

MANAGEMENT'S DISCUSSION AND ANALYSIS of Financial Position and Operating Results for the quarter ending February 28, 2013

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 28, 2013 and accompanying notes and the Company's annual audited consolidated financial statements for the year ended May 31, 2012. 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.

These unaudited interim consolidated financial statements have been prepared in accordance with IAS 34 using accounting policies consistent with IFRS. 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. Previously, the Company prepared its interim and annual consolidated financial statements in accordance with Canadian Generally Accepted Accounting Policies ("Canadian GAAP").

The accounting policies set out below 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, as required by IFRS 1, First time adoption of IFRS ("IFRS 1"). The impact of the transition to Canadian GAAP to IFRS is explained in Note 15 on the unaudited interim consolidated financial statement notes.

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 & Marketing 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's information and marketing experience has enabled the company to leverage that experience into the beverage industry by acquiring Mister Beer Inc.

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 16,559,154 shares outstanding. The Company has been based in Mississauga, Ontario since its inception in July 1999.

On Oct 1, 2011, Armada acquired 90% of the issued and outstanding shares of The Big & Easy Bottle Brewing Company Inc. ("TBE"). TBE owns 100% of all the issued and outstanding common shares of Mister Beer Inc. ("MB"), a company which invented and has a patent pending on a unique "microbrewery in a bottle" or more specifically, "bottle-brew". This new beer category (bottle-brew) allows consumers to produce/brew premium beer at home at roughly half the cost of regular premium or imported beers. This acquisition and business line adds a new dimension to Armada which management believes has potential for increasing shareholder value.

The Company's operations consist of six main divisions: Insurance Services, Retail Services, Dealer Services, Information Technology Services (IT), Advertising/Marketing Services and Mister Beer Inc. (MB).

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 comprises web and email hosting, web site development and design, online marketing, search engine optimization, technical support and network support services (for both internal purposes resulting in saving the Company from the costs associated with high priced IT services, and external sales/service).

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.

Mister Beer Inc. derives its revenue from the wholesale distribution sale of the Mister Beer Inc. beer-making kit and wholesale sales of unfermented beer.

Selected Quarterly Information

Fiscal Year	2013	2013	2013	2012	2012	2012	2012	2011
Quarter Ended	Feb-28 2013	Nov-30 2012	Aug-31 2012	May-31 2012	Feb-29 2012	Nov-30 2011	Aug-31 2011	May-31 2011
Total Revenue	612,327	675,288	678,786	728,164	742,239	863,133	777,324	849,359
Comprehensive Income (Loss)	26,633	(31,503)	28,754	(581,172)	(71,441)	(36,375)	75,211	66,580
Comprehensive (Loss) Income per share	\$0.01	\$(0.01)	\$0.01	\$(0.01)	\$(0.01)	\$(0.01)	\$0.01	\$0.01

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

Operations

Q3, 2013 is the first complete quarter to have the new Mister Beer Inc. (MBI) facility in Mississauga, Ontario in full production. Although the investment is significant, management believes that the short and long term returns will begin to emerge by the end of this fiscal year. As a result of the move from the outdated Woodbridge facility to the new Mississauga facility, MBI lost almost two (2) weeks of production. The MBI division sustained a Q3 loss of over \$100,000, which was mainly attributable to the move and commissioning of the new plant. Purchasing of raw materials and packaging and the brewing of wort to increase the inventory on hand also contributed to the quarter's loss; management felt it best to increase production in anticipation of increasing the existing customer base.

February 28, 2013 revenue decreased to \$612,327 versus \$742,239 at February 29, 2012 or a decrease of 18%.

Wages and other office expenses decreased to \$581,492 from \$829,245 at February 29, 2012 or a decrease of 30%. Management is committed to keeping expenses controlled during periods of change, therefore the decrease in expenses is greater than the decrease in revenue.

The Company recorded comprehensive income before corporate income tax provision, of \$26,633 compared to a comprehensive loss of \$71,441 last year, an increase of 137%. This change is a direct result of the reduction of divisional expenses, offsetting the divisional loss in the Mister Beer Inc. operations.

Amortization expense increased to \$24,952 from \$7,301 last year, due to the capital expenditures the Company has invested in for the Mister Beer Inc. division's new brewery facility.

The Insurance Services division revenue decreased to \$228,010 from \$294,849, or by 23%. Insurance Services contributed 37% of the Company's total revenue this quarter, compared to 40% for the quarter ended February 29, 2012. Management made the necessary changes to the staffing within the Insurance Services division to reduce the divisional expenses to offset the reduction of revenue.

The Retail Services division revenue was down 17% to \$95,543 from \$115,306, primarily due to a more competitive online search and advertising environment. Management is actively working on several different strategies to reverse this sales trend including but not limited to increasing market awareness of the carcostcanada.com website, website improvements and additional membership benefits and offerings. The Retail Services division contributed 16% of the Company's total revenue, remaining the same as the prior year's quarter.

The Dealer Services division revenue decreased by 9% (to \$180,936 from \$198,474) from the prior year's quarter; this reduction was expected by management because the division's productivity is directly related to CarCostCanada.com membership sales. The efficiencies undertaken by management have ensured that this decrease was not as great as the Retail Services division and management expects additional revenues within this department as a result of new revenue opportunities being market tested. The Dealer Services division's contribution of 30% to the Company's total revenue is an increase over last year's contribution of 27%.

The Internet Technology division decreased its revenue by 4%, from \$72,172 to \$69,071. The division's focus has been redirected on the internal needs of the organization as opposed to outside projects. There are several new technological trends within this sector and management is committed to ensuring that all of Armada's divisions keep pace with the market to the best of their ability. The IT division contributed 11% of the corporate quarterly revenue; an increase of 1% over the prior year's quarter.

The Advertising/Marketing division decreased to \$8,269 from \$22,268, a decrease of 63%. The traffic on CarCostCanada's website was somewhat reduced in this quarter. The contribution to total revenue has decreased from 3% in the prior year's quarter; the division now brings in 1% of the corporate revenues.

The Mister Beer Inc. division had gross sales of \$145,682, less \$115,184 of direct costs and labour, to report net revenues of \$30,498, compared to gross sales of \$94,060 less \$54,890 direct costs and labour resulting in net revenue of \$39,170 in the quarter ended February 29, 2012. Mister Beer Inc. contributed 5% to the Company's total revenue, unchanged from the previous year's quarter. Inventory on hand increased to \$154,376 at February 28, 2013 from \$50,318 at February 29, 2012. The Mister Beer Inc. sales team has begun the sales process of building new wholesale and retail distribution networks.

Cash on hand decreased from \$495,688 at February 29, 2012 to an overdraft of \$(214,100) at February 28, 2013. This cash on hand reduction is directly attributed to the acquisition of 90% interest in TBE/Mister Beer Inc. In addition, capital investments in the new Mister Beer Inc. brewery have had and will continue to have significant impact on the Company's cash on hand. The Company has obtained a credit facility from its bank to assist in day-to-day operations. In January, 2013, the Company closed a non-brokered private placement of 1,111,111 common shares at \$0.09 per share for aggregate gross proceeds of \$100,000.

Accounts receivable decreased from \$598,306 in the prior year's quarter to \$453,711 in the quarter ended February 28, 2013. Related party Accounts Receivable decreased to \$4,764 from \$9,490.

Accounts payable increased to \$420,112 from \$223,168. Related party Accounts Payables decreased from \$27,681 to \$17,066. The Note payable related to the TBE/Mister Beer Inc. acquisition is \$33,333, compared to \$83,334 last year.

As a result of the comprehensive loss reported by the Company for fiscal 2012 and the first 2 quarters of fiscal 2013, comprehensive income for the third quarter of 2013, and dividends paid of \$81,796 in fiscal 2012, the retained earnings are a deficit of \$(409,299), as compared to retained earnings of \$176,870 at February 29, 2012.

Revenues earned by division were as follows:

	3 months ended February 28, 2013		3 months ended February 29, 2012		year ended May 31, 2012	
Insurance Services	\$ 228,010	37%	\$ 294,849	40%	\$ 1,128,767	36%
Retail Services	95,543	16%	115,306	16%	581,371	19%
Dealer Services	180,936	30%	198,474	27%	943,179	30%
Internet Technology	69,071	11%	72,172	10%	214,294	7%
Advertising/Marketing	8,269	1%	22,268	3%	94,615	3%
	<u>581,829</u>	95%	<u>703,069</u>	95%	<u>2,962,226</u>	95%
Revenue-Mister Beer Inc.	\$ 145,682		94,060		326,171	
Less: Direct product costs/wage	<u>(115,184)</u>		<u>(54,890)</u>		<u>(177,476)</u>	
Net revenue Mister Beer Inc.	<u>30,498</u>	5%	<u>39,170</u>	5%	<u>148,695</u>	5%
Total consolidated revenue	<u>\$ 612,327</u>	100%	<u>\$ 742,239</u>	100%	<u>\$ 3,110,921</u>	100%

Related Party Transactions

Salary and expenses are paid to an officer of the Company, who is also a director and 25% shareholder of Lease Busters Inc. A spouse of an officer is employed by the Company, and is paid a market value salary. Legal fees are paid to a law firm, of which a partner is a (non-remunerated) director of the Company. A firm controlled by a (non-remunerated) director of the Company has been retained for sales consulting for the Mister Beer Inc. division 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 bank indebtedness of (\$214,100) and accounts receivable of \$453,711, management believes that the company will require additional funding. Management has obtained a credit facility to assist in day-to-day operations as well as a specific facility to finance new and pre-owned brewery equipment and machinery. During the quarter ended February 28, 2013, the Company closed a non-brokered private placement of 1,111,111 common shares at \$0.09 per share for aggregate gross proceeds of \$100,000.

The Company realizes the need for additional financing to achieve future goals of revenue increases based on the Mister Beer Inc. division's potential impact into the market place. The "data" divisions (Insurance Services, Retail Services, Dealer Services, Advertising/Marketing Services and IT Services) under current conditions fully expect to continue to report profitable results for the balance of this fiscal year and will support the Mister Beer Inc. division until it reaches the projected growth, sales and revenue objectives.

With respect to market competition, the Retail and Dealer services divisions enjoyed several years without competition. However over the past twenty four months, two new automobile pricing data and dealer referral organizations entered the marketplace. The barrier to entry remains high within this industry and the new competition will initiate new demands to Armada Data Corporation's "data" products and services.

Stock options and stock-based compensation

The Company has had a stock-based compensation plan which is described in Note 7(d) of the Company's unaudited consolidated interim financial statements for the quarter ended February 28, 2013. 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.

Risk Management

Armada Data Corporation is subject to the risk generally associated with the operation of income-producing websites, production of a beer-based product/kit 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.

Controls and Procedures

Disclosure Controls and Procedures - As at February 28, 2013, 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 28, 2013 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.

Management has made certain critical accounting estimates pertaining to the Amortization of Capital Assets. These critical estimates were based on the expected useful lives of the particular asset when they were acquired. Management also believes that Armada Data Corporation is taking all the measures necessary to rebound our growth trends in the “data” division and begin to realize a return on investment in the Mister Beer Inc. division as a result of a new production facility, packaging improvements, marketing and branding efforts and the opening of sales and distribution channels throughout the major markets in Canada.

It is expected that Management can meet these objectives in the “data” divisions. The Mister Beer Inc. division does not have enough supportive sales history and contracts to accurately report optimistic results; the Mister Beer Inc. bottle-brew product is a unique beverage/kit within its category and has no known competition and has a current customer base to build upon in the coming months and years. A robust or downward trending economy will have some impact on the future growth expectations however, “data” has historically benefited in either economic trends and historical evidence supports increases in beer type beverages during economic downturns.

Outlook and Investor Highlights

- The Company continues to diversify its revenue streams to ensure continued success; this diversification is within our existing divisions as well as our new acquisition.
- Insurance Services streamlines efficiencies to remain profitable
- Mobile applications and versions of the Company’s web sites are in development and are constantly improved
- Management is focused on National sales growth, expense management and increasing profitability
- The Mister Beer Inc. division poised to accept significant sales orders
- The Mister Beer Inc. new production facility is operational
- An independent audit committee and mandate remains in full force to ensure quality of corporate governance to ensure shareholder confidence

Armada Data Corporation is poised and preparing for new levels of growth as it capitalizes and grows in the existing markets and begins to realize the potential of being a part of Canada’s beer market.

It is expected that Management can meet these objectives regardless of economic conditions.

On behalf of the Board of Directors

“R. James Matthews”

R. James Matthews

Chief Executive Officer