

MANAGEMENT'S DISCUSSION AND ANALYSIS of Financial Position and Operating Results for the year ending May 31, 2015

The following management's discussion and analysis ("MD&A") should be read in conjunction with the Armada Data Corporation's audited consolidated financial statements for the year ended May 31, 2015 and accompanying notes. The results reported herein have been prepared in accordance with International Accounting Standards, using accounting policies consistent with International Financial Reporting Standards ("IFRS").

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 July 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. Management made the decision to close the Mister Beer production facility and cease operations, effective January 1, 2015.

The Company's 2015 operations consisted 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 use resulting in saving the company from the costs associated with high price IT services and external sales).

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. derived its revenue from the retail sales of the Mister Beer Inc. beer-making kit and wholesale sales of unfermented beer. This division operated for eight (8) months only, from June 1 to December 31, 2014, when the production facility was closed and operations ceased.

Selected Annual Information

Fiscal Year Ended	May 31, 2015	May 31, 2014	May 31, 2013	May 31, 2012
Total Revenue	\$2,008,772	\$2,260,200	\$2,587,922	\$3,110,921
(Loss) before taxes	\$(640,434)	\$(137,853)	\$(373,042)	\$(621,774)
Income Taxes	NIL	\$(102,289)	\$(122,504)	\$(14,906)
Comprehensive (Loss) after Taxes	\$(640,434)	\$(240,142)	\$(495,546)	\$(636,680)
Comprehensive (Loss) per share	\$(0.04)	\$(0.01)	\$(0.03)	\$(0.04)
Total Assets	\$730,565	\$1,256,286	\$1,579,219	\$1,703,555
Total Liabilities	\$659,854	\$545,141	\$627,932	\$305,043
Shareholder's Equity, including Non-controlling interests	\$70,711	\$711,145	\$951,287	\$1,398,512
Dividends	NIL	NIL	NIL	\$81,796

The Company's total revenue decreased by 11% in 2015 from \$2,260,200 to \$2,008,772

The Company reported a comprehensive loss of \$640,434, due to the following factors:

- Management's decision to close the brewing facility of Mister Beer on January 1, 2015 – the annualized loss recognized by this segment, before adjustments to inventory and fixed assets, was \$193,194
- The write down of Mister Beer's Property, Plant and Equipment assets from a Net Book Value of \$410,328 to a Fair Market Value of \$45,000, resulting in a loss of \$365,328. These assets were sold on August 31, 2015 for \$45,000.
- The write down of Mister Beer inventory to a nil value at May 31, 2015, from a value of \$84,079.
- The continuing fixed expenses (rent and utilities) of the Mister Beer production facility – these expenses will continue until management is able to dispose of or offset the costs of this facility.

Selected Quarterly Information

Fiscal Year	2015	2015	2015	2015	2014	2014	2014	2014
Quarter Ended	May-31 2015	Feb-28 2015	Nov-30 2014	Aug-31 2014	May-31 2014	Feb-28 2014	Nov-30 2013	Aug-31 2013
Total Revenue	463,056	466,797	526,884	552,035	437,930	501,013	618,715	702,542
Comprehensive (Loss) Income	(530,364)	(45,683)	(62,120)	(2,267)	(331,393)	(58,352)	(5,338)	154,941
Comprehensive (Loss) Income per share	\$(0.03)	\$0.00	\$0.00	\$0.00	\$(0.02)	\$(0.01)	\$0.00	\$0.01

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

Operations

The Insurance Services division experienced a decrease in revenue, from \$983,405 in 2014 to \$909,656 in 2015, or by 7%. The decrease in revenue was the result of unusual flooding in Alberta and Ontario in fiscal 2014, which resulted in an unusually high number of claims processed.

The Retail Services division revenue was down 26% to \$323,012 from \$437,734. The new CarCostCanada.com website and a new French-language site devoted to the Quebec market clearly helped the CarCostCanada.com membership program maintain a strong presence in the marketplace, despite increasing competition. Experimentation with pricing of retail memberships in fiscal 2015 contributed to the decrease.

The Dealer Services division revenue increased by 3%, from \$676,995 in 2014 to \$695,017 in 2015, despite the decrease in membership sales, which drive the dealer lead generation program, and 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.

The Advertising/Marketing Services division, which derives its revenue from the sale of online third party advertising on CarCostCanada.com and TheCarMagazine.com increased from \$8,336 to \$12,251, or 47%.

The Information Technology division revenue improved 22% to \$127,649 in 2015, from \$104,654 in 2014. IT continues to offer technical support and web site hosting to hundreds of customers, and is developing new customer relationships on a regular basis, as well as offering new services for sale.

The Mister Beer division's revenues were down from \$344,496 to \$107,790 or 69%. Direct product costs and labour decreased by 44%, from \$295,420 to \$166,603. The net revenue for Mister Beer Inc. went from \$49,076 in 2014 to \$(58,813) in 2015. Management made the decision to close this division and production facility effective January 1, 2015, and pursue a sale or other disposition of the Mister Beer business line, assets and facility. On August 31, 2015, the plant equipment was sold for \$45,000.

Armada's consolidated statement reflects a loss this year, before corporation income taxes, of \$(640,434), compared to the loss before corporation income taxes of \$(137,853) in 2014. This loss is the result of the Mister Beer operating loss of \$642,601. Corporation income tax expense is nil in 2015, compared to \$102,289 in 2014.

Total expenses before amortization decreased to \$2,137,421 compared to \$2,222,133, a 4% decrease over last year. Management engaged in many cost-cutting measures to reduce expenses in 2015, including reductions in advertising, management salaries, computer consulting and rent.

The bank indebtedness was reduced to nil at May 31, 2015 from \$(200,946) at May 31, 2014, by obtaining financing from a private company controlled by a director and an officer of the Company.

Accounts receivable increased to \$267,182 as at May 31, 2015 from \$244,777 last year. Related party accounts receivable decreased from \$5,255 to \$3,493.

Accounts payable increased to \$254,762 as at May 31, 2015 from \$191,823 a year earlier. Related parties accounts payable decreased to \$1,469 as at May 31, 2015, from \$45,771 last year. Corporation income taxes payables are \$110,623 as at May 31, 2015 compared to \$106,601 as at May 31, 2014. Related Party Notes Payable-current portion increased from nil at May 31, 2014 to \$212,000 at May 31, 2015, and Related Party Notes Payable – long term portion went from nil at May 31, 2014 to \$81,000 at May 31, 2015.

As a result of the loss reported by the Company in 2015, the Company's deficit increased to \$(1,834,816) as at May 31, 2015 compared to \$(1,194,382) the prior year. Earnings per share at May 31, 2015 are \$(0.04) versus \$(0.01) per share at May 31, 2014.

No dividends were paid out to shareholders in fiscal 2015 or fiscal 2014. Management does not plan on issuing any dividends until further notice.

4th Quarter Results

The quarter ending May 31, 2015 finished with the Company recording revenue of \$463,056 versus \$437,930 last year, an increase of 6%. Loss before taxes for the 4th quarter of 2015 is \$(530,364) compared to \$(277,109) in 2014. Writing down Mister Beer equipment and inventory are the largest contributors to this quarter's loss

Segmented Annual Information

Revenues earned by divisions were as follows:

	2015	%	2014	%
Insurance Services	\$ 909,656	46	\$ 983,405	44
Retail Services	323,012	16	437,734	19
Dealer Services	695,017	35	676,995	30
IT Services	127,649	6	104,654	5
Advertising/Marketing Services	12,251	-	8,336	-
Total Revenue – Armada Data Corporation	\$2,067,585	103	\$2,211,124	98

Revenue – Mister Beer Inc.	107,790	-	344,496	-
Less: Direct product cost and wages	(166,603)	-	(295,420)	-
Total Revenue - Mister Beer Inc.	(58,813)	(3)	49,076	2
Total Consolidated Revenue	\$ 2,008,772	100	\$ 2,260,200	100

Related Party Transactions

Salaries and expenses are paid to a director and 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. The Company obtained financing from a private company controlled by a director and officer of the Company. In management's opinion, the actual costs noted in this section were paid at fair market value in the normal course of business.

Liquidity

Based on a year-end cash position of \$76,646, accounts receivable of \$267,182, and current and long term notes payable of \$293,000, management believes that the company will remain in a debt position utilizing private financing to assist in ongoing operations of the Company. By closing the Mister Beer division, management has reduced overall expenses and commitments. 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 three years; however, the division has now learned how to deal with the competition. 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.

Accounting changes – International Financial Reporting Standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that significantly affected financial reporting requirements for Canadian companies. The AcSB strategic plan outlined the convergence of Canadian generally accepted accounting principles with IFRS over an expected five year

transitional year. In February, 2010, the AcSB announced that 2011 was the changeover date for publicly-listed companies to use IRFS, replacing Canada's own generally accepted accounting principles. The date was for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 required the restatement for comparative purposes of amounts reported by the Company for the year ended May 31, 2011.

Controls and Procedures

Disclosure Controls and Procedures - As at May 31, 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 year ended May 31, 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 and by divesting itself of the Mister Beer division, will reduce the drain on Company finances.

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 a unique 'microbrewery in a bottle', allowing consumers to easily produce premium beer at roughly half the cost of regular beer.

The aggregate purchase price for the 90% of the shares of TBE 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 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.

Mister Beer ceased operations on December 31, 2014.

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.

On behalf of the Board of Directors

"R. James Matthews"

R. James Matthews
Chief Executive Officer