading Symbol ARD. Armada currently has a total of 16,359,154 shares outstanding. The Company has been based in Mississauga, Ontario since its inception in July 1999.

The Company's operations consist of five main divisions and controlling interest in one subsidiary:

The five divisions consist of Insurance Services, Retail Services, Dealer Services, Information Technology Services and Advertising/Marketing Services. On October 1st 2011, Armada acquired 90% of The Big & Easy Bottle Brewing Company (TBE), which produces and markets the unique Mister Beer Bottle Brew beer-making kit.

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 at Car Cost Canada.

The Information Technology division derives its revenue from web site hosting, web site development, email services, online marketing, search engine optimization, cloud services, 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 related marketing activities.

During the quarter ended February 29, 2012 Armada achieved a number of important milestones.

Comparisons for the quarter are versus the same period last year

- The Company recorded the highest third quarter revenue in its history at \$797,129 versus \$753,013 last year or an increase of 6%
- Total assets of the Company grew to \$2,329,270 versus \$1,914,410 last year or an increase of 22%.
- Shareholders' equity grew to \$1,962,397 versus \$1,610,222 last year or an increase of 22%.
- Due to the acquisition of TBE and the ongoing expenses related to expanding the business the Company's cash position decreased to \$495,688 from \$1,041,034, which management believes is adequate to fund all foreseeable funding requirements.

Selected Quarterly Information

Fiscal Year	2012	2012	2012	2011	2011	2011	2011	2010
Quarter Ended	Feb-29 2012	Nov-30 2011	Aug-31 2011	May-31 2011	Feb-28 2011	Nov-30 2010	Aug-31 2010	May-31 2010
Total Revenue	797,129	913,795	777,324	855,412	753,013	711,520	743,551	741,817
Net Income (loss)	(94,307)	(36,375)	75,211	78,413	49,766	46,996	74,201	109,831
Net Profit per share	(\$0.01)	(\$0.01)	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01

Operations Overview

Management is pleased to report the results of the third quarter ending February 29, 2012. The Company generated the highest third quarter revenue in its history. Revenue increased to \$797,129 versus \$753,013 last year or an increase of 6%.

The company recorded a net loss of \$94,307, after taxes, amortization, stock-based compensation. The bulk of the loss can be attributed to funding of the growth plans associated with TBE acquisition.

Based on a quarter-end cash position of \$495,688, accounts receivable of \$598,306 and total liabilities of \$334,183, management feels that the Company is in a good position to meet all current and foreseeable financial obligations.

"Management has made certain critical accounting estimates pertaining to the Amortization of Capital Assets, Intangible Assets and Deferred Acquisition Costs. These critical estimates were based on the expected useful lives of the particular asset when they were acquired".

Stock options and stock-based compensation

The company has a stock-based compensation plan which is described in Note 7 of the Company's unaudited consolidated interim financial statements for the quarter ended February 29, 2012. 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. All stock-based awards are measured and recognized using the fair-value method as determined by the Black-Scholes option pricing model. Agent's warrants, stock options and direct awards of stock are recorded at fair value on the date of grant.

Mister Beer (MB)

Mister Beer derives its revenue from the sale of wort (unfermented beer) in bulk to 13 Mister Beer U-Brew locations in southern Ontario as well as Mister Beer Bottle Brew sold throughout Canada. Q3 was the first full quarter for Mister Beer as a subsidiary of Armada.

During the quarter Mister Beer recorded revenue of \$94,060. For the quarter Mister Beer generated 12% of the company's revenue.

As previously announced, the Company has allocated \$450,000-\$500,000 to fund the establishment of a larger more efficient facility for MB and to cover the on-going negative cash-flow associated with MB until production and sales are ramped up.

The larger facility will have the capacity to increase production approximately ten times current levels or approximately one million 2-litre bottles per year before additional investments will be required. The Company estimates the profitability point to be reached at approximately 30,000 bottles per month.

Initial discussions with new larger retailers have been very positive and upon the opening of the new facility in June, 2012, initial orders are anticipated to be well in excess of 30,000 bottles per month.

Insurance Services

Due to a much warmer and drier period during the 3rd quarter, revenue from the Insurance Services division decreased to \$294,849 from \$325,130 last year or a decrease of 9%. For the quarter Insurance Services generated 37% of the company's revenue versus 43% last year.

Retail Services

Overall revenue from Retail Services decreased to \$115,306 from \$154,687 last year, a decrease of 25%. For the quarter Retail Services generated 14% of the company's revenue versus 20% last year.

Dealer Services

Overall revenue from Dealer Services decreased to \$198,474 from \$231,859 last year, a decrease of 14%. For the quarter Dealer Services generated 25% of the company's revenue versus 31% last year.

Advertising/Marketing Services

Third party advertising revenue on CarCostCanada.com and TheCarMagazine.com increased to \$22,268 from \$14,514 last year, an increase of 53%. The significant increase can be attributed to the transition from the company's previous advertising agency to a new one. Increases in revenues generated by the new agency have been excellent to date and the Company anticipates increased revenues moving forward. For the quarter Advertising/Marketing Services generated 3% of the company's revenue versus 2% last year. It should be noted this revenue is net of all costs and therefore goes straight to the bottom-line.

Internet Technology Services

Armada's IT division derives its revenue from web site hosting, web site development, email services, online marketing, search engine optimization, cloud services, technical support and network support services. Additional benefits include the cost-saving advantage of bringing the Company's IT expenditures in-house.

During the quarter IT Services revenue increased to \$72,172 from \$26,345 last year, an increase of 174%. For the quarter IT Services generated 9% of the company's revenue versus 4% last year.

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, insurance claims, 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.

Controls and Procedures

Disclosure Controls and Procedures - As at February 29, 2012, 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 February 29, 2012 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. For all future financial reporting periods, management intends to continue to fully comply with the new disclosure obligations.

Outlook and Investor Highlights

Armada Data continues to attain a number of important fiscal and operational achievements, which include:

- Mister Beer holds great promise to drive increased revenue and net profits
- Insurance Services' ACV Service, has become a great catalyst for revenue growth
- IT Services continues to grow and increase efficiencies throughout all of the Company's divisions
- The Company continues to maintain a healthy balance sheet and cash position despite the recent acquisition
- Management is focused on National sales growth, expense management and increasing profitability
- An independent audit committee and mandate remains in full force to ensure quality of corporate governance to provide shareholders the confidence they deserve

Armada Data Corporation, with its financial and human resources, is poised for continued growth as it capitalizes and 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 all of Armada's Divisions, a down economy has proven to have an equally positive impact as both individuals and insurance companies become more cost conscious.

On behalf of the Board of Directors

"Paul Timoteo"

Paul Timoteo

President and C.F.O.