

**Cervantes Capital Corp.**  
**Condensed Consolidated Interim Financial Statements**  
**Period Ended August 31, 2015**  
**(Unaudited – prepared by management)**

**Expressed in Canadian Dollars**

These unaudited condensed consolidated interim financial statements of Cervantes Capital Corp. from the period of incorporation on October 26, 2014 to August 31, 2015 have been prepared by management and approved by the Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

Cervantes Capital Corp.  
Consolidated interim statement of financial position  
As at August 31, 2015  
(Expressed in Canadian Dollars)  
(Unaudited)

	Notes	August 31, 2015
<b>ASSETS</b>		
<b>Current assets</b>		
Cash		\$ 137
GST Receivable		944
<b>TOTAL ASSETS</b>		<b>\$ 1,081</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade payables and accrued liabilities		\$ 1,195
Loans payable	6	10,000
Deposits	9	1,000
		12,195
<b>SHAREHOLDERS' DEFICIENCY</b>		
Share capital	5	56,000
Deficit		(67,114)
<b>TOTAL SHAREHOLDERS' DEFICIENCY</b>		<b>(11,114)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		<b>\$ 1,081</b>

Nature and continuance of operations (Note 1)

Significant events (Note 9)

Cervantes Capital Corp.  
Consolidated interim statement of loss and comprehensive loss  
(Expressed in Canadian Dollars)  
(Unaudited)

	<b>Three Months ended August 31, 2015</b>	<b>From the period of incorporation on October 26, 2015 to August 31, 2015</b>
<b>Expenses</b>		
Office and miscellaneous	\$ 94	\$ 776
Consulting fees	4,500	14,550
Transaction fees	-	45,000
Transfer Agent	1,321	6,788
<b>Loss and comprehensive loss for the period</b>	<b>\$ (5,195)</b>	<b>\$ (67,114)</b>
<b>Loss per share – basic and diluted</b>	<b>\$ (0.01)</b>	<b>\$ (0.17)</b>
<b>Weighted average number of common shares outstanding</b>	<b>396,980</b>	<b>392,862</b>

Cervantes Capital Corp.  
 Consolidated interim statement of financial position  
 From the period of incorporation on October 26, 2014 to August 31, 2015  
 (Expressed in Canadian Dollars)  
 (Unaudited – prepared by management)

	Notes	Share capital		Deficit	Total
		Number of shares	Amount		
<b>Balance at October 26, 2014</b>		-	\$ -	\$ -	\$ -
Comprehensive loss:					
Loss for the period		-	-	(67,114)	(67,114)
Transactions with owners, in their capacity as owners, and other transfers:					
Share issued for cash		1,001	10,001	-	1
Shares issued for plan of arrangement	5	396,600	46,000	-	46,000
Share cancelled		(1)	(1)	-	(1)
<b>Balance at August 31, 2015</b>		<b>397,600</b>	<b>\$ 56,000</b>	<b>\$ (67,114)</b>	<b>\$ (21,114)</b>

See accompanying notes to the condensed consolidated interim financial statements

Cervantes Capital Corp.  
Consolidated interim statement of financial position  
As at August 31, 2015  
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	<b>2014</b>
<b>Operating activities</b>	
Loss for the period	\$ (67,114)
Item not involving cash:	
Transaction fees	45,000
Changes in non-cash working capital items:	
Increase in GST receivable	(944)
Increase in trade payables and accrued liabilities	1,195
Increase in Deposits	11,000
<b>Net cash flows used in operating activities</b>	<b>(10,863)</b>
<b>Financing activities</b>	
Proceeds on issuance of common shares, net	11,000
<b>Net cash flows from financing activities</b>	<b>11,000</b>
Change in cash	137
Cash, beginning of period	-
<b>Cash, end of period</b>	<b>\$ 137</b>

There were no significant non-cash transactions for the period from incorporation on October 26, 2014 to August 31, 2015.

Cervantes Capital Corp.  
Notes to the condensed consolidated interim financial statements  
For the period ended August 31, 2015  
(Expressed in Canadian Dollars)  
(Unaudited – prepared by management)

**1. Nature and continuance of operations**

Cervantes Capital Corp. (the “Company”) was incorporated on October 26, 2014, under the laws of the province of British Columbia, Canada. The Company is a business development services company. It provides business development services to new and emerging businesses, including making introductions to accountants, lawyers, brokers, transfer agents, and various other professionals and service providers to assist companies in raising capital and going public.

The head office, principal address, records office and registered address of the Company are located at 510 – 744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A1.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company’s continuation as a going concern is dependent upon the successful results from its business activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or profits from its business activities.

**2. Basis of preparation**

These unaudited condensed consolidated interim financial statements were approved and authorized for issue on October 29, 2015 by the directors of the Company.

***Statement of compliance***

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee.

### **3. Plan of arrangement**

On October 29, 2014, the Company entered into an Arrangement Agreement with Riske Capital Corp. (“Riske”). Riske is a reporting issuer in the provinces of Alberta and British Columbia.

On October 29, 2014, the shareholders of the Company, and Riske, executed the Arrangement as follows:

- a) The Company (“1017343”) acquired all of the issued and outstanding common shares from Riske for consideration of the Purchase Price of \$1,000 on the Closing of the Plan of Arrangement (the “Purchase Shares”);
- b) the Company exchanged securities on a 1:1 basis such that 396,600 common shares of Riske were exchanged by their holders for 396,600 common shares of the Company;
- c) Riske and the Company exchanged on a 1:1 basis, such that Riske issued one common shares to the Company and the Company issued one common share to Riske (collectively, the “Exchange Shares”); and
- d) The Purchase and the Exchange Shares were then cancelled.

Following completion of the Arrangement Agreement, the Company became a reporting issuer.

On April 14, 2015, the Company, Anterior Education Holdings Ltd. (“Anterior”) and BHR Capital Corp. (“BHR”) entered into an Arrangement Agreement (the “Arrangement Agreement”) including the Arrangement. The Arrangement was approved by unanimous resolutions of the shareholders of BHR on April 28, 2015, and by the Supreme Court of British Columbia on April 30, 2015 in accordance with Part 9 of the Business Corporations Act (British Columbia); On June 10, 2015, the Arrangement closed, and 396,600 common shares of Anterior were distributed as a stock dividend to the Company’s shareholders holding shares on the record date on a 1:1 basis according to their shareholdings.. On July 27, 2015 the Company issued 1,000 common shares to Anterior Education Holdings Inc.. In connection with the Arrangement, the Company received \$10,000 in Transaction Fees, \$2,000 of which was received prior to the beginning of the period; and \$8,000 received, during the period ended August 31, 2015.

### **4. Significant accounting policies**

#### ***Consolidation***

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial assets that are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its wholly controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The condensed consolidated interim financial statements include the accounts of the Company and its direct wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

**4. Significant accounting policies (cont'd)**

***Significant estimates and assumptions***

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation relate to the fair value measurements for financial instruments and stock-based compensation and other equity-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates.

***Significant judgments***

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the determination of the functional currency of the parent company and its subsidiaries.

***Foreign currency translation***

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of the subsidiaries is the Canadian dollar.

**Transactions and balances:**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of loss and comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

***Share-based payments***

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair

**4. Significant accounting policies (cont'd)**

value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the

goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

***Loss per share***

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

***Financial instruments***

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are

**4. Significant accounting policies (cont'd)**

included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

***Financial instruments (cont'd)***

Non-derivative financial liabilities (excluding financial guarantees) classified as other financial liabilities are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company's cash and receivables are classified as loans and receivables. The Company's trade payables and deposits are classified as other financial liabilities.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3: Inputs that are not based on observable market data.

The Company does not have any derivative financial assets or liabilities.

***Impairment of assets***

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of income and comprehensive income.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks

**4. Significant accounting policies (cont'd)**

***Impairment of assets*** (cont'd)

specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

***Income taxes***

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

**4. Significant accounting policies (cont'd)**

***New accounting standards issued but not yet effective***

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRIC that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company has not yet assessed the impact, if any, that the new amended standards will have on its condensed consolidated interim financial statements or whether to early adopt any of the new requirements. The following standard will be effective for annual periods beginning on or after January 1, 2018:

IFRS 15, *Revenue from Contracts with Customers* – In May 2014, the IASB issued IFRS 15 which supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC 31, *Revenue – Barter Transactions Involving Advertising Services*. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2017. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

IFRS 9, *Financial Instruments* – The IASB intends to replace IAS 39, *Financial Instruments: Recognition and Measurement* in its entirety with IFRS 9 which is intended to reduce the complexity in the classification and measurement of financial instruments. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

**5. Share capital**

***Authorized share capital***

Unlimited number of common shares without par value.

***Issued share capital***

At August 31, 2015 there were 397,600 issued and fully paid common shares.

***Share issuances***

On October 26, 2014, the Company received one common share for gross proceeds of \$1. This share was subsequently cancelled prior to May 31, 2015.

On October 29, 2014, pursuant to the Plan of Arrangement (see Note 3), the Company issued 396,600 for \$1,000 and the acquisition of an LOI valued at \$45,000 and included as transaction fees on the statement of loss and comprehensive loss.

On July 27, 2015, pursuant to a Plan of Arrangement, the Company issued 1,000 common shares for \$10,000.

**5. Share capital (cont'd)**

***Stock options***

The Company has not issued any stock options and no stock options are outstanding as at August 31, 2015.

***Warrants***

The Company has not issued any warrants and no warrants options are outstanding as at August 31, 2015.

***Share-based payment reserve***

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

**6. Related parties**

During from the period of incorporation on October 26, 2014 to August 31, 2015, there were four short term loans made to the Company from a related party totaling \$12,600 of which \$2,600 has been repaid. As at August 31, 2015, there was \$10,000 owing. The balance is unsecured and is non-interest bearing.

The Company has had no related party transactions from the period of incorporation on October 26, 2014 to August 31, 2015.

**7. Financial risk and capital management**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its GST receivable. This risk is minimal as receivables consist of refundable government general sales taxes.

**7. Financial risk and capital management (cont'd)**

***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

***Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at May 31, 2015, the Company did not have any cash equivalents or interest bearing debt and is not subject to interest rate risk.

***Capital Management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

***Classification of financial instruments***

Financial assets included in the condensed consolidated interim statement of financial position are as follows:

	<b>August 31, 2015</b>
Cash	\$ 137

Financial liabilities included in the condensed consolidated interim statement of financial position are as follows:

	<b>August 31, 2015</b>
Non-derivative financial liabilities:	
Trade payables	\$ 1,195
Loans payable	10,000
Deposits	1,000
	<b>\$ 12,195</b>

Cervantes Capital Corp.

Notes to the condensed consolidated interim financial statements

For the period ended August 31, 2015

(Expressed in Canadian Dollars)

(Unaudited – prepared by management)

**8. Segmented information**

The Company operates in a single reportable operating segment – business development services in Canada.

**9. Significant events**

During the period ended August 31, 2015, the Company was involved in the following transactions:

The Company received \$1,000 from Riske pursuant to the Arrangement Agreement with Riske dated October 29, 2014; wherein it is contemplated that Riske shall transfer its assets (as such term is defined in the Arrangement Agreement) to the Company

On April 14, 2015, the Company, Anterior Education Holdings Ltd. (“Anterior”) and BHR Capital Corp. (“BHR”) entered into an Arrangement Agreement (the “Arrangement Agreement”) including the Arrangement. The Arrangement was approved by unanimous resolutions of the shareholders of BHR on April 28, 2015, and by the Supreme Court of British Columbia on April 30, 2015 in accordance with Part 9 of the Business Corporations Act (British Columbia); On June 10, 2015, the Arrangement closed, and 396,600 common shares of Anterior were distributed as a stock dividend to the Company’s shareholders holding shares on the record date on a 1:1 basis according to their shareholdings.. On July 27, 2015 the Company issued 1,000 common shares to Anterior Education Holdings Inc.. In connection with the Arrangement, the Company received \$10,000 in Transaction Fees, \$2,000 of which was received prior to the beginning of the period; and \$8,000 received, during the period ended August 31, 2015.