

MANAGEMENT'S DISCUSSION AND ANALYSIS of Financial Position and Operating Results for the quarter ending February 28, 2015

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, 2015 and accompanying notes and the Company's annual audited consolidated financial statements for the year ended May 31, 2014. The results reported herein have been prepared in accordance with International Accounting Standards, using accounting policies consistent with International Financial Reporting Standards ("IFRS") and are presented in Canadian dollars.

These unaudited interim consolidated financial statements have been prepared in accordance with IAS 34 using accounting policies consistent with IFRS. The accounting policies have been selected to 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").

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

Company Overview

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

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

On October 1, 2011, Armada acquired 90% the issued and outstanding shares of The Big & Easy Bottle Brewing Company Inc. ("TBE"). TBE owns 100% of all the issued and outstanding commons shares of Mister Beer Inc. ("MB"), a company which invented and has a patent pending on a unique "microbrewery in a bottle", allowing consumers to produce premium beer at roughly half the cost of regular beer. The production facility was closed January 1, 2015 in order to pursue a sale or other disposition of the Mister Beer business line. That pursuit is still ongoing, as Management has made the decision to not further subsidize this unprofitable division.

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

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 customer leads derived from membership sales from Car Cost Canada.

The Information Technology division comprises web and email hosting, 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 price IT services and external sales/services purposes).

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.

Selected Quarterly Information

| Fiscal Year | 2015 | 2015 | 2015 | 2014 | 2014 | 2014 | 2014 | 2013 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Quarter Ended | Feb-28, 2015 | Nov-30, 2014 | Aug-31, 2014 | May-31, 2014 | Feb-28, 2014 | Nov-30, 2013 | Aug-31, 2013 | May-31, 2013 |
| Total Sales | 474,293 | 580,517 | 570,012 | 456,549 | 629,869 | 704,626 | 764,576 | 731,644 |
| Cost of Goods Sold | (7,496) | (53,633) | (17,977) | (18,619) | (128,856) | (85,911) | (62,034) | (110,123) |
| Gross Operating Profit | 466,797 | 526,884 | 552,035 | 437,930 | 501,013 | 618,715 | 702,542 | 621,521 |
| Comprehensive (Loss) Income | (45,683) | (62,120) | (2,267) | (331,393) | (58,352) | (5,338) | 154,941 | (519,430) |
| Comprehensive (Loss) Income per Share | \$(0.01) | \$(0.00) | \$(0.00) | \$(0.02) | \$(0.01) | \$0.00 | \$0.01 | \$(0.03) |

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

Operations

The Company's total sales decreased by 25% in the quarter ended February 28, 2015, from \$629,869 in 2014 to \$474,293. Gross operating profit of \$466,797 in 2015 is a decrease of 7% from \$501,013 in 2014.

The Company reported a comprehensive loss of \$(45,683) this quarter, compared to comprehensive loss of \$(58,352) last year due to the ongoing monthly operating losses incurred by the Mister Beer division – for this quarter \$(63,448).

However, Armada Data Corporation's core "data" business earned a before tax profit of \$17,765, which was allocated to absorb the operating losses sustained by Mister Beer Inc.

The Insurance Services division experienced a 6% decrease in revenue, from \$257,900 in 2014 to \$241,433 in 2015.

The Retail Services division revenue was down 37% to \$56,798 in 2015 from \$89,462. The updated CarCostCanada.com website, as well as the new Partners and Discounts program clearly helped the CarCostCanada.com membership program maintain a strong presence in the marketplace, despite increasing

competition. Management believes these improvements have assisted in slowing the downward trend that the membership sales have been on, and have formulated a plan to realize sustained growth, increase market share and new partnerships. These improvements should start to be realized in fiscal 2015, and the Company will keep building on these strategies in future years.

The Dealer Services division revenue increased by 1%, from \$140,872 in 2012 to \$142,129 in 2015, despite some manufacturer intervention on the part of an automaker that discourages their dealer-body from participating in any type of third-party lead generation program. This division's dealer development team has a plan to service the customers who find themselves without a dealer referral, although full implementation of this program will not be complete immediately.

The Advertising/Marketing Services division, which derives its revenue from the sale of online third party advertising on CarCostCanada.com and TheCarMagazine.com decreased from \$1,240 to \$200, or 84%. This reduction was due to CarCostCanada's decision to further secure the websites from ecommerce fraud, site hacking and online intruders; management continues to look into technology that will allow us to provide customers with a fully secure website while we deliver third party advertisements.

The Information Technology division revenue decreased 37% to \$27,129, down from \$42,880 in 2014. This reduction is solely due to management's decision to devote its resources to internal web development only. IT continues to offer technical support and web site hosting to hundreds of customers, and develop new customer relationships on a regular basis.

The Mister Beer division's revenues are down from \$97,515 to \$6,604 or 93%. Direct product costs and labour decreased by 94%, from \$128,856 to \$7,496. The net loss for Mister Beer Inc. went from \$(31,341) in 2014 to \$(892 in 2014, a decrease of 97%. Management made the decision to close the production facility on January 1, 2015, in order to explore options with respect to a sale or other disposition of the Bottle Brew business line.

Total expenses before amortization decreased to \$482,042 compared to \$537,450, a 10% decrease over last year. This is attributed to ceasing production at Mister Beer Inc.

The bank indebtedness decreased from \$(231,464) at February 28, 2014 to nil at February 28, 2015, attributed to acquiring addition financing from a company owned by a director of Armada.

Accounts receivable decreased to \$264,728 as at February 28, 2015 from \$444,635 last year. Related party accounts receivable increased from \$9,048 to \$10,933.

Accounts payable decreased to \$195,358 as at February 28, 2015 from \$268,585 a year earlier. Related parties accounts payable decreased to \$3,313 as at February 28, 2015, from \$11,016 last year.

The Company acquired additional financing in the form of a second Note Payable from a company owned by a director of Armada Data Corporation. This financing paid out the bank indebtedness and is in addition to a Note Payable of \$100,000 with the same company, obtained in November 2014. The principal amount of this Note is \$200,000 and bears interest of 12% per year. Monthly interest payments will be made until January 30, 2016, and the Note matures at February 29, 2016, at which time the principal balance of \$200,000 will be due.

As a result of the loss reported by the Company for this period, the Company's deficit increased to \$(1,218,676) as at February 28, 2015 compared to a deficit of \$(831,495) last year.

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

Revenues earned by the divisions are as follows:

| | 3 months ended February 28, 2015 | | 3 months ended February 28, 2014 | | year ended 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 | - |
| 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. | \$ | <u>(892)</u> | 0% | \$ | <u>(31,341)</u> | -6% | \$ | <u>49,076</u> | 2% |
| Total consolidated revenue | \$ | <u>466,797</u> | 100% | \$ | <u>501,013</u> | 100% | \$ | <u>2,260,200</u> | 100% |

Related Party Transactions

Salaries and expenses are paid to an officer of the Company, who is also 50% shareholder of Lease Busters Inc. Legal fees are paid to a law firm, of which a partner is a (non-remunerated) director of the Company. Financing was acquired from a company owned by a 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 cash position of \$39,649 and accounts receivable of \$264,728, management feels that the Company is in a good position to meet all current and foreseeable financial obligations. With the closing of the Mister Beer production facility, expenses have been reduced. The other divisions of Armada are poised for revenue gains this fiscal year as a result of new project and feature launches as well as more than one significant partnership that the Insurance and Retail Service teams are working on. Management believes that the data divisions will not only remain very stable and profitable but begin to make significant inroads in new verticals that will result from our partnerships, project releases and new revenue streams.

The CarCostCanada.com division (Retail and Dealer services) will not be void of the competition that has made significant advancements over the past two years however, the division has now learned how to deal with our competition and overcome many of their tactics. The Retail and Dealer services division were competition-free for many years and had to re-group and re-strategize in order to prevent further erosion caused by an overly aggressive new competitor. Management expects CarCostCanada.com to start realizing market gains this fiscal year and with the overall new car market remaining poised for more growth nationally (and more specifically in the web-rich Canadian urban centres), the division plans to earn more members to enhance the new car buying process for the Canadian new car buying marketplace.

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.

Controls and Procedures

Disclosure Controls and Procedures - As at February 28, 2015, 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, 2015 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 is taking all the measures necessary to rebound our growth trends in the "data" division.

It is expected that Management can meet these objectives in the "data" divisions.. A robust or downward trending economy will have some impact on the future growth expectations however, "data" has historically benefited in either economic trends.

Acquisition of The Big & Easy Bottle Brewing Company Inc. and Mister Beer Inc.

On October 1st, 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 easily produce premium beer at roughly half the cost of regular beer.

Although the Mister Beer acquisition still has many benefits and the potential to provide an addition revenue base for the Company, management is disappointed and discouraged with the outcome to date, and the financial drain on the other divisions. As a result, management made the decision to shut down the production facility, effective January 1, 2015 and explore a sale or other disposition of the Mister Beer business line.

The Armada Board of Directors approved this transaction and the transaction qualified as an expedited transaction pursuant to TSX-V policies, and did not therefore require shareholder approval.

Outlook

The Company's outlook is to continue to increase sales, update and improve our data services products and services, and deliver significantly better results to our shareholders by way of the following:

1. Build on the historical success of the Company's ongoing sales and marketing efforts focused on increasing sales at Retail Services, Dealer Services and Insurance Services.
2. Exploit market awareness and demand for new vehicle pricing information and dealer referrals that result from the additional competition within that market space; by putting more emphasis on outside partners, data outsourcing and our underutilized online magazine TheCarMagazine.com

3. Continue to improve our relationships with some of the largest insurance companies in Canada and partner with some of these organizations to produce new products and services for their vast client base.
4. Maintain operating expenses and achieve the economies of scales of an Internet based business.
5. Expand third-party fee-based online advertising, by developing improved and more secure advertising methods.
6. Sale of the Mister Beer business line.

On behalf of the Board of Directors

"R. James Matthews"

R. James Matthews
Chief Executive Officer