ANTERIOR EDUCATION HOLDINGS LTD.

Management's Discussion and Analysis
For the Period Ended June 30, 2015
Prepared as of Aug 17, 2015

Contact Information
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General

The following discussion and analysis, prepared as of August 17, 2015 should be read together with the condensed interim consolidated financial statements for the period ended June 30, 2015 and related notes attached thereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Description of Business

Anterior Education Holdings Ltd. (the "Company") was incorporated in the Province of British Columbia on April 14, 2015, under the Business Corporations Act of British Columbia. The Company's principal business focuses on the licensing of its digital curriculum called the ILI Cloud Curriculum to ESL providers including independent schools, universities and high schools. Effective June 10, 2015 the Company completed a Plan of Arrangement with BHR Capital Corp. ("BHR") and Cervantes Capital Corp. ("Cervantes"), whereby the Company became a reporting issuer, and BHR, and its wholly-owned subsidiaries, became a wholly-owned subsidiary of the Company. As the Plan of Arrangement was deemed to be a recapitalization of BHR, these financial statements are presented as a continuation of BHR, in which its assets and liabilities and operations are included in the interim consolidated financial statements at their historical carrying value. The Company's registered office is at Suite 900, 549 Howe Street, Vancouver, British Columbia, V6C 2C2.

The interim consolidated financial statements include the accounts of the Company and the following entities:

BHR Capital Corp. (“BHR”)	Wholly-owned subsidiary of the Company
Anterior Educational Systems Ltd. (“AES”)	Wholly-owned subsidiary of BHR
International Language Institute Ltd. (“ILI”)	Wholly-owned subsidiary of AES
English Canada World Organization Inc. (“EC”)	Wholly-owned subsidiary of AES

Canadian ESL Market

Within Canada, the education market is generates than $6.5 Billion per year, employing over 83,000 people. The ESL market in particular is generates $745 Million annually and services approximately 30,000 foreign students each year (Industry Canada 2009).

The industry is highly fragmented and competition for foreign students is fierce. As a result, tuition fees are being pushed lower at the cost of corporate profitability. While this may seem an opportune time to consolidate the industry, recent events have resulted in ESL providers expecting unrealistic prices for their schools. Internal growth today, while slower, seems much more cost effective and mitigates the risks of acquiring a collection of overpriced business that are struggling to survive.

International ESL Market

The international ESL market continues to expand. The British Council has projected that by 2020 more than 2 billion people per year will be studying English. Without question the language of both business and science is English. There is no indication that this trend will abate or end in the foreseeable future.

For every student who is able to travel abroad to learn English, there are thousands of other who are required to study ESL in their own countries. With the world wide proliferation of the smart phone, the tablet and the computer, these ESL students are seeking out new ways to gather information and learn about what interests them. There are very limited choices for the hundreds of millions of ESL students currently seeking a functional, mobile and accessible ESL curriculum in their own country.

At the same time, teachers need, and are seeking out, more efficient methods of compiling and transmitting information to their students, whilst administrators want to ensure budgetary restraint.

Those companies with a digital based curriculum that is cost efficient, and comes with teacher training and certification, face limited competition and have vast opportunities before them.

Digital Curriculum Development

While ESL school development continues to take place, Anterior Education plans to diversify its position within the education sector and focus on generating revenues through the sale of its own digital ESL curriculum named the ILI CLOUD Curriculum (ICC). A registered Wordmark application has been filed.

The Company has been developing the ICC since acquiring ILI in September, 2014. Lessons are ranked within the internationally recognized Common European Frame of Reference (CFER). All course materials are stored in a Google drive program designed for educators. Teachers are able to manage data flow and to restrict documents that may not be edited. Every student has a folder and teachers can access all of the student's work at any given time.

Students use their smart phones, tablets or computers to access and collaborate on classroom work and home study assignments. No more loose paper to keep track of. They can access their course materials individually or share their page and work concurrently with others on the same page at the same time.

Teachers use their device to distribute, retrieve, store and catalogue the students work. Instructors are able to assist students with their studies at home with online guidance to ensure the main theme of lesson is understood. Study sessions from multiple remote locations changes homework from a solitary exercise into a group activity. Students are able to learn from and support their fellow students.

Pilot Projects 2015

Two pilot projects of four weeks each were conducted in Halifax in June, 2015. The programs used the ICC exclusively and were very highly successful. Students commented on how easy the curriculum was to use. Both programs have been reconfirmed for 2016 with plans for an increase in student enrollment.

Curriculum Revenue

Revenues are to be generated by charging students a curriculum fee of $10-12 per month in lieu of the text book fee currently being applied. The business model seeks to attract more than one million users over the next three to five years.

AES is working with the Canadian officials in Chile and Brazil to identify universities, high schools and large ESL providers who may have expressed an interest in implementing ICC. A delegation from AEH traveled to South America in June 2015 to meet officials from companies and institutions which had been recommended by the Consulate. The company is in advanced discussions with several of those parties and a number of pilot projects are pending.

Competitive Advantages

Teacher training has been identified as a central issue of decision makers considering the ICC. Schools and companies alike want to know the curriculum they choose is properly supported. AEH officials are even aware of other examples of where the lack of training & support limited or eliminated opportunities for curriculum sales.

The Company's recognition as an ESL teacher training center was well received in South America and continues to be a prime selling feature of the ICC. Company management intends to exploit its competitive advantage by offering the teacher training and certification free of charge. It is a nominal cost next to the projected revenue that comes from an institution integration the ICC into their study program. So far as can be ascertained, no other ESL curriculum in Brazil or Chile provides this service.

The Company will continue its rich tradition of ESL teacher training to ensure there is adequate support for the ICC. In this regard the Company was recently approved by Cambridge University and the Province of Nova Scotia to provide the highly regarded CELTA (ESL) teacher training both in-class and on-line.

ESL School Locations

ILI and EC are run by experienced professionals with years of practical experience in the industry. The management team is intrinsically involved in the recruitment and education of foreign students in Halifax and in Vancouver. The Company anticipates retaining and maintaining its current ESL locations in Halifax and Vancouver, although this will not significantly contribute to the Company's overall business going forward.

Near Term Focus

Given the vast size of the South American population and the welcoming response to the ICC in June, the Company intends to focus on developing a market penetration in the region before considering other expansion opportunities.

Cost Projection

The projected cost to bring the ICC to profitability is $1.4M. This includes maintaining current operations and continuing to develop industry specific ESL programs in hospitality, business and nursing within the ICC. The projection also anticipates the development of a suitable method by which to manage data flow and retain control over revenues generated through the sale of the ICC.

The company intends to conduct a series of small financings over the calendar year in order for the Company's requirements to be met.

Key Management

Dalton Larson, Michael Hunter, Tom Musial, and Brian Gusko are the Directors of the Company. Michael Hunter is President and CEO, Peter Lee is the CFO.

The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Selected Financial Information

A summary of selected financial information for the period ended June 30, 2015 are as follows:

	Period ended June 30, 2015	**September 30, 2014**
Total assets	1,256,648	791,668
Intangible assets	340,318	250,000
Goodwill	290,575	290,575
Working capital (deficit)	(127,420)	(327,653)
(Deficit)/Equity	(815,243)	(31,519)
Revenue	1,549,302	70,000
(Loss)/Income	(783,724)	20,288
(Loss)/Income per share	(0.03)	0.00

For the period ended June 30, 2015, the Company reported no changes in accounting policy and declared no cash dividends. The working capital deficit of $127,420 includes deferred revenue of $236,507 and shareholder loan of $100,000 which is due to Tom Musial who is the previous owner of ILI and EC. As per the ILI/EC share purchase agreement, this amount will convert to long-term loan starting in October 1, 2015 with an annual interest of 5%.

Results of Operations

During the period ended at June 30, 2015, the Company incurred a net loss of $773,724 ($0.03 per share). The expenses of $276,272 are related to occupancy costs (Halifax campus rent is $34,662/month and the Vancouver campus is $10,872/month), $113,941 related to marketing and advertising, $26,407 related to one-time costs of consulting. The Company incurred $67,390 for professional fees related to purchase of new School in Vancouver and for going public process, $99,717 for office and administration, and $602,584 for salaries and benefits. The professional fees are higher than normal activities due to purchase of two schools in Halifax and Vancouver and since the company is in the process of going public by way of plan of arrangement. Once the company is listed, the legal fees are expected to drop significantly going forward.

On August 7, 2015, the company gave employment termination notices to the General Manager and the Marketing manager at Halifax campus who were past owners of ILI and EC. These roles have been replaced by other current staff members at Halifax and this will save the company an annual reduction of $170,000 per year starting October 1, 2015. Also, the digital curriculum team members have been reduced to only three full time staff starting in August 2015. This will reduce the wages by roughly $12,000 per month starting in August 2015.

Summary of Quarterly Results

	Period Ended	
	June 30, 2015	June 30, 2014
Revenue		
Tuition fees	732,255	-
Testing and other income	817,047	70,000
Total	1,549,302	50,000

Prior to the acquisition of ILI and EC, the company had no tuition or testing revenue.

Testing and other income consists of IELTS testing revenue carried by English Canada at various test centres in the Eastern region of Canada and other revenues including homestay and student activities fees.

The Company recognizes revenue when persuasive evidence of an arrangement exists, the services have been provided to the students, the selling price is fixed or determinable, and collectability is reasonably assured. The Company recognizes tuition fee revenue, net of discounts, on a straight-line basis over the period of instruction. Tuition fees paid in advance of course offerings, net of related discounts and direct costs incurred, are recorded as deferred revenue and recognized in revenue over the period of program.

English Canada personnel will be allocating considerable time and capital resource to the roll out of the digital curriculum platform. This activity is expected to generate financial results in future quarters. Certain development costs for these new initiatives will be expensed out in the future with long term financial return expected in future quarters.

Summary of Operations

	Three months ended June 30, 2015	Three months ended June 30, 2014	Nine months ended June 30, 2015	Nine months ended June 30, 2014
Expenses				
Bank charges	14,756	18	36,954	79
Consulting fees	7,076	24,311	26,407	35,786
Depreciation	9,876	–	16,800	–
Insurance	3,557	–	13,125	–
Marketing and advertising	29,243	–	113,941	10,808
Occupancy costs	74,011	2,000	276,272	2,000
Office and administration	67,397	213	99,717	1,039
Professional fees	56,265	–	67,390	–
Salaries and benefits	279,667	–	602,584	–

Prior to the acquisition of ILI and EC, the company had no schools and thus had limited expenses including occupancy costs, office and administration, and salaries and benefits.

Liquidity and Capital Resources

As at June 30, 2015 the Company had cash of $231,799 and working capital deficit of $127,420 including deferred revenue $236,507 and shareholder loans $100,000.

Going concern

The Company has incurred a net loss in the period in the amount of $783,724. As at June 30, 2015, the Company had a working capital deficit of $127,420 and an accumulated deficit of $815,243. The operating and cash flow results raise uncertainty about the ability of the Company to continue as a going concern.

The continued operations of the Company are dependent on future profitable operations, management's ability to manage costs and the future availability of equity or debt financing. The above facts indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements have been prepared on the basis the Company will operate as a going concern, which contemplates the realization of assets and settlement of liabilities and commitments in the normal course of business. These condensed interim consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company’s shareholders and may result in dilution to the value of such interests.

Contractual Obligations

The Company is committed to minimum rental amounts for a lease for a long-term lease for premises. Halifax campus rent is $34,662/month (7 years left on the lease) and the Vancouver campus is $10,872/month (signed a 5 year lease starting on March 1, 2015).

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Risks and Uncertainties

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company’s credit risk is primarily attributable to cash and cash equivalents and sundry receivable. Cash and cash equivalents balances are held with a reputable financial institution, from which management believes the risk of loss to be remote. Financial instruments included in sundry receivables consist of goods and services tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to financial instruments included in sundry receivable is remote.

b) Liquidity Risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2015, the Company had a cash balance of $231,799 to settle current liabilities of $630,744 including deferred revenue $236,507 and shareholder loans $100,000 which will convert to long-term loan starting October 1, 2015 with an annual interest rate of 5%. All of the Company’s financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

c) Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. A significant change in the currency exchange rates between the Canadian Dollar relative to the US Dollar could have an effect on the Company’s results of operations.

d) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flow or fair values of financial instruments. It arises when the Company invests in interest bearing financial instruments. A 1% change in interest rates would not have a significant impact on the Company. As at June 30, 2015, the Company did not have any significant exposure to interest rate risk.

Related Party Transactions

The foregoing transactions were conducted in the ordinary course of business and recorded at their exchange amounts, which was the consideration paid or received by the Company as agreed to between the related parties. As at June 30, 2015, $Nil (September 30, 2014 - $3,150) were payable officers of the Company and included in accounts payable and accrued liabilities.

Proposed Transactions

The Company anticipates completing a financing by the end of September 2015 of $500,000 for units of the Company at a price of $0.25 per unit (the “$0.25 financing”), each unit comprised of one common share of the Company and one-half of one common share purchase warrant exercisable into one common share of AEH at $0.50 per common share for a period of 24 months.

The Company further anticipates completing a financing after it has listed on the Exchange of $1,000,000 for units of the Company at a price of $0.25 per unit (the “$0.25 financing”), each unit comprised of one common share of the Company and one-half of one common share purchase warrant exercisable into one common share of AEH at $0.50 per common share for a period of 24 months.

Financial Instruments and Other Instruments

The Company’s financial instruments consist of cash, and accounts payable and accrued liabilities. Unless otherwise noted, it is management’s opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Company is not involved in any hedging program, nor is it a party to any financial instruments that may have an impact on its financial position.

Critical Accounting Policies

A detailed summary of all the Company’s significant accounting policies is included in Note 2 to the audited financial statements for the year ended September 30, 2014.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the general operations of the Company and facilitate the liquidity needs of school operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position, capital stock and accumulated deficit.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended June 30, 2015. The Company is not subject to externally imposed capital requirements.

In order to maximize ongoing development efforts, the Company does not pay out dividends.

Outstanding Share Data

The company's authorized capital is unlimited common shares without par value. The following table summarizes the outstanding share capital as of August 17, 2015:

	Number of shares	Exercise price	Expiry date
Issued and outstanding common shares at August 17, 2015	27,209,210		
warrants outstanding	4,408,730	$0.10-0.25	February 4, 2016 to May 1, 2017
Fully diluted at August 17, 2015	31,617,940		

The Company has a stock option plan (the "Plan") for directors, officers, key employees and consultants of the Company. The number of common shares subject to the options granted under the Plan is limited to 10% of the issued and outstanding common shares of the Company and no one person may receive in excess of 5% of the outstanding common shares of the Company Currently no options have been granted or are outstanding.

Management's Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management, and have been approved by the board of directors. The financial statements were prepared by the Company's management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements include certain amounts based on the use of estimates and assumptions.

Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Approval

On August 31, 2015, the Board of Directors of Anterior Education Holdings Ltd. has approved the disclosure contained in this MD&A.