

ARMADA DATA CORPORATION
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FEBRUARY 28, 2015

NOTICE OF NO AUDITOR REVIEW OF UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited interim consolidated financial statements. These unaudited interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS").

ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT FEBRUARY 28, 2015

CANADIAN DOLLARS

	as at February 28, 2015	as at February 28, 2014	as at May 31, 2014
Current			
Cash	\$ 39,649	\$ -	\$ -
Accounts receivable (note 1)	264,728	444,635	244,777
Related Party Receivable (note 6)	10,933	9,048	5,255
Inventory and work in process (note 2)	84,079	99,363	103,994
Prepaid expenses and sundry assets	41,647	62,215	58,307
Total Current Assets	441,036	615,261	412,333
Property and Equipment - net (note 3)	557,576	724,710	663,953
Goodwill - net (note 4)	180,000	180,000	180,000
	\$ 1,178,612	\$ 1,519,971	\$ 1,256,286
 LIABILITIES			
Current			
Accounts payable and accrued liabilities (note 2)	\$ 195,358	\$ 268,585	\$ 191,823
Related Party Payable (note 6)	3,313	11,016	45,771
Related Party Note Payable-Current Portion (notes 5 & 6)	3,000	-	-
Corporation Income Taxes Payable	106,601	8,087	106,601
Bank Indebtedness	-	231,464	200,946
Total Current Liabilities	308,272	519,152	545,141
Related Party Note Payable-Long Term Portion (notes 5 & 6)	294,000	-	-
	602,272	519,152	545,141
 SHAREHOLDERS' EQUITY			
Share Capital (note 7)	1,730,022	1,730,022	1,730,022
Contributed Surplus	175,505	175,505	175,505
(Deficit)	(1,218,676)	(831,495)	(1,108,606)
	686,851	1,074,032	796,921
Non-controlling interest (note 9)	(110,511)	(73,213)	(85,776)
	576,340	1,000,819	711,145
	\$ 1,178,612	\$ 1,519,971	\$ 1,256,286

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

ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AS AT FEBRUARY 28, 2015

CANADIAN DOLLARS

	3 months	3 months	9 months	9 months
	February 28, 2015	February 28, 2014	February 28, 2015	February 28, 2014
Sales	\$ 474,293	\$ 629,869	\$ 1,624,428	\$ 2,099,072
Cost of Goods Sold - Mister Beer Inc.	(7,496)	\$ (128,856)	(79,107)	(276,801)
Total revenue	\$ 466,797	\$ 501,013	\$ 1,545,321	\$ 1,822,271
Expenses - General and Administration				
Wages and other Office Expenses	482,042	537,450	1,569,774	1,654,605
Amortization (note 3)	36,783	39,378	110,352	118,134
	518,825	576,828	1,680,126	1,772,739
(Loss)Income before undernoted	(52,028)	(75,815)	(134,805)	49,532
10% Non-controlling interest - share of net loss(income) of The Big & Easy Bottle Brew Company Inc. and Mister Beer Inc.(note 9)	6,345	17,463	15,439	41,721
Comprehensive (Loss) Income	\$ (45,683)	\$ (58,352)	\$ (119,366)	\$ 91,253
Income Per Share				
Basic	(\$0.01)	(\$0.01)	(\$0.01)	\$0.01
Fully Diluted	(\$0.01)	(\$0.01)	(\$0.01)	\$0.01
Weighted Average number of Common Shares	17,670,265	17,670,265	17,670,265	17,670,265

APPROVED ON BEHALF OF THE BOARD:

 “R. James Matthews”
R. James Matthews

Director

 “Eli Oszlak”

Director

ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER EQUITY

FOR THE PERIOD ENDED FEBRUARY 28, 2015

CANADIAN DOLLARS

	Share Capital	Contributed Surplus	Retained Earnings	Non-Controlling Interests	Total Equity
Balance as at May 31, 2012	\$ 1,630,022	\$ 175,505	\$ (427,202)	\$ 20,187	\$ 1,398,512
Comprehensive Income			17,903		17,903
10% share attributable to non-controlling interest on share purchase				(40,937)	(40,937)
Capital shares issued to directors pursuant to a private placement	100,000				100,000
Balance as at February 28, 2013	\$ 1,730,022	\$ 175,505	\$ (409,299)	\$ (20,750)	\$ 1,475,478
Comprehensive (Loss)			(513,449)		(513,449)
10% share attributable to non-controlling interest				(10,742)	(10,742)
Balance as at May 31, 2013	\$ 1,730,022	\$ 175,505	\$ (922,748)	\$ (31,492)	\$ 951,287
Comprehensive Income			91,253		91,253
10% share attributable to non-controlling interest				(41,721)	(41,721)
Balance as at February 28, 2014	\$ 1,730,022	\$ 175,505	\$ (831,495)	\$ (73,213)	\$ 1,000,819
Comprehensive (Loss)			(277,111)		(277,111)
Adjustment to non-controlling interest				(12,563)	(12,563)
Balance as at May 31, 2014	\$ 1,730,022	\$ 175,505	\$ (1,108,606)	\$ (85,776)	\$ 711,145
Comprehensive (Loss)			(110,070)		(110,070)
Adjustment to non-controlling interest				(24,735)	(24,735)
Balance as at February 28, 2015	\$ 1,730,022	\$ 175,505	\$ (1,218,676)	\$ (110,511)	\$ 576,340

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

ARMADA DATA CORPORATION
UNAUDITED INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED FEBRUARY, 2015
CANADIAN DOLLARS

	3 months <u>February 28, 2015</u>	3 months <u>February 28, 2014</u>	9 months <u>February 28, 2015</u>	9 months <u>February 28, 2014</u>	Year ending <u>May 31, 2014</u>
Operating Activities					
Comprehensive (loss) income for the period	\$ (45,683)	\$ (58,352)	\$ (119,366)	\$ 91,251	\$ (185,858)
Items not involving cash:					
10% Non-controlling interest	(6,345)	(17,463)	(15,439)	(41,721)	(54,284)
Amortization	36,783	39,378	110,352	118,134	175,920
	<u>(15,245)</u>	<u>(36,437)</u>	<u>(24,453)</u>	<u>167,664</u>	<u>(64,222)</u>
Changes in non-cash working capital					
Accounts receivable	38,352	67,564	(19,951)	(46,095)	153,763
Related party receivable	(4,163)	(4,054)	(5,678)	(5,771)	(1,978)
Inventory and work in process	4,621	3,895	19,915	(3,297)	(7,928)
Prepaid expenses and sundry assets	3,404	(2,780)	16,660	3,257	7,164
Accounts payable and accrued liabilities	(17,407)	1,436	3,535	(42,706)	(119,468)
Related party payable	(4,930)	(27,180)	(42,458)	3,033	37,788
Corpoation income taxes payable	-	(55,552)	-	(100,563)	(2,049)
Cash provided by (used in) operating activities	<u>19,877</u>	<u>(16,671)</u>	<u>(27,977)</u>	<u>(192,142)</u>	<u>67,292</u>
Investing Activities					
Purchase of of property and equipment	-	(1,460)	-	(3,020)	(3,020)
Purchase of property and equipment - MB	-	(3,958)	(3,975)	(3,958)	(988)
Cash (used in) investing activities	<u>-</u>	<u>(5,418)</u>	<u>(3,975)</u>	<u>(6,978)</u>	<u>(4,008)</u>
Financing Activities					
Increase in Related Party Notes Payable	<u>197,000</u>	-	<u>297,000</u>	-	-
Cash provided by Financing Activities	<u>197,000</u>	-	<u>297,000</u>	-	-
Net Increase (Decrease) in Cash	201,632	(58,526)	240,595	(31,456)	(938)
(Bank Indebtedness), beginning of period	<u>(161,983)</u>	<u>(172,938)</u>	<u>(200,946)</u>	<u>(200,008)</u>	<u>(200,008)</u>
Bank (Bank Indebtedness), end of period	<u>\$ 39,649</u>	<u>\$ (231,464)</u>	<u>\$ 39,649</u>	<u>\$ (231,464)</u>	<u>(200,946)</u>

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

ARMADA DATA CORPORATION
UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FEBRUARY 28, 2015
CANADIAN DOLLARS

1. CORPORATE INFORMATION

The Company was incorporated in Canada, and its principal place of business is located at 5710 Timberlea Blvd, Suite #201, Mississauga, Ontario, Canada.

Armada Data Corporation (the "Company") is engaged in the accumulation and sale of data related to the purchase of new and used vehicles.

Mister Beer Inc. has invented and has a patent pending on a unique "microbrewery in a bottle", allowing consumers to produce premium beer at a lower cost than the price of comparable beer purchased at retail stores. The Mister Beer production facility was shut down January 1, 2015, in order to explore divestiture options.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These unaudited interim consolidated financial statements include the accounts of Armada Data Corporation and its 90% owned subsidiary, The Big & Easy bottle Brewing Company Inc. ("TBE"). TBE owns 100% of the shares of Mister Beer Inc.

These unaudited interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS"). These unaudited interim consolidated financial statements should be read in conjunction with the audited annual financial statements for the year ended May 31, 2014.

The adoption of IFRS resulted in changes to the accounting policies as compared with the annual audited May 31, 2012 consolidated financial statements prepared under Canadian GAAP. The accounting policies set out below have been applied consistently to all periods presented.

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

These unaudited interim consolidated financial statements for the period ended February 28, 2015 were authorized for issuance by the Board of Directors of the Company on April 27, 2015.

Basis of measurement

These unaudited interim consolidated financial statements have been prepared on the historical cost basis, except financial instruments classified as at fair value through profit and loss, which are measured at fair value.

Basis of consolidation

The unaudited interim consolidated financial statements are prepared on a consolidated basis and include the Company and its wholly owned subsidiary, CCC Internet Solutions Inc. and its 90% interest in The Big & Easy Bottle Brewing Company Inc. ("TBE"). TBE owns 100% of the shares of Mister Beer Inc. All intercompany balances and transactions have been eliminated.

Non-controlling interest represents the portion of a subsidiary's earnings and losses and net assets that is not held by the Company. If losses in a subsidiary applicable to a non-controlling interest exceed the non-controlling interest in the subsidiary's equity, the excess is allocated to the non-controlling interest except to the extent that the majority has a binding obligation and is able to cover the losses.

ARMADA DATA CORPORATION
UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FEBRUARY 28, 2015
CANADIAN DOLLARS

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The acquiree's identifiable assets and liabilities are recognized at their fair values at the date of acquisition. The transaction costs associated with business combinations are expensed as incurred.

Goodwill represents the excess of the consideration transferred in a business acquisition over the fair value of identifiable net assets acquired in such acquisitions. Goodwill is determined as at the date of the business combination. Goodwill is not amortized but is tested for impairment annually or more frequently, if events or changes in circumstances indicate the asset might be impaired.

Foreign currency translation

The Company's presentation and functional currency is the Canadian dollar. The functional currency of the Company's subsidiary is also the Canadian dollar. Items included in the financial statements of the Company and its subsidiary are measured using that functional currency.

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the year-end exchange rate and non-monetary items are translated at historical rates of exchange at the time of the acquisition of assets or obligations incurred. Revenue and expenses are translated at an average rate of exchange in effect during the year. Foreign exchange translation gains and losses are recorded into income in the year in which they occur.

Revenue recognition and Deferred Revenue

Customer membership fees are generated as services are provided to the customer. The unearned portion, if any, is reflected as deferred revenue on the unaudited interim consolidated statement of financial position. The Dealer, Retail, Insurance and IT services revenue are recognized as the service is performed. The service primarily consists of inquiry into the database regarding the value of a vehicle. The primary method of settlement for the Dealer, Retail and Membership fee is by credit card which is billed just before the service is performed. The other services are invoiced and billed with normal business terms of settlement. The Mister Beer division recognizes revenue when product is delivered, and the products are invoiced and billed with normal business terms of settlement.

The Company recognizes revenue when the services have been provided, the amount of revenue can be measured reliably and collectability is reasonably assured. Revenue is measured at the fair value of consideration received or receivable.

Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and others. The board of directors grants such options for periods of up to ten years, with vesting periods determined at its sole discretion and at prices equal to or greater than fair value of the shares on the day preceding the date the options were granted.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Share issue costs

Costs directly identifiable with the raising of capital are recorded as a reduction of the proceeds received from common share issuances. Share issue costs consist primarily of corporate finance fees, legal fees and managing dealer commissions and marketing fees.

ARMADA DATA CORPORATION
UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FEBRUARY 28, 2015
CANADIAN DOLLARS

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax expense

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial Instruments

The Company recognizes financial assets and financial liabilities when the Company becomes a party to a contract. Financial assets and financial liabilities, with the exception of financial assets classified as at fair value through profit or loss, are measured at fair value plus transaction costs on initial recognition. Financial assets at fair value through profit or loss are measured at fair value on initial recognition and transaction costs are expensed when incurred.

Measurement in subsequent periods depends on the classification of the financial instrument:

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management, or if they are derivative assets. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the consolidated statements of income.

Cash is classified as FVTPL. The Company does not currently hold any derivative assets.

Loans and Receivables

Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method.

Accounts receivables and related party receivables are classified as loans and receivables.

Other financial liabilities

Other financial liabilities are financial liabilities that are not derivative liabilities or classified as FVTPL. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

The Company's other financial liabilities include accounts payable and accrued liabilities, subordinated debt, related party payable and note payable. The Company does not currently hold any derivative liabilities.

The effective interest method is a method of calculating the amortized cost of an instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all transaction costs and other premiums or discounts) through the expected life of the debt instrument to the net carrying amount on initial recognition.

ARMADA DATA CORPORATION
UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FEBRUARY 28, 2015
CANADIAN DOLLARS

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

Cash and cash equivalents comprise of cash balances at a major Canadian based financial institution. Bank overdrafts are repayable on demand and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounts receivable

Accounts receivable are recorded net of an allowance for uncollectible or doubtful accounts. The Company reviews accounts receivable and provides a reserve for amounts estimated not to be collectible. During this review, historical experience, the age of the receivable balance, the credit-worthiness of the customer and the reason for the delinquency are considered.

Inventories and Work in Process

Inventories and work in process are valued at the lower of cost and net realizable value with cost being determined on a first in, first out basis. The cost of inventories is comprised of directly attributable costs and includes the purchase price plus other costs incurred in bringing the inventories to their present location and condition, such as freight. Inventories are written down to net realizable value when the cost of inventories is not estimated to be recoverable due to obsolescence, damage or permanent declines in selling prices. When circumstances that previously caused inventories to be written down below cost no longer exist, the amount of the write-down previously recorded is reversed. Costs that do not contribute to bringing inventories to their present location and condition, such as storage and administrative overheads, are specifically excluded from the cost of inventories and are expensed in the period incurred. Net realizable value is equal to selling costs less selling expenses.

Property and equipment

Items of property and equipment are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Property and equipment is amortized and charged to income over the estimated useful life of the assets on the following basis:

Leasehold improvements	- straight line over 5 years
Machinery & equipment	- 20% declining balance
Furniture and fixtures	- 20% declining balance
Computer hardware	- 30% declining balance
Computer software	- 100% declining balance
Telephone equipment	- 20% declining balance

Property and equipment purchased during the year are amortized at one-half the above stated rates.

Earnings per share

Basic earnings per share are computed by dividing the net earnings available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share is computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares for the potential exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Impairment of long-lived assets

The carrying amounts of the Company's long-lived assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the income statement. The recoverable amount of goodwill is estimated and compared to the carrying value on an annual basis whether or not there is an indication the goodwill is impaired.

ARMADA DATA CORPORATION
UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FEBRUARY 28, 2015
CANADIAN DOLLARS

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of long-lived assets

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted at a rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, with the exception of impairment losses on goodwill, which are not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Leases

Leases are classified as either finance or operating leases. Finance leases are those that substantially transfer the benefits and risks of ownership of an asset to the lessee. All leases other than finance leases are operating leases.

Assets held under finance leases are recognized as assets, and a corresponding liability is recognized as a finance lease obligation. Lease payments are apportioned between interest expense and reduction of the lease obligation to achieve a constant rate of interest on the remaining liability. Total payments under operating leases are expensed on a straight-line basis over the term of the relevant lease. Incentives received upon entry into an operating lease are recognized straight-line over the lease term.

Critical Accounting Estimates and Judgments

The preparation of these unaudited interim consolidated financial statements requires the Company to apply judgment when making estimates and assumptions that affect the reported amounts recognized in the unaudited interim consolidated financial statements. These estimates have a direct effect on the measurement of transactions and balances recognized in the unaudited interim consolidated financial statements. Actual results could differ from estimates. The Company has also made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the unaudited interim consolidated financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Impairment of assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

Useful life of property and equipment and intangible assets

Property and equipment are amortized over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of amortization recorded during the year. Total amortization recorded for the three months ended February 28, 2015 was \$36,783 (2014 \$39,378).

Share-based compensation

Management is required to make certain estimates when determining the fair value of stock options awards and the number of awards that are expected to vest. The Company recognized stock-based compensation expense for the three months ended February 28, 2015 of \$ Nil (2014 – \$ Nil). These estimates affect the amount recognized as stock-based compensation in the statement of comprehensive income.

ARMADA DATA CORPORATION
UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FEBRUARY 28, 2015
CANADIAN DOLLARS

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax

Management is required to apply judgement in determining whether it is probable deferred income tax assets will be realized. At February 28, 2015 and February 28, 2014, management had determined that future realization of its deferred income tax assets did not meet the threshold of being probable, and as such, has not recognized any deferred income tax assets in the interim consolidated balance sheet. In addition, the measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the annual audited consolidated financial statements.

Future Changes in Accounting Standards

A number of new standards, amendments to standards and interpretations will not be effective for the year ended May 31, 2015, and have not been applied in preparing these unaudited interim consolidated financial statements.

IFRS 9 Financial Instruments: Classification and Measurement

In November 2010, the IASB issued, and subsequently revised in October 2011, IFRS 9 Financial Instruments (IFRS 9) as a first phase in its ongoing project to replace IAS 39. IFRS 9, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The IASB has proposed the effective date of IFRS 9 be changed to annual periods beginning on or after January 1, 2015.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities. The Company is currently assessing the impact of this standard on the financial statements.

IFRS 13 Fair Value Measurement

In May 2011, the IASB issued IFRS 13 Fair Value Measurement (IFRS 13). IFRS 13, which is to be applied prospectively, is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IFRS 13 defines fair value, provides a framework for measuring fair value and includes disclosure requirements for fair value measurements. IFRS 13 will be applied in most cases when another IFRS requires (or permits) fair value measurement. Management has not yet determined the potential impact that the adoption of IFRS 13 will have on the Company's consolidated financial statements.

Other

In June 2011, the IASB amended IAS 19 Employee Benefits (IAS 19). The amendments to IAS 19 relate primarily to defined benefit pension plans. The Company does not believe the changes resulting from these amendments are relevant to its financial statements.

In June 2011, the IASB issued amendments to IFRS 7 *Financial Instruments: Disclosures*. The Company does not believe the changes resulting from these amendments are relevant to its financial statements.

In May 2011, the IASB issued IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*. The Company does not believe the changes resulting from these new standards are relevant to its financial statements.

In June 2011, the IASB issued amendments to IAS 1 *Presentation of Financial Statements* and IAS 19 *Employee Benefits*. The Company does not believe the changes resulting from these amendments are relevant to its financial statements.

ARMADA DATA CORPORATION
UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FEBRUARY 28, 2015
CANADIAN DOLLARS

3. PROPERTY AND EQUIPMENT

Property and equipment consist of:

	February 28, 2015			May 31, 2014
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Leasehold improvements	\$ 172,978	\$ 80,866	\$ 92,112	\$ 118,270
Furniture and fixtures	26,533	20,790	5,743	6,757
Computer hardware	150,749	132,718	18,031	23,266
Machinery & equipment-plant MB	958,351	523,517	434,834	507,594
Computer software	39,238	39,238	-	-
Telephone equipment	21,742	14,886	6,856	8,066
Total	\$ 1,369,591	\$ 812,015	\$ 557,576	\$ 663,953

4. ACQUISITIONS AND GOODWILL

- i) On October 1, 2011, the Company acquired 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 have the cost of regular beer.

The aggregate purchase price for 90% of the shares of TBE acquired by Armada was \$500,000 paid as follows: (i) a convertible promissory note in the amount of \$100,000; and (ii) \$400,000 worth of Armada common shares issued at closing at an issue price of \$0.20, such that 2,000,000 share of Armada were issued. The Note was payable in monthly non-interest bearing installments of \$4,167 over a 24 month term. The outstanding principal balance on the Note was convertible into shares of Armada at the conversion rate of \$0.25 per share of Armada at any time during the 24 month term of the Note, should no cash payments be made. The shares to be issued will be subject to all applicable securities and regulatory hold periods.

The purchase price assumes repayment by the Company and any subsidiary of all shareholder loans, loans from affiliated companies and bank indebtedness.

Aggregate purchase price for 90% of TBE shares	\$ 500,000
Implied cost of 100% of TBE shares	555,556
Add: Fair value of liabilities in excess of assets at acquisition date	216,934
Goodwill acquired	<u>\$ 772,490</u>

- ii) In July, 2010, the company purchased certain assets of Cybernet Finder Corporation, consisting of goodwill in the value of \$180,000, and equipment and computer hardware in the value of \$20,000. The purchase price for the acquisition was \$200,000, which was paid by \$20,000 cash on closing, an issuance of a promissory note (note payable) in the amount of \$90,000 and the issuance of 290,323 shares at \$0.31 per share, (which was the trading price at the time of the transaction), with an aggregate value of \$90,000. The promissory note was non-interest bearing, commenced August 1, 2010 and ended January 1, 2012, with monthly installments of \$5,000 on the first day of each month.

ARMADA DATA CORPORATION
UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FEBRUARY 28, 2015
CANADIAN DOLLARS

4. ACQUISITIONS AND GOODWILL (continued)

Goodwill

	<u>February 28, 2015</u>	<u>May 31, 2014</u>	<u>May 31, 2013</u>
Beginning balance	\$ 180,000	\$ 180,000	\$ 552,490
Impairment of Goodwill – The Big & Easy Bottle Brewing Company Inc. and Mister Beer Inc.			<u>(372,490)</u>
Ending balance	<u>\$ 180,000</u>	<u>\$ 180,000</u>	<u>\$ 180,000</u>

5. NOTES PAYABLE

On November 24, 2014 and January 30, 2015, the Company entered into loan agreements with a related company owned by a director of the Armada Data Corporation. The principal amount of the first loan is \$100,000 and bears interest of 12% per annum and is secured by a general security agreement covering specific assets of the Company. The loan matures January 30, 2017. A promissory note and repayment schedule were executed, with principal monthly payments of \$1,000 plus interest for 26 months until Dec 30, 2016. The remaining balance of \$74,000 will then be due in full at January 30, 2017. The second loan agreement was entered into on January 30, 2015 and replaced the bank overdraft with HSBC Bank Canada. The principal amount of this loan is \$200,000 and bears interest of 12% per annum and is secured by the same general security agreement as the first loan, covering specific assets of the Company. The loan matures February 29, 2016. A promissory note and repayment schedule were executed, with monthly interest payments of \$2,000 until January 30, 2016, and the principal amount will be due in full on February 29, 2016.

6. RELATED PARTY TRANSACTIONS

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

- a) A director of the Company is also a director and 50% shareholder of Lease Busters Inc. Another director is a partner in a legal firm which provides services to the Company.
- b) Management salaries were paid to certain directors of the Company.
- c) \$180,000 in Goodwill was acquired from Cybernet Finder Corporation, which is owned by a director of Armada Data Corporation.
- d) The Company entered into loan agreements with a company owned by a director of the Armada Data Corporation. The principal amounts of the loans total \$300,000 and bear interest of 12% per annum and are secured by a general security agreement covering specific assets of the Company. The loans mature February 28, 2016 and January 30, 2017.
- e) Included in IT revenue is \$10,641 from parties related to directors of Armada Data Corporation (February 28, 2014 \$10,405).
- f) Related parties receivables of \$10,933 are due from parties related to directors of Armada Data Corporation.
- g) \$1,109 of related parties payables are due to directors or parties related to directors of Armada Data Corporation. The other \$2,204 is due to a firm controlled by a member of the Audit Committee and who is also a director of Armada Data Corporation.

ARMADA DATA CORPORATION
UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FEBRUARY 28, 2015
CANADIAN DOLLARS

6. RELATED PARTY TRANSACTIONS (continued)

h) Included in expenses are the following paid to directors and parties related to directors of the Company.

	3 months ended February 28, 2015	3 months ended February 28, 2014	year ended May 31, 2014
Advertising	\$ 850	\$ -	\$ 4,103
Automobile	3,600	3,600	14,400
Computer Consulting	-	4,305	16,633
Interest	2,970	-	-
Management Salaries	54,476	34,476	177,135
Professional Fees	2,852	13,693	51,585
Salaries – Office & IT	-	21,000	119,000
Sales commissions	-	-	9,544
	<u>\$ 64,748</u>	<u>\$ 77,074</u>	<u>\$ 392,400</u>
Amounts owing from Related Parties	<u>\$ 10,933</u>	<u>\$ 9,048</u>	<u>\$ 5,255</u>
Amounts owing to Related Parties	<u>\$ 3,313</u>	<u>\$ 11,016</u>	<u>\$ 45,771</u>

All of the above transactions have been in the normal course of operations, and in management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties. The value of these transactions approximates fair value. All transactions with related parties are measured at their exchange amount.

7. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value

b) Issued

	2015		2014	
	Number of shares	\$	Number of shares	\$
CCC Internet Solutions Inc.				
Armada Data Corporation				
Beginning balance	17,670,265	\$ 1,730,022	17,670,265	\$ 1,730,022
Ending balance – Basic and fully diluted	<u>17,670,265</u>	<u>\$ 1,730,022</u>	<u>17,670,265</u>	<u>\$ 1,730,022</u>

c) 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 is determined by the Board of Directors, provided that such price is not lower than the closing price for the underlying shares as quoted on the TSX Venture Exchange for the market trading day immediately prior to the date of grant less any discount permitted by the TSX Venture Exchange. These options are not transferable and are presently exercisable for a period of up to 10 years from the date of grant.

Stock Options Outstanding – There are no stock options outstanding at February 28, 2015 or February 28, 2014.

ARMADA DATA CORPORATION

UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED FEBRUARY 28, 2015

CANADIAN DOLLARS

7. SHARE CAPITAL (continued)

Stock Options (Continued)

d) 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 asset and liabilities and their respective tax bases. Future tax liabilities and assets are measured using enacted tax rates. The effect on the future tax liabilities and assets of a change in tax rates is recognized in the year that the change occurs.
- b) At May 31, 2014, The Big and Easy Bottle Brewing Company Inc. and Mister Beer Inc. had combined non-capital losses for income tax purposes of \$1,691,435 available to offset future taxable income. The potential tax benefits have not been reflected in these financial statements. These losses will expire as follows:

May 31, 2015	\$	28,957
May 31, 2026		11,354
May 31, 2028		56,430
May 31, 2029		69,157
May 31, 2030		82,200
May 31, 2031		60,561
May 31, 2032		240,599
May 31, 2033		547,506
May 31, 2034		<u>594,671</u>
		<u>\$ 1,691,435</u>

ARMADA DATA CORPORATION
UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FEBRUARY 28, 2015
CANADIAN DOLLARS

9. NON-CONTROLLING INTEREST

Balance – October 1, 2011	\$ -
Implied cost of 100% of TBE shares per note 4)i)	555,556
Aggregate purchase price of 90% of TBE shares	<u>(500,000)</u>
Balance at November 30, 2011	55,556
Less: Non-controlling interest's share of net loss of TBE and Mister Beer Inc.	<u>(76,306)</u>
Balance at February 28, 2013	(20,750)
Less: Non-controlling interest's share of net loss of TBE and Mister Beer Inc.	<u>(52,463)</u>
Balance at February 28, 2014	(73,213)
Less: Non-controlling interest's share of net loss of TBE and Mister Beer Inc.	<u>(37,298)</u>
Balance at February 28, 2015	<u>\$ (110,511)</u>

10. COMMITMENTS

- a) The Company has entered into various operating leases which continue until fiscal 2020. The minimum rental payments (net of H.S.T.) for the next five fiscal years is:

Fiscal 2015	\$ 13,879
Fiscal 2016	11,005
Fiscal 2017	9,466
Fiscal 2018	9,466
Fiscal 2019	9,466
Fiscal 2020	<u>7,100</u>
	<u>\$ 60,382</u>

- b) In June 2010, the Company entered into a five year lease with respect to its premises. This lease is from September 2010 to August 2015. The minimum rental for the next two fiscal years including estimated operating costs are as follows:

Fiscal 2015	\$ 113,400
Fiscal 2016	<u>28,350</u>
	<u>\$ 141,750</u>

In addition, the Company is entitled to renew the lease for a further five years if six months notice (prior to the expiration of the current lease) is given to the land lord.

- c) In March 2012, Armada Data Corporation (on behalf of Mister Beer Inc.) entered into a ten year lease with respect to Mister Beer's premises. This lease is from May 2012 to April 2022. The minimum rental for the next five fiscal years including estimated operating costs are as follows:

Fiscal 2015	\$ 146,056
Fiscal 2016	146,442
Fiscal 2017	150,678
Fiscal 2018	151,063
Fiscal 2019	<u>155,299</u>
	<u>\$ 749,538</u>

In addition, the Company is entitled to renew the lease for a further five years if six months notice (prior to the expiration of the current lease) is given to the landlord.

ARMADA DATA CORPORATION
UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FEBRUARY 28, 2015
CANADIAN DOLLARS

11. SEGMENTED INFORMATION

The Company's operations consist of six main segments; Insurance Services, Retail Services, Dealer Services, Internet Technology (IT), Advertising/Marketing Services and Mister Beer Inc. 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, and desktop support. 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 retail and wholesale sales of beer-making kits. The Mister Beer division was closed as of January 1, 2015.

Revenues earned by the divisions are as follows:

	3 months ended		3 months ended		year ended	
	February 28, 2015		February 28, 2014		May 31, 2014	
Insurance Services	\$ 241,433	52%	\$ 257,900	51%	\$ 983,405	44%
Retail Services	56,798	12%	89,462	18%	437,734	19%
Dealer Services	142,129	30%	140,872	28%	676,995	30%
Internet Technology	27,129	6%	42,880	9%	104,654	5%
Advertising/Marketing Services	200	0%	1,240	0%	8,336	0%
Total revenue - Armada Data Corp	<u>467,689</u>	100%	<u>532,354</u>	106%	<u>2,211,124</u>	98%
Revenue - Mister Beer Inc.	6,604		97,515		344,496	
Less: Direct product costs/w ages - Mister Beer Inc.	<u>(7,496)</u>		<u>(128,856)</u>		<u>(295,420)</u>	
Total revenue - Mister Beer Inc.	\$ (892)	0%	\$ (31,341)	-6%	\$ 49,076	2%
Total consolidated revenue	<u>\$ 466,797</u>	100%	<u>\$ 501,013</u>	100%	<u>\$ 2,260,200</u>	100%

Cash, prepaids, property, 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, with the exception of the Mister Beer Inc. division, which does record usage separately.

ARMADA DATA CORPORATION
UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FEBRUARY 28, 2015
CANADIAN DOLLARS

11. SEGMENTED INFORMATION (continued)

The accounts receivable can be broken down by segment and are indicated below:

	3 months ended February 28, 2015	3 months ended February 28, 2014	year ended May 31, 2014
Insurance	\$ 170,630	\$ 170,963	\$ 117,586
Dealer	69,366	119,688	87,914
Information Technology	14,550	81,910	27,430
Not reportable by segment	3,809	3,634	577
Total Armada Data Corp	<u>258,355</u>	<u>376,195</u>	<u>233,507</u>
Total Mister Beer Inc	<u>17,306</u>	<u>77,488</u>	<u>16,525</u>
Total Accounts Receivable	<u>\$ 275,661</u>	<u>\$ 453,683</u>	<u>\$ 250,032</u>

Broken down as follows:

Related parties	10,933	9,048	5,255
Accounts Receivable	<u>264,728</u>	<u>444,635</u>	<u>244,777</u>
	<u>\$ 275,661</u>	<u>\$ 453,683</u>	<u>\$ 250,032</u>

12. INVENTORY

	February 28, 2015	February 28, 2014	May 31, 2014
Finished goods – Mister Beer Inc.	\$ 6,410	\$ 27,999	\$ 30,259
Raw materials – Mister Beer Inc.	76,764	71,364	72,835
Work in process – Mister Beer Inc.	<u>905</u>	<u>-</u>	<u>900</u>
	<u>\$ 84,079</u>	<u>\$ 99,363</u>	<u>\$ 103,994</u>

ARMADA DATA CORPORATION
UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FEBRUARY 28, 2015
CANADIAN DOLLARS

13. FINANCIAL INSTRUMENTS

Fair Value

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

Estimated fair value amounts are designed to approximate amounts at which financial instruments could be exchanged in a current transaction between willing parties who are under no compulsion to act. The Company uses a fair value hierarchy to categorize the inputs used in valuation techniques to measure fair value of financial instruments. The classifications are as follows: the use of quoted market prices for identical assets or liabilities (Level 1), internal models using observable market information as inputs (Level 2) and internal models without observable market information as inputs (Level 3).

The Company classifies cash as FVTPL and is measured at fair value on the consolidated balance sheet. Cash is reported at Level 1 of the fair value hierarchy. The Company has no financial assets and liabilities measured at fair value at Level 2 or Level 3.

Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed to are described below.

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 of their accounts receivable, \$264,728 (February 28, 2014-\$444,635 representing the maximum exposure to credit risk of those financial assets. Credit risk is the risk that a customer will be unable to pay any amounts owed to the Company. The Company does not have any customers that had a balance of more than 10% of total revenues, or 10% of total accounts receivables at any time during the periods that are reported in these financial statements. The Company has a large volume of relatively small transactions with many customers. Management reduces this risk by carefully monitoring the amounts owed to them by their customers on a regular basis, performing regular credit reviews of any customer that approaches their credit limit or does not keep to their normal payment pattern. It also provides an allowance for doubtful accounts once it has exhausted all other means of collection. While the Company has credit controls and processes for the purpose of mitigating credit risk, these controls cannot eliminate credit risk and there can be no assurance that these controls will continue to be effective, or that the Company's low credit loss experience will continue. Most of the Company's sales are by credit card or with large insurance casualty companies. In the opinion of management the credit risk is low and the Company is not exposed to a material amount of credit risk. This risk is unchanged from prior periods.

Liquidity Risk

The Company is exposed to Liquidity risk of their accounts payable, \$195,358 (February 28, 2014-\$268,585). Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. In the opinion of management the liquidity risk is low and the company is not exposed to a material amount of liquidity risk. This risk is unchanged from prior periods.

ARMADA DATA CORPORATION
UNAUDITED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED FEBRUARY 28, 2015
CANADIAN DOLLARS

13. FINANCIAL INSTRUMENTS (continued)

Market Risk

The Company is exposed to 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 ability of the Company to develop or market its services and the future profitability of the Company is related to these market risks. In the opinion of management the market risk is low and the company is not exposed to a material amount of market risk. This risk is unchanged from prior periods.

Foreign Currency Risk

The Company is exposed to 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. The number and dollar amount of these transactions, both individually and in aggregate are very low. In the opinion of management the foreign currency risk is low and the company is not exposed to a material amount of foreign currency risk. This risk is unchanged from prior periods.

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 accounts 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 all dates presented herein, 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 period 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.

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 any of the periods presented herein.