BHR CAPITAL CORP.

FINANCIAL STATEMENTS

PERIOD FROM DECEMBER 3, 2014 (DATE OF INCORPORATION) TO MARCH 31, 2015

(Expressed in Canadian Dollars)

MORGAN & COMPANY LLP
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
BHR Capital Corp.

Report on the financial statements

We have audited the accompanying financial statement of BHR Capital Corp., which comprise the statement of financial position as at March 31, 2015 and the statements of operations and comprehensive loss, changes in equity and cash flows for the period from incorporation on December 3, 2014 to March 31, 2015, 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BHR Capital Corp., as at March 31, 2015, and its financial performance and its cash flows for the period from incorporation on December 3, 2014 to March 31, 2015 in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to Note 1 of the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Vancouver, Canada

"Morgan & Company LLP"

May 29, 2015

Chartered Accountants

P.O. Box 10007, Pacific Centre, 1488 - 700 West Georgia Street, Vancouver, BC, Canada V7Y 1A1
Telephone: 604.687.5841 Fax: 604.687.0075 Email: info@morgancollp.com

BHR CAPITAL CORP.
STATEMENT OF FINANCIAL POSITION

		As At March 31, 2015
ASSETS		
Current		
Loan receivable (Note 4)	**$**	**225,000**
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$**	**8,041**
Loan payable (Note 5)		**27,500**
Total Liabilities		**35,541**
EQUITY		
Share capital (Note 6)		**227,000**
Deficit		**(37,541)**
Total Equity		**189,459**
Total Liabilities and Equity	**$**	**225,000**

Going Concern (Note 1)

Approved and authorized for issuance by the Board of Directors on May 29, 2015.

"Brian Gusko"
Director

The accompanying notes are an integral part of these financial statements.

BHR CAPITAL CORP.
STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS

	Period from December 3, 2014 (Date of Incorporation) To March 31, 2015
Expenses	
Professional fees	$ **37,541**
Net loss and comprehensive loss for the period	$ **37,541**
Basic and Diluted Loss per Share	$ **0.01**
Weighted average number of common shares outstanding	**5,063,983**

The accompanying notes are an integral part of these financial statements.

BHR CAPITAL CORP.
STATEMENT OF CHANGES IN EQUITY
For the period from December 3, 2014 (Date of Incorporation) to March 31, 2015

	Number of shares	Share capital	Deficit	Total equity
Balance, December 3, 2014	-	$ -	$ -	$ -
Shares issued for cash	8,400,000	225,000	-	225,000
Shares issued for finders fees	550,000	11,000	-	11,000
Shares issued for debt	100,000	2,000	-	2,000
Share issuance costs – finders fees	-	(11,000)	-	(11,000)
Net loss for the period	-	-	(37,541)	(37,541)
Balance, March 31, 2015	**9,050,000**	**$ 227,000**	**$ (37,541)**	**$ 189,459**

The accompanying notes are an integral part of these financial statements.

BHR CAPITAL CORP.
STATEMENT OF CHASH FLOWS

		Period from December 3, 2014 (Date of Incorporation) To March 31, 2015
CASH FLOWS PROVIDED BY (USED IN):		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$	(37,541)
Non cash items:		
Shares issued for debt		2,000
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities		8,041
Net cash used in operating activities		(27,500)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan receivable		(225,000)
Loan payable		27,500
Issuance of shares		225,000
Net cash provided by financing activities		27,500
CHANGE IN CASH DURING THE PERIOD		-
CASH, beginning of the period		-
CASH, end of the period	$	-

The accompanying notes are an integral part of these financial statements.

1. ORGANIZATION AND NATURE OF OPERATIONS AND GOING CONCERN

BHR Capital Corp. (the "Company") was incorporated under the Business Corporations Act of British Columbia on December 3, 2014. The Company's registered and records office is located at 1820 – 925 West Georgia Street, Vancouver, BC, V6B 2E2. The Company is in the business of acquiring and consolidating independent English as a Second Language ("ESL") schools.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to complete its Plan of Arrangement transaction. To date, the Company has not generated any revenues. These factors create material uncertainty that may cast significant doubt about the Company being able to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

Statement of compliance:

The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of measurement:

These financial statements have been prepared on a historical cost basis except for financial instruments which may be measured at fair value.

Functional and presentation currency:

These financial statements are presented in Canadian dollars. This is the functional currency of the Company.

2. BASIS OF PRESENTATION (Continued)

Use of estimates and judgments:

The preparation of financial statements requires management to make judgments, estimates and assumptions based on current available information that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Estimates and judgments 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 results could differ from those estimated. By their very nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of future periods could be material.

3. SIGNIFICANT ACCOUNTING POLICIES

a) **Cash and cash equivalents**

Cash included cash on hand and held at financial institutions. As at March 31, 2015, the Company had no cash equivalents.

b) **Financial assets**

All financial assets are initially recorded at fair value, adjusted as applicable, and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss.

Financial assets classified as loans and receivables and held-to-maturity are initially recognized at fair value less directly attributable transaction costs. After initial recognition these financial assets are subsequently measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost.

Transaction costs associated with FVTPL and available-for-sale financial assets are expensed as incurred while transaction costs associated with other financial assets are included in the initial carrying amount of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial assets (Continued)

Financial assets are assessed at each reporting date in order to determine whether objective evidence exists that the assets are impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset.

If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in earnings. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognized, the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognized in earnings.

c) Financial liabilities:

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives are also classified as FVTPL unless they are designated as effective hedging instruments. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income (loss).

d) De-recognition of financial assets and liabilities:

Financial assets are de-recognized when the rights to receive cash flows from the assets expire, or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that has been recognized directly in equity is recognized in profit or loss.

Financial liabilities are de-recognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Foreign currencies:

The financial statements for the Company are prepared using its functional currency. Functional currency is the currency of the primary economic environment in which an entity operates. The presentation and functional currency of the Company is Canadian dollars.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to the statement of operations.

f) Income tax:

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition or goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax benefit will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will bel available against which the temporary difference can be utilized. Deferred tax assets are reviewed each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Share capital:

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity.

h) Equity units:

Proceeds received on the issuance of units comprised of common shares and warrants are allocated on the residual value method where proceeds are allocated to the common shares up to their fair value and the balance, if any, to the reserve for the warrants.

i) Accounting standards issued but not yet adopted:

The Company has assessed the impact of these new standards on the financial statements and has determined that the application of these standards will not have a material impact on the results and the financial position of the Company.

New Standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of 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.

4. LOAN RECEIVABLE

The loan receivable is to Anterior Education Systems Ltd. and is repayable on demand, security bears no interest, and is unsecured.

5. LOAN PAYABLE

The loan payable is unsecured, bears no interest, has no fixed terms of repayment, and is due on demand. On April 22, 2015, the full balance of the loan was repaid by the Company.

6. SHARE CAPITAL

(a) Common shares

i) Authorized

The Company's share capital consists of an unlimited number of common shares without par value.

ii) Issued

- On December 3, 2014, the Company issued 3,000,000 common shares at $0.005 per share for proceeds of $15,000;
- On February 10, 2015, the Company issued 2,550,000 common shares at $0.02 per share for proceeds of $51,000. Of this $51,000, $11,000 is reflected in share issuance costs as finders fees;
- On February 12, 2015 the Company issued 100,000 common shares at $0.02 per share to settle $2,000 worth of debt relating to professional fees;
- On February 25, 2015, the Company issued 2,150,000 units at $0.05 per unit for total proceeds of $107,500. Each unit is comprised of one common share and ½ share purchase warrant which can be redeemed at $0.10 for a one year period.
- On March 6, 2015, the Company issued 1,250,000 units at $0.05 per unit for total proceeds of $62,500. Each unit is comprised of one common share and one ½ share purchase warrant which can be redeemed at $0.10 for a one year period.

(b) Warrants

A summary of the status of the Company's warrants as at March 31, 2015, and changes during those years is presented below:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	-	$ 0.10
Issued	1,700,000	$ 0.10
Outstanding, end of period	1,700,000	$ 0.10

As at March 31, 2015, the following warrants are outstanding and exercisable:

Number of Warrants	Exercise Price	Expiry Date
1,075,000	$ 0.10	February 25, 2016

625,000	$	0.10	March 6, 2016
1,700,000			

7. MANAGEMENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Discussions of risk associated with financial assets and liabilities are detailed below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. It arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because of the short-term nature of the Company's interest bearing financial instruments.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

8. RELATED PARTIES

During the period ended March 31, 2015, the Company issued 500,000 shares at a price of $0.005 and 250,000 shares at a price of $0.02 to a director of the Company.

During the period ended March 31, 2015, the Company issued 250,000 shares at a price of $0.02 to a close family member of a director of the Company.

During the period ended March 31, 2015, the Company issued 375,000 shares at a price of $0.005, 250,000 shares at a price of $0.02 and 150,000 shares at a price of $0.05 to a former officer of the Company. The Company also issued 275,000 shares with a value of $5,500 for finders fees relating to the February issuance to this former officer.

9. INCOME TAX

Statutory tax rate		26%
Expected income tax (recovery)	$	(10,000)
Deferred tax asset not recognized		10,000
	$	-

Deferred tax assets have not been included on the statement of financial position as the generation of future taxable income is uncertain.

The Company has non-capital losses of approximately $38,000 available for deduction against future taxable income. These losses, if not utilized, will expire through 2035.

10. SUBSEQUENT EVENTS

a) Subsequent to March 31, 2015, an Arrangement Agreement was entered into among Cervantes Capital Corp. (“Cervantes”), Anterior Education Systems Ltd. (“Anterior”) and the Company.

The parties have agreed to reorganize their business by way of a plan of arrangement to be carried out under the provisions of the Business Corporations Act (British Columbia). As part of the Arrangement Agreement, the following transactions will take place:

i) the Company shall acquire all of the 10,000 issued and outstanding Anterior common shares from Cervantes (the “purchase shares”) for the purchase price of $10,000, of which $2,000 is to be paid within a week of signing and $8,000 to be paid on close;

ii) the Company and Anterior shall exchange securities on a 1:1 basis, such that all the outstanding common shares of the BHR shall be exchanged by their holders for the same amount of shares of Anterior;

iii) Anterior shall issue 300,000 Anterior shares to Cervantes (the ”Anterior Exchange Shares”) in exchange for 1,000 common shares of Cervantes (collectively the “Exchange Shares”), by which Anterior will become a reporting issuer;

iv) the Anterior Exchange Shares shall be issued as a dividend to the Cervantes shareholders as of the Cervantes record date on a pro rata basis; and

v) the Purchase Shares shall be cancelled.

b) Subsequent to March 31, 2015, the Company issued 1,050,000 units at a price of $0.05 per unit. Each unit consists of one common share and one share purchase warrant which can be redeemed at $0.10 for a one year period.

c) On April 17, 2015, The Company issued 750,000 units at a price of $0.05 per unit. Each unit consists of one common share and one share purchase warrant which can be redeemed at $0.10 for a one year period.

d) On April 22, 2015, the Company issued 1,270,000 units at a price of $0,25 per unit. Each unit consists of one common share and one share purchase warrant which can be redeemed at $0.50 for a two year period. 101,600 finders warrants were issued as part of this financing.