Cervantes Capital Corp.

Consolidated Interim Financial Statements

Nine Months Ended August 31, 2016

(Unaudited)

Expressed in Canadian Dollars

Notice of No Auditor Review

These unaudited consolidated interim financial statements of Cervantes Capital Corp. (the "Company") have not been reviewed by the auditors of the Company. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

Cervantes Capital Corp.
Consolidated interim statements of financial position
As at August 31, 2016
(Expressed in Canadian Dollars)
(Unaudited)

	Notes		August 31, 2016		November 30, 2015
ASSETS					
Current assets					
Cash		$	-	$	44
GST receivable			1,488		1,147
TOTAL ASSETS		**$**	**1,488**	**$**	**1,191**
LIABILITIES					
Current liabilities					
Bank overdraft		$	19	$	-
Trade payables and accrued liabilities			7,164		-
Loans payable	4		575		15,575
			7,758		15,576
SHAREHOLDERS' DEFICIENCY					
Share capital	5		26,000		11,000
Deficit			(32,270)		(25,384)
TOTAL SHAREHOLDERS' DEFICIENCY			**(6,270)**		**(14,384)**
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		**$**	**1,488**	**$**	**1,191**

Nature and continuance of operations (Note 1)

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

	Three Months ended August 31, 2016	Three Months Ended August 31, 2015	Nine Months ended August 31, 2016	Nine Months Ended August 31, 2015
Expenses				
Office and miscellaneous	$ 19	$ 94	$ 63	$ 776
Professional fees	4,590	-	4,590	-
Consulting fees	-	4,500	-	13,830
Transfer Agent	2,233	1,321	2,233	6,788
Loss and comprehensive loss for the period	**$ (6,842)**	**$ (5,915)**	**$ (6,886)**	**$ (21,394)**
Loss per share – basic and diluted	**$ (0.02)**	**$ (0.02)**	**$ (0.02)**	**$ (0.07)**
Weighted average number of common shares outstanding	567,165	396,980	454,327	392,862

Cervantes Capital Corp.
Consolidated interim statements of changes in equity
(Expressed in Canadian Dollars)
(Unaudited)

		Share capital			
	Notes	Number of shares	Amount	Deficit	Total
Balance at November 30, 2014		**1**	**$ 1**	**$ -**	**$ 1**
Comprehensive loss for the period		-	-	(21,394)	(21,394)
Shares issued for cash		1,000	10,000	-	10,000
Shares issued under plan of arrangement		396,600	1,000		1,000
Share cancelled		(1)	(1)	-	(1)
Balance at August 31, 2015		397,600	$ 11,000	$ (21,394)	$ (10,394)
Balance at November 30, 2015		397,600	$ 11,000	(25,384)	(14,384)
Comprehensive loss for the period		-	-	(6,886)	(6,886)
Shares issued for cash	**5**	600,000	15,000	-	15,000
Balance at August 31, 2016		**997,600**	**$ 26,000**	**$ (32,270)**	**$ (6,270)**

See accompanying notes to the consolidated interim financial statements

Cervantes Capital Corp.
Consolidated interim statements of cash flows
As at August 31, 2016
(Expressed in Canadian Dollars)
(Unaudited)

	Nine months ended August 31, 2016	Nine months ended August 31, 2015
Operating activities		
Loss for the period	$ (6,886)	$ (21,394)
Changes in non-cash working capital items:		
Increase in GST receivable	(341)	(944)
Increase in trade payables and accrued liabilities	7,164	475
Cash flows used in operating activities	(63)	(21,863)
Financing activities		
Proceeds on issuance of common shares	15,000	11,000
Loans repaid	(15,000)	-
Loan proceeds received	-	11,000
Cash flows from financing activities	-	22,000
Change in cash	(63)	137
Cash, beginning of period	44	-
Cash (Bank overdraft), end of period	**$ (19)**	**$ 137**

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. This financial statement has been prepared as of November 29, 2016.

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 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. Significant accounting policies

Basis of presentation

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. These consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended November 30, 2015, which have been prepared in accordance with IFRS.

These consolidated interim financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company is the Canadian dollar.

These unaudited consolidated interim financial statements were approved and authorized for issue on November 29, 2016 by the directors of the Company.

Significant estimates and assumptions

The preparation of the Company's 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.

2. Significant accounting policies (cont'd)

Significant estimates and assumptions (cont'd)

Areas requiring a significant degree of estimation relate to the fair value measurements for financial instruments 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 a significant uncertainty

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: loans and receivables 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.

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. The Company has designated its cash as loans and receivables.

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. Other financial liabilities include loans payable.

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.

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

2. Significant accounting policies (cont'd)

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.

New accounting standards issued but not yet effective

(i) New standard IFRS 9 "Financial Instruments":

This new standard is a partial replacement of International Accounting Standard ("IAS") 39 "Financial Instruments: Recognition and Measurement". 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 effective date of IFRS 9 is annual periods beginning on or after January 1, 2018.

The Company has not early adopted this new standard and does not expect it to have a material effect on the Company's future results and financial operations.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Plans 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 December 3, 2014, the shareholders of the Company, and Riske, executed the Arrangement which included the following:

a) Riske transferred $1,000 of cash and a Letter of Intent ("LOI") to the Company (LOI subsequently cancelled March 1, 2015) in exchange for 396,600 common shares of the Company;
b) Riske distributed the 396,600 common shares of the Company to its shareholders; and
c) The Company became a reporting issuer in British Columbia and Alberta on December 3, 2014.

On April 14, 2015, the Company, Anterior Education Holdings Ltd. (a newly formed subsidiary of the Company) ("Anterior") and BHR Capital Corp. ("BHR") entered into an Arrangement Agreement.

On April 30, 2015, the shareholders of the Company, Anterior and BHR executed the Arrangement Agreement which included the following:

a) BHR purchased all 10,000 of Anterior's issued shares from the Company for $10,000;
b) The Company issued 1,000 of its common shares in exchange for 396,600 common shares of Anterior; and
c) The Company distributed 396,600 shares of Anterior to its shareholders resulting in Anterior becoming a stand alone reporting issuer in British Columbia and Alberta.

As the substance of this Arrangement Agreement is a spin out of Anterior to the shareholders of the Company, no gain was recorded on the sale of Anterior to BHR. The $10,000 received from the sale of the 10,000 Anterior shares was recorded as proceeds on the issuance of the 1,000 shares of the Company issued to Anterior. The distribution of the Anterior shares to the shareholders of the Company was recorded at $0, the carrying and fair value of the Company's investment in Anterior.

4. Related party transactions and balances

During the nine month period ended August 31, 2016, the Company incurred consulting fees of $Nil (2015: $13,830) to a company controlled by a former director and officer of the Company.

As at August 31, 2016, there was $575 (2015: $10,000) of loans payable owing to a director and officer of the Company. The balance is unsecured, due on demand and is non-interest bearing.

5. Share capital

Authorized share capital
Unlimited number of common shares without par value.

Issued share capital
At August 31, 2016 there were 997,600 issued and fully paid common shares.

Share issuances
On October 26, 2014, the Company issued one common share for proceeds of $1. This share was cancelled on February 20, 2015.

5. Share capital (cont'd)

On February 20, 2015, pursuant to a Plan of Arrangement (Note 3), the Company issued 396,600 common shares in exchange for $1,000 cash and the acquisition of an LOI with a fair value of $0. The common shares were recorded at $1,000 which is equal to the fair value of the cash proceeds received.

On April 14, 2015, pursuant to a Plan of Arrangement, (Note 3) the Company issued 1,000 common shares for cash proceeds of $10,000.

On August 5, 2016, the Company completed a private placement of 600,000 common shares at a price of $0.025 per share for gross proceeds of $15,000.

6. 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. Credit risk is assessed as low.

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 loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

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 August 31, 2016, the Company did not have any financial instruments subject to interest rate risk.

6. Financial risk and capital management (cont'd)

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.

Capital Management (cont'd)

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.

7. Subsequent Events

On November 4, 2016, the Company was issued a cease trade order by the British Columbia Securities Commission. The Company had not filed its interim financial statement and management discussion and analysis for the quarter ending August 31, 2016 within the required timeframe. This was the result of financial hardships of the Company, and on November 29, 2016, the Company filed the required documentation.