## EA EDUCATION GROUP INC.
## INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
## FOR THE THREE MONTHS ENDED NOVEMBER 30, 2014

**Dated: February 5, 2015**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This interim management's discussion and analysis ("MD&A") reports on the operating results and financial condition of EA Education Group Inc. ("EA" or the "Company") for the three months ended November 30, 2014 and is prepared as at February 5, 2015. This interim MD&A serves as an update from the Company's annual MD&A as at and for the year ended August 30, 2014. Additionally, this interim MD&A should be read in conjunction with the Company's audited financial statements for the years ended August 31, 2014 and 2013 and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"), together with the unaudited interim financial statements for the three months ended November 30, 2014, which were prepared using accounting policies consistent with IFRS and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting (collectively referred to as the ("Financial Statements"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements.

All dollars amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

## APPROVAL

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that this interim MD&A does not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the periods reported. The Financial Statements together with the other financial information included in this interim MD&A fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in this Interim MD&A. The Board of Directors has approved the interim Financial Statements and MD&A, as well as ensured that management has discharged its financial responsibilities as at February 5, 2015.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report may constitute forward-looking statements that are subject to certain risks and uncertainties. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "continue", "expect", "may", "will", "believe", "should" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made. These forward-looking statements include, but are not limited to, statements relating to:

- the Company's ability to continue as a going concern;
- the Company's ability to debt settle its outstanding obligations;
- the Company's ability to raise additional capital through the issuance of equity or debt instruments;
- The Company's strategies and objectives;
- The Company's cost reductions and other financial operating objectives;
- General business and economic conditions;
- The Company's ability to meet its financial obligations as they become due;
- The Company's ability to identify, successful negotiate and/or finance an acquisition of a new business opportunity;
- The positive cash flows and financial viability of new business opportunities;
- The Company's ability to manage growth with respect to a new business opportunity; and
- The Company's tax position, anticipated tax refunds and the tax rates applicable to the Company.

Readers are cautioned that the lists of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by these forward looking statements. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements. The forward-looking statements contained in this document are made as of the date hereof.

## OVERVIEW

EA Education Group Inc. (the "Company" or "EA") was incorporated under the Canada Business Corporations Act on February 28, 2012 as Canada Guidance International Education Group Inc. On July 24, 2013, the Company changed its name to EA Education Group Inc. The Company is a premier provider serving the unique needs of international junior and senior high school students in Canada and an active promoter of international education & cultural exchange between Canada and China. As a local Canadian international education service provider, EA provides comprehensive student housing services for international junior and senior high school students in the Great Toronto Area.

EA deliveries to international students (all of whom are from China and most of them are teenagers) certain advisory and complimentary services that assists them to undertake and improve their education experiences in both China and Canada. These historical EA services have been focused on:

a) Student-housing services for international students to live with local families in Canada. Living situations in student-housing services range from basic room-rental arrangements to complete family immersion. Currently, EA's offerings is mainly located in Toronto for international students staying in the Great Toronto Area;

b) Education program & services that provide off-campus education programs. The offering provides, through its licensing joint operation partners in China (known as “EA clubs”), opportunities for junior and senior high school students in China to explore and expand their career interests, English skills and knowledge related to Canadian culture and education system and helps them prepare for their future overseas studies. The first EA Club in China was established in 2012. Currently, EA has developed thirteen licensing joint operation EA Clubs in China, and the number is expected to reach up to 50 in 2016. The Company delivers services and aids in operating the EA Clubs with non-arms’ length partner in China Guangzhou Zhongjiu Education Consulting Co. Ltd. (“Zhongjiu”).

c) Educational and cultural exchange conferences/events/camps in Canada that aim to promote international education and culture exchange between Canada and China.

Most importantly EA has successfully encapsulated their education and cultural experiences into its proprietary and unique education system referred to as “L-TIP”.

L-TIP is an EA exclusive education system based on the combination of the EA Founders and corporate education philosophy coupled with Chinese students’ unique learning habits. The feature-rich L-TIP educational system includes a wide range of a student’s education.

L-TIP includes integration of ESL programs, health & physical education, academic courses, career exploration, arts, hospitality, etc. The EA Founders strongly believe that every child has his/her own talents and that the Company tries to inspire students to develop all aspects of their character so that reach their full potential. The EA Education Group wants all of its students to be able to experience the ability to realize that they can “Dream….Vision….Success”.

EA has established close working relationships with recognized Canadian educational institutions (e.g., Ministries of Education and District School Boards).

EA wants to be the high quality, one-stop, educational services provider to students in China, aiding them in accessing prestigious Canadian educational institutes and the chance to learn under world-class learners.

**OUR MISSION:**

To passionately create long-term value for our stakeholders through a commitment to excellence in the international education market.

**OUR VISION:**

To be the leading international education institution in both Canada and China, and to always adhere to our core education philosophy:

*“To learn by practicing and to live by learning”*

The EA Founders believe that education should always encourage children to learn by discovering problems and solving them, while helping children to foster the right character traits, such as selflessness, helpfulness, critical intelligence, individual initiative, etc.

**CORPORATE STRATEGY:**

Invest in a market-driven portfolio of international education businesses that create value for our shareholders, customers, and employees.

**OUR VALUES:**

Respectfully, we strive to embody the honesty, integrity and fairness that teach of us expects form good neighbours and should expect from good business. To that forward motion, each member of our team is dedicated towards manifesting quality results through maintaining quality relationships with all of those we interact with.

Operating from the understanding that you get what you put in, our team members view success as helping others and providing areas for transformation, never losing focus of our vision and how life is circularly successful. The following guiding principles shall instruct and guide the actions of everyone in our team.

1. Accountability is the mainstay of quality corporate governance and thus, every member of our team will remain accountable for their contribution to our end design as defined in our Mission and Vision.

2. Each interaction we participate in shall be reviewed for adherence to our Mission and Vision, before, during and after all interactions, by all levels of management.

3. Resolutions bridging our efforts towards actualizing our Vision through our actions; and our actions shall always be based on learning from our mistakes and growing as individuals and as a corporate entity.

4. The underlying premise for our actions shall remain, while coherently following our Mission and our Vision, by also always trying to maximize the return on investment for our investors and partners and clients.

## SELECTED ANNUAL INFORMATION[1]

Annual information for the last three years is outlined below:

| | **For the year ended August 31, 2014** | **For the year ended August 31, 2013** | **For the year ended August 31, 2012** |
|---|---|---|---|
| Total revenues | $ 1,033,401 | $ 10,192 | $ - |
| Net income/(loss) and comprehensive income/(loss) for the year | $ 217,685 | $ (155,064) | $ (48,755) |
| | | | |
| Total assets | $1,323,348 | $ 279,192 | $ 180,001 |
| Total current liabilities | $1,309,382 | $ 483,010 | $ 228,755 |
| Total long-term financial liabilities | Nil | Nil | Nil |
| Cash dividends declared per share | Nil | Nil | Nil |

*1 The information presented is derived from the respective annual financial statements which have been prepared by management and are in accordance with IFRS and presented in Canadian dollars.*

The Company's revenue has increased significantly over the last three fiscal years. This increase is the result of the Company's continued expansion of its business activities.

The Company's operating results for fiscal 2012 and 2013 include increased operating expenses associated with bringing current the Company's business model.

The net income and comprehensive income for the year ended August 31, 2014 includes $60,000 of amortization of intangible assets relating to its' L-Tip program. An increase in consulting fees of $63,518, professional fees of $90,945 and wages and benefits of $101,839 is a direct result of the Company experiencing an overall increase in its revenues.

## SUMMARY OF QUARTERLY RESULTS[1]

| | 1st Quarter Ended Nov 30, 2014 | 4th Quarter Ended Aug 31, 2014 | 3rd Quarter Ended May 30, 2014 | 2nd Quarter Ended Feb 28, 2014 |
|---|---|---|---|---|
| (a) Revenue | $ 566,251 | $ 582,727 | $ 382,211 | $ 40,122 |
| (b) Net income and comprehensive income for the period | $ 149,942 | $122,751 | $80,512 | $ 8,452 |
| | **1st Quarter Ended Nov 30 2013** | **4th Quarter Ended Aug 31, 2013** | **3rd Quarter Ended May 30, 2013** | **2nd Quarter Ended Feb 28, 2013** |
| (a) Revenue | $ 28,341 | $ 10,192 | $ - | $ - |
| (b) Net loss and comprehensive loss for the period | $ 5,970 | $ ( 155,064) - | $ - | $ - |

*[1] The information presented is derived from the respective unaudited interim financial statements which have been prepared by management using accounting policies consistent with IFRS and in accordance with IAS 34-Interim Financial Reporting*

## RESULTS OF OPERATIONS

## For the three months ended November 30, 2014

**Revenue:**
The Company recognized revenue of $566,251 during the three months ended November 30, 2014 compared to $28,341 for the same period of the previous year. This increase is the result of the increase in fees from student housing, events fees, and educational program and services.

**Cost of goods sold:**
The Company incurred direct costs of $63,093 during the three months ended November 30, 2014 compared to $8,518 for the previous period. The increase in direct costs corresponds with the increase in revenues reported for the year for student housing and events activities.

**Expenses:**

**Amortization of intangible assets** for the three months ended November 30, 2014 was $15,000 compared to $1,645 for the previous period for the Company’s L-Tip program. The amortization of $15,000 relates to three months of amortization compared to initial period when the L-Tip program was implemented.

**Automobile** expenses for the three months ended November 30, 2014 was $18,615 compared to $460 for the previous period. The current period's results are the result of a car lease of $1,459 per month and maintenance costs.

**Consulting** fees for the three months ended November 30, 2014 were $101,853 compared to $1,742 for the previous period. The increase is a result of management's efforts to implement its' business model.

**Marketing fees** for the three months ended November 30, 2014 were $41,269 compared to $2,476 for the previous period. These amounts reflect the cost of marketing its' services in Canada.

**Professional fees** for the three months ended November 30, 2014 was $18,643 compared to $2,494 for the previous period. The results are for costs to hire accounting staff.

**Wages and benefits** for the three months ended November 30, 2014 was $80,857 compared to $2,793 for the previous period. $15,000 was paid to a certain officer and director of the Company. The Company hired additional employees in April of 2014.

**Travel and entertainment** for the three months ended November 30, 2014 was $31,381 compared to $504 for the previous period. The increase relates to travels to China.

**Rent** for the three months ended November 30, 2014 were $22,199 compared to $817 for the previous period. These amounts are for operating leases for the Company's premises in Toronto, Canada.

**Office and miscellaneous** for the three months ended November 30, 2014 were $19,650 compared to $810 for the previous period. These amounts relate to maintaining the offices for the Company's premises in Toronto, Canada.

### Net income for the three months ended November 30, 2014

As a result of the above activities, the net and comprehensive income for the three months ended November 30, 2014 was $149,942 as compared to $5,970 for the same period in the previous year; representing an increase of $143,972.

## LIQUIDITY AND CAPITAL MANAGEMENT

The Company considers the aggregate of its share capital and deficit as capital. The Company's objective, when managing capital, is to ensure sufficient resources are available to meet day to day operating requirements and to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business.

While the Company's financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due, certain conditions and events cast significant doubt on the validity of this assumption. For the three months ended November 30, 2014, the Company reported a net income of $149,942 (November 30, 2013: $5,970) and as at that date had retained earnings (deficit) of $163,808 (November 30, 2013: ($197,849)). As of November 30, 2014, the Company has a net working capital deficiency of $68,544 (August 31, 2014: $232,391), which indicates the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material. The directors of the Company have approved these financial statements.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

**a. Fair value of financial instruments**

The Company's financial assets and financial liabilities are classified as held-for-trading, loans and receivables or other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Held-for-trading financial instruments are measured at fair value with changes in fair value recognized in the statements of comprehensive income in the periods in which such changes arise. Loans and receivables and other financial liabilities are initially recorded at fair value and subsequently measured at amortized cost.

Assets and liabilities carried at fair value must be classified using a three-level hierarchy that reflects the significance and transparency of the inputs used in making the fair value measurements:

- Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets;

- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - one or more significant inputs used in a valuation technique to determine fair value are unobserved.

Financial assets are assessed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset, with impairment losses recognized in the statements of comprehensive income.

The Company designates its cash as held-for-trading, which is measured at fair value. Trade and other receivables and due from related parties are classified as loans and receivables, which are measured at amortized cost. Trade and other payables and due to related parties are classified as other financial liabilities, which are measured at amortized cost, using the effective interest rate method.

Transaction costs are included in the initial measurement of financial assets and liabilities, except for those classified as fair value through income.

The Company's financial assets and liabilities are classified into the following categories:

| | Period ended November 30, 2014 |
|---|---|
| Cash | Held for trading |
| Trade and other receivables | Loans and receivables |
| Due from related parties | Loans and receivables |
| Trade and other payables | Other financial liabilities |
| Due to related parties | Other financial liabilities |

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

The carrying values of the Company's due to related parties balances approximate fair values. The Company's financial instruments that are carried at fair value, consisting of cash, have been classified as Level 1 within the fair value hierarchy.

(a) Financial risk factors:

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

Credit risk:

Credit risk is the loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is attributable to accounts receivable and GST/HST receivables. The Management has assessed the level of credit risk to its receivables to be low.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that sufficient cash and credit facilities are available to meet liabilities when due. As at November 30, 2014, the Company had a working capital (deficiency) of $(68,544) (August 31, 2014: ($232,391). As at November 30, 2014, the Company remains dependent on the continued financial support of its shareholders and is subject to significant liquidity risk.

Market Risk

The significant market risks exposure to which the Company is exposed to is foreign currency risk. The Company has managed its foreign currency risk by selling to most of its customers in China at Canadian currency. Management will continue with this strategy in marketing its services to customers in all foreign countries. As such, the Company's exposure to foreign currency risk is minimal. Management will continue to take all possible measures to mitigate different foreign currency risks to a minimum.

## SHARE CAPITAL

(a) Authorized:
Unlimited preference shares
Unlimited common shares without par value
Issued:

Common shares:

| | Number of shares | | Amount |
|---|---|---|---|
| Balance, September 1, 2013 | 1 | $ | 1 |
| Additions | 999,999 | | 99 |
| Balance, August 31, 2014 | 1,000,000 | | 100 |
| Balance, November 30, 2014 | 1,000,000 | $ | 100 |

## TRANSACTIONS WITH RELATED PARTIES

The Company defines related parties to include key management personnel and directors and companies controlled by significant shareholders and directors.

(a) Related party entities and transactions:

(i) On March 28, 2012, the Company entered into a Strategic Partnership Cooperation Agreement ("Agreement") with Guangzhou Zhongjiu Education Consulting Co., Ltd ("Zhongjiu"), a company controlled by significant shareholders who are also officers and directors of the Company. The Agreement was for ten years until March 27, 2022. At the expiry date, the Agreement will be automatically renewed for the same period unless one or both of the parties terminates the Agreement. As a strategic partner of the Company, Zhongjiu is to represent the Company to collectively market, execute the Company's growth strategy in China. The day-to-day management of the Company's EA clubs is entrusted with Zhongjiu, but the overall management of these Company's EA clubs in China still rests with the Company. In return, the Company waived any future revenues that it would otherwise be allocated to the Company until December 31, 2013. When the number of the Company's EA clubs in China reaches more than 50; 20% of the service revenue from these clubs will be shared by Zhongjiu. Included in the deferred revenue as at November 30, 2014 was $48,221, which is related to due to related parties for the deferred education service charges from Zhongjiu. For the three months ended November 30, 2014, the education service charges recognized from Zhongjiu were $7,479.

(ii) On April 3, 2014, the Company entered into a Sponsorship Agreement with International Student Management and Association of Canada ("ISMAC") for education marketing and supporting services. The annual sponsorship fee is $36,000. ISMAC is a non-profit origination controlled by significant shareholders who are also officers and directors of the Company. The sponsorship fee was related to marketing and supporting services provided by ISMAC.

Included in the expenses for the three months ended November 30, 2014 was $3,000 sponsorship fee payable to ISMAC. As at November 30, 2014, the Company owed $3,000 (August 31, 2014:$3,000) payable to ISMAC for unpaid sponsorship fee.

(b) Included in general and administration expenses for the three months ended November 30, 2014 was $15,000 payable to an officer of the Company for unpaid salaries.

(c) Included in the due to shareholders and directors as at November 30, 2014 were amounts due to the officers and directors of the Company, of $1,021,984 (August 31, 2014 - $998,218) for various expenditures paid by the related parties on behalf of the Company to sustain the Toronto office's daily operations and to pay employees' wages.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Accounts which require management to make material estimates and significant assumptions in determining amounts recorded include valuation of share-based transactions and provision for deferred income tax.

Foreign currency transactions

The Company’s functional currency is the Canadian dollar. The financial statements are presented in Canadian dollars which is the Company’s presentation currency.

Certain transactions are made in Chinese Renminbi (“RMB’). Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the balance sheet date; other assets and liabilities at the applicable historical exchange rate; and revenues and expenses at the average rate for the period, except for non-monetary expenses which are at the rates used for the translation of their related assets. Foreign exchange differences arising on translation are recognized in accumulated other comprehensive income (loss).

Revenue recognition and deferred revenue

Revenue is derived from the supply of student housing, educational program and service, and international education exchange events. A summary of the revenue recognition policies for each of the Company’s business segments is as follows:

Revenue from student housing fees is recognized on the percentage-of-completion method, measured on a time proportion basis. When it is probable that total contract costs will exceed contract revenue, the expected loss is recognized as an expense immediately. Prepayments received from students are deferred and recognized as a liability until service is actually provided. Education program & service is derived from initial royalty fees relating to new EA club openings, ongoing management fee charged with flat rates to each EA club and membership fees shared by the Company for student memberships enrolled by its EA clubs in China.

Initial royalty fees for new EA clubs are deferred until the EA club is opened, which is the time at which the EA clubs have performed substantially all of the initial services it is required to provide. Ongoing management fees are recognized in income on an annual basis unless there is significant uncertainty concerning the collectability of such revenues, in which case management fees are recognized when received. Student membership fees are recognized when the students are enrolled in its EA clubs in China unless there is significant uncertainty concerning the collectability of such revenues, in which case management fees are recognized when received.

Revenues from international education exchange events are recognized upon completion of the events. When it is probable that total event costs will exceed event revenue, the expected loss is recognized as an expense immediately.

Deferred income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax assets is reduced. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Intangible assets

The Company recognizes an internally-generated intangible asset arising from development (or from the development phase of an internal project) if, and only if, it has demonstrated all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount the Company initially recognizes for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets these recognition criteria. Subsequent to initial recognition, the Company reports these assets at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized over their useful lives, on the straight line basis over 5 years.

## RECENT ACCOUNTING PRONOUNCEMENTS

New accounting standards effective January 1, 2018

IFRS 9 Financial Instruments

IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements

## PROSPOSED TRANSACTION

On July 30, 2014, the Company entered into an Agreement of Purchase and Sale Commercial (the “Agreement”) with Kingston Educational Center Inc. (the “Seller”) for the purchase and sale of commercial real estate (the “Property”) for a total of cash consideration of $7,980,000. This Agreement is conditional within a period of 45 days ( the” Due Diligence Period”) from the date of acceptance of this Agreement upon the Company satisfying in its sole, absolute and unfettered discretion with respect to the Property in all respects, including, among other things, the Company obtains a new Phase I and Phase II Environment assessment report, satisfactory financing and ongoing diligence.

On October 23, 2014, a deposit of $200,000 was paid in a trust account upon acceptance of the Agreement by the Company and the Seller on October 22, 2014.

The Property is located at 4700 Epworth Circle, Niagara Falls, ON, and the Company is performing due diligence.

## OUTLOOK

The demand and requirement for EA’s services are growing as more and more international students turn to Canada as a viable learning country. In fact, industry researchers estimated that in 2010, international students in Canada spent in excess of $7.7 billion on tuition, accommodation and discretionary spending; created over 81,000 jobs; and generated more than $445 million in government revenue (Source: Roslyn Kunin & Associates, Inc. Final Report to the Department of Foreign Affairs and International Trade, May 2012).

The Company plans to expand across Canada and China its historical service offering in 2015 and to generate new revenues from expanded student-housing services (beyond the Toronto area), new joint education programs, more events (i.e., camps, forums and China Youth Exchange), expansion of its EA Clubs. Further, the Company is actively pursuing its growth strategy, through acquisitions of small to medium-size private high schools with leading positions in Canadian secondary school market, to strengthen its presence in Canada.

## OUTSTANDING SHARE DATA

The Company’s authorized share capital is unlimited preference shares and unlimited common shares without par value. As at the date of this MD&A, there were 1,000,000 issued and outstanding common shares.

## ADDITIONAL INFORMATION

Directors and officers of the Company:

Wen Xu – Director and President
Wei Dong Wang – Director and CEO
Kevin Zhang - CFO