

**ANTERIOR EDUCATION HOLDINGS LTD.**  
**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the periods ended June 30, 2015 and 2014**

**(Expressed in Canadian Dollars)**  
**(Unaudited)**

**ANTERIOR EDUCATION HOLDINGS LTD.**  
Interim Consolidated Statements of Financial Position  
(Expressed in Canadian dollars)  
(Unaudited)

	<b>June 30, 2015</b>	<b>September 30, 2014</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 231,799	\$ 32,311
Available-for-sale investment (Note 4)	1	–
Accounts receivable	127,780	55,742
Prepaid expenses	124,907	65,251
Inventory	18,837	18,944
	<u>503,324</u>	<u>172,248</u>
<b>Non-current assets</b>		
Bond deposit (Note 5)	28,072	28,072
Property and equipment (Note 6)	94,359	50,773
Intangible assets (Note 7)	340,318	250,000
Goodwill	290,575	290,575
	<u>753,324</u>	<u>619,420</u>
<b>TOTAL ASSETS</b>	<b>\$ 1,256,648</b>	<b>\$ 791,668</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 294,237	\$ 228,096
Deferred revenue	236,507	177,654
Loan payable to related party (Note 8)	100,000	94,151
	<u>630,744</u>	<u>499,901</u>
<b>Non-current liabilities</b>		
Convertible debentures	–	170,041
<b>TOTAL LIABILITIES</b>	<b>630,744</b>	<b>669,942</b>
<b>EQUITY</b>		
Share capital (Note 9)	2	–
Reserves	1,441,145	153,245
Deficit	(815,243)	(31,519)
<b>TOTAL EQUITY</b>	<b>625,904</b>	<b>121,726</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 1,256,648</b>	<b>\$ 791,668</b>

Going concern (Note 1)

These interim consolidated financial statements were authorized for issuance by the Board of Directors on September 2, 2015. They are signed on behalf of the Board of Directors by:

“Michael Hunter” (Signed)

Director

“Dalton Larson” (Signed)

Director

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

**ANTERIOR EDUCATION HOLDINGS LTD.**

## Interim Consolidated Statements of Operations and Comprehensive (Loss) Income

(Expressed in Canadian dollars)

(Unaudited)

	Three months ended June 30, 2015	Three months ended June 30, 2014	Nine months ended June 30, 2015	Nine months ended June 30, 2014
<b>Revenue</b>				
Tuition fees	\$ 262,172	\$ –	\$ 732,255	\$ –
Testing and other income	355,785	20,000	817,047	70,000
	<b>617,957</b>	20,000	<b>1,549,302</b>	70,000
<b>Direct costs</b>				
	<b>(345,139)</b>	–	<b>(1,069,836)</b>	–
	<b>272,818</b>	20,000	<b>479,466</b>	70,000
<b>Expenses</b>				
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	–
	<b>541,848</b>	26,542	<b>1,253,190</b>	49,712
<b>Net (loss) income before other expenses</b>	<b>(269,030)</b>	(6,542)	<b>(773,724)</b>	20,288
<b>Other expenses</b>				
Acquisition-date loss	<b>(10,000)</b>	–	<b>(10,000)</b>	–
<b>Net (loss) income and comprehensive (loss) income for the period</b>	<b>\$ (279,030)</b>	\$ (6,542)	<b>\$ (783,724)</b>	\$ 20,288
<b>Basic and diluted (loss) earnings per share</b>	<b>\$ (0.01)</b>	\$ (0.00)	<b>\$ (0.03)</b>	\$ 0.00
<b>Weighted average number of shares outstanding</b>	<b>5,986,310</b>	–	<b>1,995,437</b>	–

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

**ANTERIOR EDUCATION HOLDINGS LTD.**

## Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

(Unaudited)

	Share capital		Reserves	Retained Earnings (Deficit)	Total
	Number	Amount			
Balance at September 30, 2013	–	\$ –	\$ 36	\$ (4,272)	\$ (4,236)
Funding and expenses paid by BHR Capital Corp.	–	–	17,500	–	17,500
Net loss for the period	–	–	–	20,288	20,288
<b>Balance at June 30, 2014</b>	<b>–</b>	<b>\$ –</b>	<b>\$ 17,536</b>	<b>\$ 16,016</b>	<b>\$ 33,552</b>
Balance at September 30, 2014	–	\$ –	\$ –	\$ –	\$ –
Shares issued for cash	10,000	50	–	–	50
Share issued under Plan of Arrangement with BHR Capital Corp.	27,209,210	2	1,342,199	(31,519)	1,310,682
Shares cancelled per plan of arrangement	(10,000)	(50)	50	–	–
Share-based compensation	–	–	98,896	–	98,896
Net loss for the period	–	–	–	(783,724)	(783,724)
<b>Balance at June 30, 2015</b>	<b>27,209,210</b>	<b>\$ 2</b>	<b>\$ 1,441,145</b>	<b>\$ (815,243)</b>	<b>\$ 625,904</b>

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

**ANTERIOR EDUCATION HOLDINGS LTD.**

## Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

(Unaudited)

	Nine months ended June 30, 2015	Nine months ended June 30, 2014
<b>Cash flows from operating activities</b>		
Net (loss) income for the period	\$ (783,724)	\$ 20,288
Items not affecting cash:		
Depreciation	16,800	–
Share-based compensation	98,896	–
Changes in non-cash working capital items:		
Accounts receivable	(72,038)	(1,250)
Prepaid expenses	(59,656)	(15,650)
Inventory	107	–
Accounts payable and accrued liabilities	68,141	466
Deferred revenue	58,853	–
	<u>(672,621)</u>	<u>3,854</u>
<b>Cash flows from investing activities</b>		
Funding and expenses paid by BHR Capital Corp.	1,016,964	17,500
Purchase of property and equipment	(60,386)	–
Digital curriculum development costs	(90,318)	–
	<u>866,260</u>	<u>17,500</u>
<b>Cash flows from financing activities</b>		
Advances to shareholders	–	(30,549)
Proceeds from loan	5,849	–
	<u>5,849</u>	<u>(30,549)</u>
<b>Increase (decrease) in cash</b>	<b>199,488</b>	<b>(9,195)</b>
<b>Cash, beginning of period</b>	<b>32,311</b>	<b>11,105</b>
<b>Cash, end of period</b>	<b>\$ 231,799</b>	<b>\$ 1,910</b>
<b>Supplemental cash flow information</b>		
Cash paid for interest	\$ –	\$ –
Cash paid for taxes	\$ –	\$ –

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

**ANTERIOR EDUCATION HOLDINGS LTD.**  
 Notes to Interim Consolidated Financial Statements  
 For the Periods Ended June 30, 2015 and 2014  
 (Expressed in Canadian dollars)  
 (Unaudited)

**1. GENERAL INFORMATION AND GOING CONCERN**

**a) Description of the 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 Canadian English as a Second Language (“ESL”) education and 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 wholly-owned subsidiaries 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.

**b) 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 deficiency 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.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of preparation**

These interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. In addition, these interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The presentation and functional currency of the Company is the Canadian dollar.

In the opinion of the Company’s management, all adjustments considered necessary for a fair presentation have been included.

**b) Basis of consolidation**

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

**ANTERIOR EDUCATION HOLDINGS LTD.**  
 Notes to Interim Consolidated Financial Statements  
 For the Periods Ended June 30, 2015 and 2014  
 (Expressed in Canadian dollars)  
 (Unaudited)

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c) Basis of consolidation (continued)**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany transactions and balances are eliminated on consolidation.

**d) Use of judgments and estimates**

The preparation of financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the interim consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future.

Significant areas requiring the use of estimates include the useful life and amortization of property and equipment, carrying value of intangible assets and goodwill, measurement of share-based payments, and deferred income tax asset valuation allowances. Judgements made by management in the application of IFRS that have a significant effect on the financial statements include the factors supporting the capitalization and recoverability of property and equipment, intangible assets and goodwill, and inputs into the calculation of the fair value of share-based payments.

**e) Financial instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company's financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Company's designation of such instruments.

Classification choices for financial assets include:

- Fair value through profit or loss ("FVTPL"): measured at fair value with changes in fair value on re-measurement recorded in net income or loss;
- Held to maturity: non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity and are recorded at amortized cost with gains or losses recognized in net income or loss in the period that the asset is derecognized or impaired;
- Available-for-sale: non-derivative financial assets not classified in any other category; and are measured at fair value with changes in fair value recognized in other comprehensive income for the current period until realized through disposal or impairment; and
- Loans and receivables: non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are measured at amortized cost with gains and losses recognized in net income or loss in the period that the financial asset is derecognized or impaired.

Financial instruments include cash, available-for-sale investment, accounts receivables, bond deposit, accounts payable and accrued liabilities, and loan payable to related party. Cash is classified as FVTPL, available-for-sale investment is classified as available-for-sale, accounts receivable is classified as loans and receivable, bond deposit is classified as held to maturity, and accounts payable and accrued liabilities and loan payable to related party are classified as other financial liabilities.

**ANTERIOR EDUCATION HOLDINGS LTD.**  
Notes to Interim Consolidated Financial Statements  
For the Periods Ended June 30, 2015 and 2014  
(Expressed in Canadian dollars)  
(Unaudited)

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**f) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, and deposits held with Canadian registered banks with original maturities of three months or less.

**g) Inventory**

Inventory is measured at the lower of cost and net realizable value. The cost of inventory is based on the first-in first-out principle, and includes expenditures incurred in acquiring the inventory, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Inventory consists of books and CD products that are recorded at the lower of cost and net realizable value. Costs are mainly printing cost and material cost. Net realizable value is calculated as the estimated selling price in the ordinary course of business less the estimated costs of completion, discounts, commissions and other selling expenses necessary to make the sale.

**h) Property and equipment**

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Where the costs of certain components of property and equipment are significant in relation to the total cost of the item, they are accounted for and depreciated separately. Depreciation expense is recognized in earnings using the depreciation rates as follows:

- Furniture and office equipment - 5 years straight-line basis
- Computer equipment - 50% diminishing balance basis
- Leasehold improvements - 6 years straight-line basis

The Company reviews the depreciation rate and the depreciation method at each reporting date.

**i) Intangible assets**

The Company's finite life and indefinite life intangible assets are recorded at their cost which, for intangible assets acquired in business combinations, represents the fair value at the acquisition date. Indefinite life intangible assets, which include trade names, are not subject to depreciation and are tested for impairment annually or when indicated by changes in events or circumstances. An impairment of an indefinite life intangible asset is recorded when, and to the extent that, the carrying value of an indefinite life intangible asset exceeds the fair value of the related indefinite life intangible asset with fair values of the indefinite life intangible assets being determined pursuant to generally accepted valuation methodologies.

Finite life intangible assets, which includes curriculum, are carried at cost less accumulated depreciation and impairment. The asset is depreciated over five years on a straight-line basis, being its estimated useful life. Finite life intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable through future discounted net cash flows from the use or disposal of the related finite life intangible asset.



**ANTERIOR EDUCATION HOLDINGS LTD.**  
Notes to Interim Consolidated Financial Statements  
For the Periods Ended June 30, 2015 and 2014  
(Expressed in Canadian dollars)  
(Unaudited)

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**j) Goodwill**

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the identifiable assets acquired, less liabilities assumed, based on their fair values. Goodwill is allocated as of the date of the business combination to the Company's cash generating units that are expected to benefit from the synergies of the business combination. Goodwill is not depreciated and is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. Specifically, goodwill impairment is determined comparing the fair values of each cash generating unit to its carrying amount, including goodwill. If the fair value of each cash generating unit exceeds its carrying amount, goodwill is not considered to be impaired and the second step will not be required. If the carrying amount of a cash generating unit exceeds its fair value; the second step compares the implied fair value of goodwill to the carrying value of the cash generating unit's goodwill.

The implied fair value of goodwill is determined in a manner similar to accounting for a business combination with the allocation of the assessed fair value determined to the assets and liabilities of the cash generating unit. The excess of the fair value of the cash generating unit over the amounts assigned to the assets and liabilities is the implied fair value of goodwill. An impairment loss is recognized for any excess in the carrying value of goodwill over the implied fair value of goodwill. Estimating fair value is performed by utilizing various valuation techniques, with the primary technique being a discounted cash flow analysis. The Company plans to perform the impairment test annually.

**k) Revenue recognition**

Revenue from a contract to provide service is recognized by reference to the stage of completion of the contract. Tuition fee revenue, net of discounts, is recognized on a straight-line basis over the period of instruction. Tuition fees paid in advance of course offerings, net of related discounts, are recorded as deferred revenue and recognized in revenue over the period of instruction.

Non-operating and other income such as internship fees, homestay service, and interest are recognized when earned.

**l) Earnings (loss) per share**

Basic earnings (loss) per common share is computed by dividing their respective net income (loss) by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per common share is determined by adjusting the respective weighted average number of common shares outstanding for the effects of all potentially diluted common share options and warrants. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive.

**m) Comprehensive loss**

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations. The Company does not have items representing comprehensive income or loss.

**ANTERIOR EDUCATION HOLDINGS LTD.**  
 Notes to Interim Consolidated Financial Statements  
 For the Periods Ended June 30, 2015 and 2014  
 (Expressed in Canadian dollars)  
 (Unaudited)

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**n) Share-based payments**

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled, share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

**o) Income taxes**

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded 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. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of financial position.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets against deferred tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**p) New standards and interpretations**

Certain pronouncements have been issued by the IASB, or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after July 1, 2016 or later years.

- New standard IFRS 9, “*Financial Instruments*”

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements. 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 consolidated financial statements.

**ANTERIOR EDUCATION HOLDINGS LTD.**  
 Notes to Interim Consolidated Financial Statements  
 For the Periods Ended June 30, 2015 and 2014  
 (Expressed in Canadian dollars)  
 (Unaudited)

**3. SHARE EXCHANGE**

On February 6, 2015, the Company's wholly-owned subsidiary, BHR Capital Corp. ("BHR"), entered into a Letter Agreement, as amended on March 11, 2015, and April 16, 2015, for the acquisition of Anterior Education Systems Ltd. ("AES"), whereby AES would become a wholly-owned subsidiary of BHR.

On April 22, 2015, the Letter Agreement closed and BHR acquired all of the issued and outstanding shares of AES in exchange for the issuance of 12,844,110 common shares. Upon closing, the former shareholders of AES held 54% voting control of BHR. As a result of the Letter Agreement, the former shareholders of AES, for accounting purposes, are considered to have acquired control of BHR. Accordingly, the Letter Agreement has been accounted for as a reverse takeover that was not a business combination and effectively a capital transaction of BHR. As AES is deemed to be the accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on June 28, 2013, are included in the interim consolidated financial statements at their historical carrying value. The interim consolidated financial statements are a continuation of AES in accordance with IFRS 3, *Business Combinations*. The results of operations of BHR are included from April 22, 2015, onwards. At the time of the execution of the Arrangement, BHR had net assets totalling \$69,518, consisting of cash of \$77,559 and payable of \$8,041.

**4. PLAN OF ARRANGEMENT**

On April 14, 2015, the Company entered into an Arrangement Agreement (the "Arrangement") with BHR Capital Corp. ("BHR") and Cervantes Capital Corp. ("Cervantes"). On June 10, 2015, the shareholders of the Company, BHR and Cervantes executed the Arrangement, as follows:

- a) BHR acquired all of the 10,000 issued and outstanding common shares of the Company from Cervantes (the "Purchase Shares") for the purchase price of \$10,000 (paid);
- b) BHR and the Company exchanged securities on a 1:1 basis, such that all the outstanding common shares of BHR were exchanged by their holders for the same amount of shares of the Company;
- c) the Company issued 396,600 common shares to Cervantes in exchange for 1,000 common shares of Cervantes (collectively the "Exchange Shares"), by which the Company became a reporting issuer;
- d) the Exchange Shares were issued as a dividend to the Cervantes shareholders as of the record date on a pro rata basis; and
- e) the Purchase Shares were cancelled.

As a result of the Arrangement, the former shareholders of BHR, for accounting purposes, are considered to have acquired control of the Company. Accordingly, the Arrangement has been accounted for as a reverse takeover that was not a business combination and effectively a capital transaction of the Company. As BHR is deemed to be the accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on December 3, 2014, are included in the interim consolidated financial statements at their historical carrying value. The interim consolidated financial statements are a continuation of BHR in accordance with IFRS 3, *Business Combinations*. The Company's results of operations are included from June 10, 2015, onwards. At the time of the execution of the Arrangement, the Company had net assets totalling \$Nil.

**5. BOND DEPOSIT**

As at June 30, 2015, the Company has a bond held at the Canadian Imperial Bank of Commerce as a letter of credit for the beneficiary of the Minister of Finance for the Province of Nova Scotia on behalf of the Private Career Colleges Division in the amount of \$28,072.

**ANTERIOR EDUCATION HOLDINGS LTD.**  
Notes to Interim Consolidated Financial Statements  
For the Periods Ended June 30, 2015 and 2014  
(Expressed in Canadian dollars)  
(Unaudited)

**6. PROPERTY AND EQUIPMENT**

<b>Cost</b>	<b>Furniture and office equipment</b>	<b>Computer equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
Balance, September 30, 2014	\$ 24,767	\$ 1,238	\$ 24,768	\$ 50,773
Additions	–	47,599	12,787	60,386
<b>Balance, June 30, 2015</b>	<b>\$ 24,767</b>	<b>\$ 48,837</b>	<b>\$ 37,555</b>	<b>\$ 111,159</b>

<b>Accumulated depreciation</b>	<b>Furniture and office equipment</b>	<b>Computer equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
Balance, September 30, 2014	\$ –	\$ –	\$ –	\$ –
Depreciation	3,715	9,389	3,696	16,800
<b>Balance, June 30, 2015</b>	<b>\$ 3,715</b>	<b>\$ 9,389</b>	<b>\$ 3,696</b>	<b>\$ 16,800</b>

<b>Net carrying amounts</b>	<b>Furniture and office equipment</b>	<b>Computer equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
Balance, September 30, 2014	\$ 24,767	\$ 1,238	\$ 24,768	\$ 50,773
<b>Balance, June 30, 2015</b>	<b>\$ 21,052</b>	<b>\$ 39,448</b>	<b>\$ 33,859</b>	<b>\$ 94,359</b>

**7. INTANGIBLE ASSETS**

The changes in the carrying amount of intangible assets are shown below:

<b>Curriculum</b>	
Balance, September 30, 2014	\$ 50,000
Additions	90,318
Balance, June 30, 2015	\$ 140,318
<b>Trade name</b>	
Balance, September 30, 2014	\$ 200,000
Additions	–
Balance, June 30, 2015	\$ 200,000
<b>Total intangible assets</b>	<b>\$ 340,318</b>

**8. RELATED PARTY TRANSACTIONS**

During the nine months ended June 30, 2015, short-term benefits of \$144,500 were paid comprising of wages.

At June 30, 2015, the Company was indebted to a director of the Company for \$100,000, pursuant to a promissory note dated September 30, 2014. The amount is non-interest bearing, unsecured and due on September 30, 2015.

**ANTERIOR EDUCATION HOLDINGS LTD.**  
Notes to Interim Consolidated Financial Statements  
For the Periods Ended June 30, 2015 and 2014  
(Expressed in Canadian dollars)  
(Unaudited)

**9. SHARE CAPITAL**

**a) Authorized**

Unlimited number of common shares without par value.

**b) Issued and outstanding**

On April 14, 2015, the Company issued 10,000 shares for proceeds of \$50.

On June 10, 2015, the Company issued 26,812,610 common shares to the shareholders of BHR Capital Corp. on a 1:1 basis pursuant to an Arrangement Agreement (Note 4). In connection with the Arrangement Agreement, the Company cancelled 10,000 common shares which were previously outstanding and issued 396,600 common shares in exchange for 1,000 shares of Cervantes Capital Corp.

**10. SHARE PURCHASE WARRANTS**

The following table summarizes information about the warrants issued for the period ended June 30, 2015:

	Number of warrants	Weighted average exercise price \$
Outstanding, April 14, 2015	–	–
Issued	4,408,730	0.16
<b>Outstanding, June 30, 2015</b>	<b>4,408,730</b>	<b>0.16</b>

The following table summarizes information about warrants outstanding as at June 30, 2015:

Exercise Price	Expiry date	Warrants outstanding
\$ 0.10	February 25, 2016	1,075,000
\$ 0.10	March 6, 2016	625,000
\$ 0.10	April 15, 2016	525,000
\$ 0.10	April 17, 2016	375,000
\$ 0.25	April 22, 2017	736,600
\$ 0.25	May 1, 2017	1,072,130
		<b>4,408,730</b>

**11. STOCK OPTIONS**

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees and consultants of the Company to a maximum of 10% of the issued and outstanding common shares and no one person may receive in excess of 5% of the outstanding common shares of the Company. The exercise price of each option is set by the Board of Directors at the time of grant but cannot be less than \$0.10 per share or the market price (less permissible discounts) on the Canadian Securities Exchange (“CSE”). Options can have a maximum term of five years. Vesting of options is at the discretion of the Board of Directors at the time the options are granted.

**ANTERIOR EDUCATION HOLDINGS LTD.**  
Notes to Interim Consolidated Financial Statements  
For the Periods Ended June 30, 2015 and 2014  
(Expressed in Canadian dollars)  
(Unaudited)

**11. STOCK OPTIONS (continued)**

The following table summarizes the continuity of the Company's stock options:

	Number of stock options	Weighted average exercise price \$
Outstanding, April 14, 2015	–	–
Granted	1,200,000	0.10
<b>Outstanding, June 30, 2015</b>	<b>1,200,000</b>	<b>0.10</b>

Additional information regarding stock options outstanding as at June 30, 2015, is as follows:

Exercise price \$	Number of stock options	Outstanding		Exercisable	
		Weighted average remaining contractual life (years)	Weighted average exercise price \$	Number of stock options	Weighted average exercise price \$
0.10	1,200,000	4.8	0.10	1,200,000	0.10

The fair values for stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends and the following weighted average assumptions:

	2015
Risk-free interest rate	0.73%
Expected life (in years)	5
Expected volatility	120%

The fair value of stock options vested during the period ended June 30, 2015, was \$98,896 which has been included in salaries and benefits. The weighted average fair value of stock options granted during the period ended June 30, 2015, was \$0.08 per stock option.

**12. RISK MANAGEMENT**

**i) Risk management overview**

The Company's activities are exposed to a variety of financial risks such as credit risk, liquidity risk, and market risk. This section contains information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company employs risk management strategies and policies to ensure that any exposures to risk are in compliance with the Company's business objectives and risk tolerance levels.

**ANTERIOR EDUCATION HOLDINGS LTD.**  
Notes to Interim Consolidated Financial Statements  
For the Periods Ended June 30, 2015 and 2014  
(Expressed in Canadian dollars)  
(Unaudited)

**12. RISK MANAGEMENT (continued)**

**ii) Fair value of financial instruments**

The fair values of cash, available-for-sale investment, accounts receivable, accounts payables and accrued liabilities, and loan payable to related party approximate their carrying values due to the short term maturity of those instruments. The fair value of the bond deposit approximates its carrying value as it bears interest at market floating rates or fixed rates consistent with market rates for similar instruments.

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly, and are based on valuation models and techniques where the inputs are derived from quoted indices. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

**iii) Credit risk**

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash, and accounts receivables. The Company's maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company reduces its credit risk by: maintaining its bank accounts at large financial institutions, and monitoring accounts receivables. The Company has no past due or impaired receivables.

**iv) Liquidity risk**

Liquidity risk is the risk of the Company's inability to meet its financial obligations as they come due. As at June 30, 2015, the Company had a working capital deficiency of \$127,420. The Company is focused on generating more revenue and is actively pursuing additional sources of financing to ensure that it can meet its on-going operating requirements and planned capital expenditures. The Company has no current commitments for capital expenditures as of the date hereof. There is no assurance that the Company will be successful in these initiatives.

**v) Currency risk**

The Company is not currently exposed to the financial risk related to the fluctuation of foreign exchange rates.

**vi) Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. It arises when the Company invests in interest bearing financial instruments. As at June 30, 2015, the Company did not have any financial instruments subject to significant interest rate risk.

**vii) Capital management**

The Company defines capital as share capital, reserves and deficit. The Company's objective is to ensure that capital resources are readily available to meet its approved capital expenditure program and to take advantage of attractive acquisition opportunities as they arise.

The Company sets its capital structure in proportion to risk. The Company continually monitors economic and general business conditions and makes adjustments accordingly to maintain or adjust the capital structure. For the capital structure, the Company may purchase and cancel shares pursuant to issuer bids or issue new shares. In order to maximize on-going development efforts, the Company does not pay out dividends.

**ANTERIOR EDUCATION HOLDINGS LTD.**  
Notes to Interim Consolidated Financial Statements  
For the Periods Ended June 30, 2015 and 2014  
(Expressed in Canadian dollars)  
(Unaudited)

**13. COMMITMENTS**

As at June 30, 2015, the Company had two leases for school facilities.

The future minimum lease payments as of June 30, 2015, under the leases are:

2015	\$	125,668
2016		502,671
2017		511,785
2018		511,785
2019		520,898
		<hr/>
	\$	2,172,807
		<hr/>