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MANAGEMENT'S DISCUSSION AND ANALYSIS of Financial Position and Operating Results for the quarter ending August 31, 2020 - effective October 30, 2020

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 period ended August 31, 2020, and accompanying notes, and the Company's annual audited consolidated financial statements for the years ended May 31, 2020 and 2019 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") and are presented in Canadian dollars.

These unaudited interim consolidated financial statements have been prepared in accordance with International financial Reports Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). 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. These accounting policies have been applied consistently to all periods presented.

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.

The Company's operations consisted of three main segments: Insurance Services, CarCostCanada, (combining the former Retail, Dealer and Advertising/Marketing divisions) and Information Technology (IT) Services.

The Insurance Services division derives its revenue from the sale of total-loss replacement vehicle reports to major Canadian insurance companies.

The CarCostCanada division derives its revenue from: the sale of new car pricing data to consumers primarily through the Company's flagship website www.CarCostCanada.com; the reselling of new car pricing data to qualified third-party vendors; through the sale of new vehicle customer leads derived from membership sales from CostCostCanada; and the sale of online third-party website advertising, consulting fees and other new car or car business related marketing activities. In previous periods, these revenues were reported separately, but because these revenues are all earned directly or indirectly from the website www.CarCostCanada.com, the three segments have been combined and all previous periods' comparative information has also been combined.

The Information Technology division comprises web and email hosting, technical support and network support services (for both internal and retail users) and the resale of hardware and software solutions. The division has vendor relationships with Microsoft, Barracuda, DropBox and Webroot.

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Selected Quarterly Information

Fiscal Year	2021	2020	2020	2020	2020	2019	2019	2019	2019
Quarter Ended	Aug-31 2020	May-31 2020	Feb-29 2020	Nov-30 2018	Aug-31 2019	May-31 2019	Feb-28 2019	Nov-30 2018	Aug-31 2018
Total Revenue	1,002,078	609,210	922,113	974,475	775,200	713,646	718,174	704,521	748,287
Comprehensive Income(loss) before taxes	226,307	(133,491)	56,904	81,648	97,865	(85,663)	1,617	(30,407)	91,679
Comprehensive Income(loss) per share	$0.01	$(0.01)	$0.00	$0.01	$0.01	$(0.01)	$0.00	$0.00	$0.01

Operations

The Company's total revenue increased 29% in the period ended August 31, 2020 to $1,002,078 from $775,200 in the same period a year earlier. Comprehensive income increased to $226,307 in this quarter, an increase of 231% from $97,865 at August 31, 2019.

The Insurance Services division experienced a 22% increase in revenue, from $385,558 in the three months ended August 31, 2019 to $471,000 in 2020.

The CarCostCanada division (combining the former Retail, Dealer and Advertising divisions) revenue was up by 37% for the period ended August 31, 2020, to $443,899 from $323,999 during the period ended August 31, 2019.

The Information Technology division revenue increased by 33% to $87,179 in the first quarter of fiscal 2021 ended August 31, 2020, from $65,643 in the same quarter in fiscal 2020. 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.

Wages and other office expenses in this first quarter of fiscal 2021 before amortization and interest, increased to $762,968, compared to $636,810, a 20% increase over the same period last year.

Accounts receivable increased 45% to $733,698 as at August 31, 2020, compared to $505,722 as at August 31, 2019. Related party accounts receivable increased from $2,310 to $19,291.

Accounts payable increased 4%, to $370,395 as at August 31, 2019 from $357,135 a year earlier. There was $4,998 Related parties accounts payable as at August 31, 2020 and $ nil as at August 31, 2019.

The Company's deficit decreased to $(694,422) as at August 31, 2020, compared to $(872,989) as at August 31, 2019. Earnings per share at August 31, 2020 are $0.01, the same as those reported August 31, 2019.

In July 2018, the Company signed a contract with a mobile app development company for the creation of an all new iOS and Android mobile app for the Company's ecommerce website, CarCostCanada.com. The application is fully operational, and is presented as a category within property and equipment.

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

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Related Party Transactions

The following transactions with related parties were in the normal course of operations:

a) The Company recognized IT revenue of $4,924 (August 31, 2019 $4,118) from a company and individual significantly influenced by one of the Company's directors. At August 31, 2020, there was an account receivable of $19,291 (August 31, 2019 $ 2,110) due from this related company and accounts receivable of $nil (August 31, 2019 $200) due from other related parties.

b) The following compensation was paid to key management, which comprises the Chief Executive Officer, Chief Financial Officer and Chief Technical Officer, during the current and prior years periods:

	August 31, 2020	August 31, 2019
Management salaries	$ 76,154	$ 75,000
Fair value of stock-based compensation expense	-	2,041
Automobile and travel allowances	3,600	3,600
	$ 79,754	$ 80,641

c) Professional fees of $7,025 (August 31, 2019 $12,000) were recognized for services provided by a law firm in which a director of the Company is a partner.

d) During the period ended August 31, 2020, the Company incurred advertising and computer consulting expenses of $1,430 (August 31, 2019 $7,148) with an entity controlled by a spouse of an officer of the Company.

e) Related party accounts payable of $4,998 are due from parties related to directors of Armada Data Corporation (August 31, 2019 $ nil).

Segmented Quarterly Information

Revenues earned by divisions are as follows:

	3 months ended August 31, 2020	3 months ended August 31, 2019	year ended May 31, 2020
Insurance Services (see note 18)	**$ 471,000**	$ 385,558	$ 1,607,899
CarCost Canada	**443,899**	323,999	1,437,435
Information Technology	**87,179**	65,643	235,664
Total revenue - Armada Data Corp	**$ 1,002,078**	$ 775,200	$ 3,280,998

Accounting changes – International Financial Reporting Standards ("IFRS") 16 Leases

The Company has adopted IFRS 16 *Leases*, retroactively but without restatement, as at June 1, 2019. On adoption there was no cumulative effect to be recognized in opening retained earnings as at June 1, 2019. The information related to the comparative period has not been restated and continues to be accounted for in accordance with the previous accounting policy.

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The Company holds real estate and a vehicle under lease. The new accounting policy had the effect of capitalizing the underlying assets based on the future lease payments. Of the liabilities, an amount of $99,338 is presented as current and $68,451 is presented as long-term, however, the Company is still in a positive working capital position.

The new standard changed the nature of expense related to these leases for the three months ended August 31, 2020 from lease payments expensed to depreciation of the right-of-use asset and interest expense on the lease liability. The effect on the Company's performance was a net decrease in comprehensive income for the period of $1,779.

Liquidity

Based on a quarter-end cash position of $496,675, accounts receivable of $733,698, and accounts payable of $370,395, the company is in a positive cash position. There are many initiatives, partnerships and features being developed behind the scenes that will be launched in fiscal 2021 The Company hired some key management and support personnel to assist in achieving revenue that should surpass 2020 levels. Management believes that the investment in these ventures and action plans will demonstrate significant returns for the Company in both revenue growth and corporate goodwill.

CarCostCanada revenues are primarily derived from the sale of new-car buyer members to our network of new car dealerships that will aim to sell the CarCostCanada member a new car. It is the mandate of management to monetize each CarCostCanada member by way of this lead-generation sale to new car dealers. In 2019, the CarCostCanada division hired a skilled and experienced Vice President and General Manager to enhance this member monetization, as well as increasing the size of the Company's new car dealership network, and maintain and strengthen the existing network. Management believes that our new hire and the dealer development team he is building will, over a short period of time, increase the revenues of the CarCostCanada division, as well as fortify the relationships with this dealer network.

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.

Credit Risk

The Company is exposed to credit risk due to its accounts receivable, which are stated net of an allowance for doubtful accounts. Cash is held at a major Canadian bank and is not considered to be subject to significant credit risk. Credit risk is the risk that a customer will be unable to pay amounts owed causing the Company to suffer a financial loss. The Company's two largest customers account for 28% (August 31, 2019 31%) of consolidated revenue or 58% (August 31, 2019 61%) of Insurance Services segment revenue. These customers are two of Canada's largest insurance companies and are considered by management to be of negligible credit risk. The Company's remaining consolidated revenue is derived from a large number of relatively small customers and therefore are not subject to any concentrations of credit risk. Furthermore, individual revenue transactions are of nominal value.

A significant portion of the Company's sales are by credit card or with large insurance companies. Management reduces credit risk by carefully monitoring the amounts owed by customers on a regular basis, performing regular credit reviews of any customer that is approaching their credit limit or does not keep to their normal payment pattern. 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. In the opinion of management, the credit risk is low due to the controls in place and the lack of concentration amongst customers. Credit risk is unchanged from prior year except for an increase in aging of receivable balances, which management attributes to COVID-19. Management expects no further credit losses due to the factors described.

Liquidity Risk

The Company is exposed to Liquidity risk due to its accounts payable and accrued liabilities, related parties accounts payable and the current portion of lease liability. 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 is managed through continuous cash flow management. This risk is unchanged from prior periods.

Market Risk

The Company is not exposed to significant foreign currency, interest rate or other price risks during the periods presented.

Capital Management

The Company manages its capital structure, which management defines as shareholders' equity net on non-controlling interest, in order to support the acquisition, and development of additional business opportunities and to ensure the Company is able to continue as a going concern. 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 ventures 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.

Controls and Procedures

Disclosure Controls and Procedures - As at August 31, 2020, 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.

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Internal Control Over Financial Reporting - There have been no changes in the Company's internal control over financial reporting during the quarter ended August 31, 2020 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Outlook

COVID-19 emerged in December 2019 and subsequently spread worldwide, leading to the World Health Organization's declaration of a COVID-19 pandemic on March 11, 2020. To date, Canadian federal and provincial governments and businesses have mandated various measures, including: travel restrictions, restrictions on public gatherings, stay-at-home orders and advisories, and the quarantine of people who may have been exposed to the virus. The Company has and will continue to follow all federal and provincial guidelines mandated to combat this pandemic.

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

1. Develop a new, targeted CarCostCanada digital, video and traditional marketing campaign to enhance product and brand awareness to more Canadian new car buyers.
2. Forge new CarCostCanada marketing partnerships that focus specifically on Canadian new car buyers and convert these buyers to CarCostCanada members.
3. Continue to build out the CarCostCanada new car dealership network and strive to monetize over 80% of our members and introduce additional product offerings to our member-base.
4. Maintain and 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 client base.
5. Sign on one or two additional Canadian insurance companies to become Armada Insurance Services clients.
6. Introduce a new CarCostCanada Member Services product that caters specifically to our insurance company clients.

On behalf of the Board of Directors

"R. James Matthews"

R. James Matthews
Chief Executive Officer