Cervantes Capital Corp.

Financial Statements

Year Ended November 30, 2016

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cervantes Capital Corp.

We have audited the accompanying financial statements of Cervantes Capital Corp., which comprise of the statements of financial position as at November 30, 2016 and 2015, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Cervantes Capital Corp. as at November 30, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describe certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Cervantes Capital Corp.'s ability to continue as a going concern.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
March 28, 2017

Cervantes Capital Corp.
Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	November 30, 2016	November 30, 2015
ASSETS			
Current assets			
Cash		$ -	$ 44
GST receivable		-	1,147
TOTAL ASSETS		**$ -**	**$ 1,191**
LIABILITIES			
Current liabilities			
Accounts payable		$ 4,682	$ -
Accrued liabilities		3,000	-
Loans payable	4,5	-	15,575
TOTAL LIABILITIES		**$ 7,682**	**$ 15,575**
SHAREHOLDERS' EQUITY			
Share capital	6	26,000	11,000
Deficit		(33,682)	(25,384)
TOTAL SHAREHOLDERS' EQUITY		**(7,682)**	**(14,384)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ -**	**$ 1,191**

Nature and continuance of operations (Note 1)

Approved on behalf of the Board:

"Marcelin O'Neill" *"Ann-Marie Cederholm"*

Marcelin O'Neill, Director Ann-Marie Cederholm, Director

Cervantes Capital Corp.
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Note		Year ended November 30, 2016		Year ended November 30, 2015
Expenses					
Office and miscellaneous		$	1,230	$	1,026
Professional fees			6,856		-
Consulting fees	4		-		17,385
Transfer Agent			787		6,973
Total operating expenses			8,873		25,384
Other					
Gain on shares for debt	6		(575)		-
Comprehensive loss for the year		**$**	**(8,298)**	**$**	**(25,384)**
Loss per share – basic and diluted		**$**	**(0.01)**	**$**	**(0.08)**
Weighted average number of common shares outstanding			**589,929**		**307,846**

Cervantes Capital Corp.
Statement of Changes In Shareholders' Equity
(Expressed in Canadian Dollars)

		Share capital			
	Note	Number of shares	Amount	Deficit	Total
Balance at November 30, 2014		**1**	**$ 1**	**$ -**	**$ 1**
Comprehensive loss for the year		-	-	(25,384)	(25,384)
Shares issued under plan of arrangement	3, 6	396,600	1,000	-	1,000
Shares issued for cash	3, 6	1,000	10,000	-	10,000
Share cancelled		(1)	(1)	-	(1)
Balance at November 30, 2015		**397,600**	**11,000**	**(25,384)**	**(14,384)**
Comprehensive loss for the year		-	-	(8,298)	(8,298)
Shares issued to settle debt	6	600,000	15,000	-	15,000
Balance at November 30, 2016		**997,600**	**$ 26,000**	**$ (33,682)**	**$ (7,682)**

See accompanying notes to the financial statements

Cervantes Capital Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended November 30, 2016	Year ended November 30, 2015
Operating activities		
Comprehensive loss for the year	$ (8,298)	$ (25,384)
Non-cash items:		
Gain on shares for debt	(575)	-
Changes in non-cash working capital items:		
Decrease (increase) in other receivable	1,147	(1,148)
Increase in accounts payable	4,682	-
Increase in accrued liabilities	3,000	-
Net cash flows used in operating activities	(44)	(26,532)
Financing activities		
Proceeds on issuance of common shares	-	11,000
Loan proceeds received	-	15,575
Net cash flows from financing activities	-	26,575
Increase (decrease) in cash	(44)	43
Cash, beginning of year	44	1
Cash, end of year	**$ -**	**$ 44**

During the years ended November 30, 2016 and 2015, the Company incurred the following non-cash transactions that are not reflected in the statements of cash flows:

	Year ended November 30, 2016	Year ended November 30, 2015
Fair value of shares issued to settle debt (Note 6)	$ 15,000	$ -

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 intends to be a business development services company. It plans to provide 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 financial statements have been prepared on the assumption that the Company 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. As at November 30, 2016 the Company had a working capital deficiency of $7,682 and accumulated losses of $33,682. 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. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. 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 financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively, "IFRS"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts on the financial statements are presented in Canadian dollars which is the functional currency of the Company.

These audited annual financial statements were approved and authorized for issue on March 28, 2017 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.

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.

2. Significant accounting policies (cont'd)

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 accounts payable and 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.

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.

2. Significant accounting policies (cont'd)

Current income tax: (cont'd)
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:

3. Plans of Arrangement (cont'd)

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 year ended November 30, 2016, the Company incurred consulting fees of $0 (November 30, 2015: $16,385) with a director and officer of the Company.

As at November 30, 2016, there was $0 (November 30, 2015: $9,575) 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. Loan payable

As at November 30, 2016, there was $0 owing (November 30, 2014: $6,000) to a third party. The balance is unsecured, due on demand and is non-interest bearing.

6. Share capital

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

Issued share capital
At November 30, 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.

6. 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 issued 600,000 common shares with a fair value of $15,000 to settle loans payable of $15,575. A resulting gain on debt settlement of $575 was recognized.

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. 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 November 30, 2016, the Company did not have any financial instruments subject to interest rate risk.

(Expressed in Canadian Dollars)

7. 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. 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.

8. Income Taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

		November 30, 2016		**November 30, 2015**
Net loss before income taxes	$	(8,298)	$	(25,384)
Statutory tax rate		26%		26%
Expected income tax recovery at the statutory tax rate		(2,157)		(6,600)
Changes in valuation allowance		2,157		6,600
Income tax recovery	$	-	$	-

At November 30, 2016, the Company has non-capital losses of $33,682 (November 30, 2015: $25,384) which expire as follows: $25,384 in 2035 and $8,298 in 2036. No deferred tax asset has been recognized in relation to these losses.