ANTERIOR EDUCATION HOLDINGS LTD.

Management's Discussion and Analysis
For the Year Ended September 30, 2015
Prepared as of December 23, 2015

<u>Contact Information</u>
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General

The following discussion and analysis, prepared as of December 23, 2015 should be read together with the audited financial statements for the year ended September 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

The Company was incorporated in the Province of British Columbia on April 14, 2015 under the *Business Corporations Act* (British Columbia). The Company's principal business focuses on Canadian English as a Second Language ("ESL") education and licensing of its digital curriculum, which the Company has named the "*Cloud Nine ESL Program*" to ESL providers including independent ESL 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, including its wholly-owned subsidiaries, became a wholly-owned subsidiary of the Company. The Company's registered office is at Suite 900, 549 Howe Street, Vancouver, British Columbia V6C 2C2.

The 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 generates approximately $6.5 billion per year, employing over 83,000 people. The ESL market in particular generates approximately $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 businesses 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.

However, 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 worldwide proliferation of the smart phone, the tablet and the computer, today's 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. The Company's management is of the view that in today's international ESL market, 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.

Overall Performance

Digital Curriculum Development

While continuing to increase enrolment at its own ESL school, the Company plans to diversify its position within the education sector and focus on generating revenues through the sale of its own digital ESL curriculum, the Cloud Nine ESL Program, as mentioned above. The Company has been developing the Cloud Nine ESL Program since its acquisition of ILI in September, 2014. Lessons are ranked within the internationally recognized Common European Frame of Reference ("CEFR"), as designed by the Council of Europe[1] to provide a transparent, coherent and comprehensive basis for the elaboration of language syllabuses and curriculum guidelines, the design of teaching and learning materials, and the assessment of foreign language proficiency. 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 a 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 textbooks to carry around and no more loose paper to keep track of. Students 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 devices 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 themes of lessons are 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.

ESL School Locations

The Company's management team is intrinsically involved in the recruitment and education of foreign students in Vancouver, BC. The Company anticipates retaining and maintaining its current ESL location

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[1] *Common European framework of reference for languages: learning, teaching assessment <http://www.coe.int/t/dg4/linguistic/cadre1_en.asp>*

in Vancouver, although this will not significantly contribute to the Company's overall business going forward.

On October 23, 2015, the Company entered into Share Purchase Agreement to sell all of the issued and outstanding securities of ILI to an arms-length third party as the Company's management determined that the Halifax, NS, campus run by ILI was no longer sustainable, due to a couple of main reasons: certain funding previously available for the Halifax school through a scholarship program provided by Saudi Arabia was discontinued and there was difficulty attracting new ESL students to the location.

Pilot Projects 2015

Two pilot projects comprised of four weeks each were conducted in Halifax in June, 2015. The programs used the Cloud Nine ESL Program exclusively and were highly successful. Students commented on how easy the curriculum was to use. Both programs have been reconfirmed for 2016 with plans and enrollment is already 20% above the 2015 contingent with several months left to market to program and attract more students.

Curriculum Revenue

Revenues are to be generated by charging students a curriculum fee of $10 to $12 per month in lieu of the text book fee currently being applied. Schools which integrate the Cloud 9 ESL Program into the course they offer will share in the revenues generated by their students as noted subsequently. The business model requires 5,000 users to cover ongoing development, marketing and costs of delivery with the objective of attracting up to one million users over the next five years.

The Company 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 the Cloud Nine ESL Program. A delegation from the Company traveled to South America in June 2015 to meet officials from companies and institutions which had been recommended by Canadian consulates in Santiago, Chile and in São Paulo and Rio de Janeiro in Brazil. The Company is in advanced discussions with several of those parties and a number of pilot projects are pending; however, for reasons described below, the Company has decided to focus on the Mexican market as opposed to the Chilean market for the foreseeable future.

Future plans and outlook

The past 12- to 18-month period has demonstrated that the ESL market in Canada will be a difficult one in which to benefit shareholders solely through a consolidation of ESL schools across the country. There are many reasons for this, including: a finite number of students coming to Canada to learn ESL juxtaposed with an overabundance of schools to facilitate their interests; schools outside of Vancouver and Toronto markets that have proven to be extremely difficult to operate profitably within; agents who recruit students for Canadian ESL schools at a cost of 25 to 40% of tuition; and the rising cost of teachers and the ever increasing expenses associated with overseas marketing.

Perhaps the best examples of failure to profit from a consolidation of ESL schools is shown by the attempts of other public companies to consolidate ESL assets in Canada. These undertakings led to significant financial losses by the said public entities resulting in a vast erosion in shareholder valuation. For its own part, the Company has suffered a similar result since commencing ESL operations in September 2014 and recently determined it was in the Company's best interest to divest itself of its Halifax ESL assets, being the sale of ILI, which took place in October 2015. The Company also determined at the time of the sale of ILI that it was not economically viable for EC, one of the subsidiaries of AES, to continue providing the IELTS test in Atlantic Canada.

The Company's management team is of the view that every attempt to consolidate or otherwise benefit from ESL assets in Canada will meet with the same result unless a fundamental element is added or changed that provides an opportunity to differentiate the Company from other ESL providers, such as the addition of a significant and reoccurring revenue stream outside of simple tuition and an ability to generate revenues outside of simply teaching ESL to students in Canada.

While there are hundreds of ESL schools in Canada competing to teach English to domestic students and the 30,000 to 50,000 foreign students who come here to study each year, there are very few ESL curriculum developers who endeavour to meet the needs of hundreds of millions of students internationally who seek to develop their English language skills. When one seeks to locate curriculum developers who provide digital based ESL study programs, the number is only a select few.

With this understanding in place, the Company's management team believes the best opportunity to develop into a profitable operation is to position itself as a digital based ESL curriculum developer and provider for students studying English in Canada and around the world.

There are several reasons the Company has arrived at this decision. First, today's typical ESL student wants a more dynamic, interactive and up to date current curriculum than can be provided through traditional text book study programs. Second, such a curriculum will clearly differentiate the Company from other ESL providers. Third, it will relieve the Company of the ongoing expenses related to recruiting ESL students as well as the costs associated with the instructors required to deliver the programs. Fourth, and most importantly, a digital curriculum will enable the Company to generate a very strong, recurring revenue stream with a high margin of profitability. Once the base digital curriculum is developed, it requires limited personnel to keep it going whilst continuing to add additional ESL schools, universities and technical institutes to its client base.

Company target and the timeline (digital curriculum development and pilot projects, etc.)

As noted under the heading above, "*Digital Curriculum Development*", the Company has spent the past 12 months developing its own, proprietary, digital based ESL curriculum called the Cloud Nine ESL Program. The system is based on the CEFR (defined above), which determines ESL proficiency and is recognized around the world as an effective tool for evaluating English language abilities.

Following two highly successful demo programs delivered in Halifax in July 2015, as mentioned above under the heading "*Pilot Projects 2015*", the Company has designed two, 6 week pilot curriculums that prospective institutions can use at no cost to test Cloud 9 ESL Program in order to ensure it meets its administrative and academic objectives. It is important to understand that a change in curriculum is not a simple decision for school administrators to make. Institutions will want to test and review any new studies program before replacing the one currently being used. The aforementioned pilot curriculums are thorough, comprehensive and specifically designed to meet this criteria.

Following a marketing research trip to South America in June 2015, the Company determined that it should continue to focus on the Brazilian market and also, instead of the Chilean market, the Mexican market, in order to develop its initial client base. The reason for selecting these two countries is due to the size of their population (280 million and 120 million people, respectively), their low ESL proficiency, and the ongoing interest in developing ESL skills. Management noted that Mexico has a population of 120 million versus 20 million in Chile. Other reasons for choosing to focus on the Mexican versus Chilean market include that the Company has an active distributor in Mexico who is keen to sell the Cloud Nine ESL Program and that the new Liberal government in Canada has officially stated the visa requirements for Mexican visitors and students will be lightened, which will make it much easier for ESL students to come to Canada.

In order to achieve the best possible understanding of, and maximum penetration into these markets, the Company will work with regional distributors for a couple of reasons. First, the Company will benefit from their market understanding and cultural sensitivities and second, using regional distributors provides a measure of comfort and security for prospective clients.

In Brazil, the Company will work with Target Language Services ("Target Language"), located in São Paulo. Target Language has been operating an ESL school in São Paulo for more than 20 years, is highly regarded and has an ESL teacher training program that complements the Cloud Nine ESL Program very well. Schools that integrate the Cloud Nine ESL Program will receive training in how to use the program as well as ESL training and certification at no additional cost.

In Mexico, the Company will work with the management team at You Can Learn ("YCL"), which assists with recruitment of students and connections with ESL providers. The senior principal at YCL has been operating in the Mexican market for more than 5 years and has developed a reputation as a well-respected provider of international education services.

Working in tandem with these distributors, the Company will utilize the services of the Canadian government embassies and consulates to assist in securing introductions to prospective and interested parties as the Company did during the marketing trip to South America in 2015.

The Company is currently completing its first pilot program in Brazil and already has two more pilot projects scheduled to commence in Mexico in February, 2016. Going forward, the Company anticipates that, between Brazil and Mexico, it will generate two to four pilot programs per month, beginning in February, 2016. The Company expects to continue this trend from February through June 2016, at which time 10 to 20 pilot programs will have been started or completed. Given that institutions will not undertake the pilot program unless there is genuine interest in adopting a digital curriculum to begin with, the Company expects that at least one out of every four pilot programs will result in a successful integration of the Cloud Nine ESL Program.

While some institutions the Company met with in June, 2015 had in excess of 100,000 students, the more common enrolment is expected to range from 1,000 to 10,000 students with a mean of 1,500 to 2,000 students. Using this more conservative scale, the Company expects to have between 5,000 to 10,000 users by December, 2016.

The Company intends to charge users $10 per month per user in South America to access the Cloud Nine ESL Program for a period of 10 months per year to properly account for any holiday periods. In North America the monthly fee is anticipated to be $45 per month per user and in South Korea, Japan and the Middle East the Company expects to charge $25 per month, per user. Students at the Company's Vancouver ESL school currently pay $65 per month for textbooks and materials.

Student users will subscribe to the program directly through the Company's website and the curriculum fee will replace the textbook fee currently being charged. Of this fee, 15% will go to the distributor, who will share in the cost of technical support with the Company. An additional 10% of the fee will be provided to the institutions that integrate the Cloud Nine ESL Program. A further 15% of the fee will be used to cover the cost of staffing and ongoing development and 20% will be allocated towards promotion and technical support.

The Company intends to continue operating its ESL school in Vancouver and will seek to expand into the Toronto market once a listing on a Canadian securities exchange has been secured. These schools will serve two important functions for the Company. The first is to provide a practical place in which to test and refine ongoing curriculum content, pedagogy and methodology. The second is to provide a showroom of sorts for the Cloud Nine ESL Program. The Company does not intend to expand outside of these two markets for the reasoning provided in this analysis.

Competitive Advantages

Teacher training has been identified as a central issue of decision makers considering the Cloud Nine ESL Program and companies alike want to know the curriculum they choose is properly supported. The Company officials are even aware of other examples of where the lack of training and 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 Cloud Nine ESL Program. The Company's management intends to take advantage of 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 integrating the Cloud Nine ESL Program into their study program. As far as management has determined so far, no other ESL curriculum in Brazil or Chile currently provides this service.

The Company will continue its rich tradition of ESL teacher training to ensure there is adequate support for the Cloud Nine ESL Program. In this regard, the Company was recently approved by Cambridge University in Vancouver, BC and in Nova Scotia to provide the highly regarded Certificate in English Language Teaching to Speakers of Other Languages (CELTA) teacher training both in-class and on-line.

Short-Term Focus

Given the vast size of the South American population and the welcoming response to the Cloud Nine ESL Program in June 2015, 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 Cloud Nine ESL Program to profitability is $1.3 million. This estimate includes maintaining current operations and continuing to develop industry specific ESL programs in hospitality, business and nursing within the Cloud Nine ESL Program. 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 Cloud Nine ESL Program.

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

Selected Financial Information

A summary of selected financial information for the year ended September 30, 2015 is as follows:

	Year ended September 30, 2015
Total assets	788,601
Intangible assets	413,711
Goodwill	-
Working capital (deficit)	(252,334)
(Deficit)/Equity	(61,660)
Revenue	1,262,704
(Loss)/Income	(1,571,288)
(Loss)/Income per share - continuing	(0.45)
(Loss)/Income per share - discontinued	(0.34)

For the year ended September 30, 2015, the Company reported no changes in accounting policy and declared no cash dividends. As at September 30, 2015 the Company had cash of $12,873 and working capital deficit of $252,334, which includes deferred revenue of $107,148. The Company plans to raise more capital once its common shares are approved to trade on a Canadian securities exchange.

The increase in intangible assets is due to the addition of the new Cloud Nine ESL Program, which the Company is currently developing. The Company estimates that the project as a whole is roughly 50% complete.

Summary of Quarterly Results

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.

	4th Quarter	3rd Quarter
Three months ended	**Sep 30, 2015**	**Jun 30, 2015**
Tuition fees	222,569	262,172
Testing and other income	59,811	355,785
Direct costs	274,075	345,139
Expenses	291,592	(541,848)
Other expenses	(296,709)	(10,000)
Impairment of goodwill	(290,575)	-
Net loss	463,358	(279,030)
Loss per share-basic and diluted	0.01	0.01

The Company became a reporting issuer after completing the Arrangement with BHR and Cervantes on June 10, 2015. Prior to this date, the Company had not prepared quarterly financial statements and thus have not been provided.

The fourth quarter financial results do not include the results of ILI as the results of operations of ILI have been classified as discontinued operations. The loss related to ILI for the year ended September 30, 2015 is $677,024.

The decrease in testing and other income: In July 2015, the Company closed all of its International English Language Testing System ("IELTS") test centres, which were run by EC, including its Vancouver centre, due to uneconomical conditions. The costs to carry out the tests were too high in the Atlantic region and the weakening of the Canadian dollar against the British Pounds (decrease of more than 30% in the last 3 years) made it financially unviable for the Company to keep offering the IELTS tests.

Other expenses of $296,709 include impairment of goodwill $290,575 (from the purchase of ILI).

The Company's results for 2015 are discussed throughout this document, with further information disclosed for previous quarters within the respective quarterly financial statements and related management's discussion and analysis filed under the Company's profile on SEDAR.

Results of Operations

During the year ended at September 30, 2015, the Company incurred a net loss of $1,571,288. The Company incurred $78,428 for professional fees related to a purchase of a new school in Vancouver and with respect to the going public process. The professional fees are higher than would typically be incurred due to the purchase of ILI and EC, with operations in Halifax, and the opening of a Vancouver campus.

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.

On August 7, 2015, the Company gave employment termination notices to the General Manager and the Marketing Manager at the Halifax campus, who were past owners of ILI and EC. Also, the Cloud Nine ESL Program team members have been reduced to only two full time staff in October 2015. This will reduce the wages by roughly $15,000 per month starting in November 2015.

As mentioned above, subsequent to September 30, 2015, the Company entered into an agreement to sell all of the issued and outstanding securities of ILI to an arms-length third party. During the year ended September 30, 2015, the Company recognized impairment of the goodwill of $290,575, due to the sale of ILI.

Liquidity and Capital Resources

As at September 30, 2015, the Company had cash of $12,873 and a working capital deficit of $252,443, including deferred revenue of $107,148. The changes in cash and working capital are attributed to the fact that the Company closed a financing by way of a private placement.

In October 2015, subsequent to year end, the Company raised a total of $500,000 by way of private placements.

On November 2, 2015, the Company entered into an agreement with a director of the Company to extend the maturity date of a promissory note in the amount of $100,000. In exchange for $20,000, the lender agreed to extend the maturity date to December 1, 2016.

Related Party Transactions

At September 30, 2015, the Company was indebted to the Chief Executive Officer ("CEO") of the Company for $21,500, which is a non-interest bearing, unsecured and due on demand.

At September 30, 2015, the Company was indebted to a director of the Company for $100,000, secured by a promissory note dated September 30, 2014. The loan is non-interest bearing and was initially due and payable on September 30, 2015. Subsequent to September 30, 2015, the Company entered into an agreement to extend the maturity date to December 1, 2016.

At September 30, 2015, the Company was indebted to a director of the Company for $26,000 secured by a promissory note dated August 12, 2015. The loan is non-interest bearing and was due and payable on September 12, 2015. Pursuant to the terms of the promissory note, a one-time interest charge of $1,000 is payable as the loan amount was not repaid by the original maturity date.

During the year ended September 30, 2015, the Company granted 750,000 stock options with a fair value of $61,810 to directors and officers of the Company.

During the year ended September 30, 2015, the Company paid salaries and benefits of $108,300 to the CEO of the Company, $78,750 to the Chief Financial Officer of the Company.

The Company did not incur any directors' fees in 2015.

Summary of key management personnel compensation for the year ended September 30, 2015:

	2015	2014
Wages and salaries	$187,050	$35,116
Share-based compensation	$61,810	Nil
Totals:	$248,860	$35,116

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors of the Company,

Going concern

The Company has incurred a net loss in the year in the amount of $1,571,288. As at September 30, 2015, the Company had a working capital deficit of $252,443 and an accumulated deficit of $1,602,807. 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.

In October 2015, subsequent to year end, the Company raised a total of $500,000 by way of private placements.

Contractual Obligations

The Company is committed to minimum rental amounts for a long-term, five-year lease commencing March 1, 2015 for campus premises in Vancouver, BC. The lease payment pursuant to the lease is $10,872/month.

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. 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 September 30, 2015, the Company had a cash balance of $12,873 to settle current liabilities of $473,164 including deferred revenue of $107,148. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

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 of the Company's significant accounting policies is included in Note 2 to the audited financial statements for the year ended September 30, 2015.

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 year ended September 30, 2015. The Company is not subject to externally imposed capital requirements.

Subsequent Events

On October 1, 2015, the Company issued 500,000 units at $0.25 per unit pursuant to a private placement for proceeds of $125,000. Each unit includes one common share and one share purchase warrant exercisable at $0.50 per share exercisable for a term of 18 months. Concurrently with the closing of the private placement, the Company paid a finder's fee, $10,000 in cash and 40,000 brokers warrants exercisable to purchase one common share at a price of $0.50 per share for 18 months.

On October 16, 2015, the Company issued 100,000 units at $0.25 per unit pursuant to a private placement for proceeds of $25,000. Each unit includes one common share and one share purchase warrant exercisable at $0.50 per share for a term of 18 months. Concurrently with the closing of the private placement, the Company paid a finder's fee, $2,000 in cash and 8,000 brokers warrants exercisable to purchase one at a price of $0.50 per Share for 18 months.

On October 23, 2015, the Company entered into Share Purchase Agreement to sell all of the issued and outstanding securities of International Language Institute Ltd. to an arms-length third party in consideration for $102.

On November 6, 2015, the Company entered into a letter agreement with a lender pursuant to which the lender agreed to extend the maturity date for certain indebtedness owed by the Company to the lender to December 1, 2016 in exchange for an additional payment of $20,000.

On November 19, 2015, the Company issued 1,000,000 units at $0.25 per unit pursuant to a private placement for proceeds of $250,000. Each unit includes one common share and one share purchase warrant exercisable at $0.50 per share for a term of 18 months.

On November 23, 2015, the Company issued 500,000 units at $0.20 per unit pursuant to a private placement for proceeds of $100,000. Each unit includes one common share and one share purchase warrant exercisable at $0.40 per share for a term of 24 months.

Outstanding Share Data

The Company's authorized capital is an unlimited number of common shares without par value. The following table summarizes the outstanding share capital as of December 23, 2015:

Issued and outstanding common shares at December 23, 2015: **29,309,210**

Total Warrants outstanding at December 23, 2015, detailed below: **6,556,730**

	Number of Warrants	Exercise price	Expiry date
	1,075,000(1)	$0.10	February 25, 2016
	625,000(1)	$0.10	March 6, 2016
	525,000(1)	$0.10	April 15, 2016
	375,000(1)	$0.10	April 17, 2016
	736,600(1)	$0.50	April 22, 2017
	1,072,130(1)	$0.50	May1, 2017
	540,000	$0.50	April 1, 2017
	108,000	$0.50	April 16, 2017
	1,000,000	$0.50	May 19, 2017
	500,000	$0.40	November 23, 2017
Total:	**6,556,730**		

(1) These are half warrants, meaning each is exercisable to purchase one half of one common share of the Company.

	Number of Options	Exercise price	Expiry date
Total Options outstanding:	**1,200,000**	$0.10	April 2, 2020
Fully diluted at December 23, 2015	37,065,940		

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.

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 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 of the Company 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 December 23, 2015, the Board of Directors of the Company has approved the disclosure contained in this Management's Discussion and Analysis.