EA EDUCATION GROUP INC.
(FORMERLY, “KENIEBA GOLDFIELDS LTD.”)

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED FEBRUARY 29, 2016

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the consolidated interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these consolidated interim financial statements in accordance with standards established by the International Financial Reporting Standards established by the International Accounting Standards Board for a review of interim financial statements by an entity's auditor.

EA EDUCATION GROUP INC.

(FORMERLY, "Kenieba Goldfields Ltd.")

Unaudited Interim Condensed Consolidated Statements of Financial Position
As at
(Expressed in Canadian dollars)

	Notes	February 29, 2016	(Audited) August 31, 2015
Assets			
Current			
Cash and cash equivalents		371,151	439,383
Accounts receivable		289,031	71,366
Due from related parties	9	525,384	1,059,176
Loan receivable	10	871,993	829,271
Prepaid expenses and deposit		34,707	15,490
		2,092,266	2,414,686
Property, plant and equipment		73,005	69,764
Intangible assets		397,415	431,915
Goodwill		281,137	281,137
		751,557	782,816
Total assets		2,843,823	3,197,502
Liabilities			
Current			
Accounts payable and accrued liabilities		490,047	554,073
Deferred revenue		180,544	288,503
Due to related parties	9	43,000	33,000
		713,591	875,576
Deferred income tax liability		-	12,308
Total liabilities		713,591	887,884
Equity			
Share capital	8	4,200,761	4,200,761
Reserve		167,470	167,470
Accumulated other comprehensive income		951	175
Deficit		(2,238,950)	(2,058,788)
Total equity		2,130,232	2,309,618
Total liabilities and equity		2,843,823	3,197,502

Nature and continuance of operations (Note 1)
Commitment (Note 13)

Signed: "Wendy Xu", Director

Signed: "Weidong Wang", Director

See accompanying notes to the unaudited interim condensed consolidated financial statements.

EA EDUCATION GROUP INC.
(FORMERLY, "Kenieba Goldfields Ltd.")

Unaudited Interim Condensed Consolidated Statements of Operations and Comprehensive Loss
For the periods,

(Expressed in Canadian dollars, except for per share amount)

	Notes	3 months ended February 29, 2016	3 months ended February 28, 2015	6 months ended February 29, 2016	6 months ended February 28, 2015
			(Restated)		(Restated)
		$	$	$	$
Revenues		297,824	208,882	739,824	492,638
Direct costs		214,925	120,958	300,362	249,180
		82,899	87,924	439,462	243,458
Expenses					
General and administrative expenses		215,628	112,133	604,755	358,965
Marketing and promotion		14,656	28,012	37,778	69,267
Listing expenses	6	-	1,006,340	-	1,006,340
Interest income		(16,160)	-	(47,924)	-
Other tax expenses		37,323	-	37,323	-
		251,447	1,146,485	631,932	1,434,572
Loss before income taxes		(168,548)	(1,058,561)	(192,470)	(1,191,114)
Income taxes recovery		12,308	-	12,308	-
Net loss		(156,240)	(1,058,561)	(180,162)	(1,191,114)
Other comprehensive income					
Gain on translation of foreign operations		776	-	776	-
Total comprehensive loss		(155,464)	(1,058,561)	(179,386)	(1,191,114)
Basic and diluted loss per share		(0.00)	(0.01)	(0.00)	(0.01)
Weighted average number of shares outstanding					
Basic and diluted		171,132,868	159,065,868	171,132,868	159,065,868

See accompanying notes to the unaudited interim condensed consolidated financial statements.

EA EDUCATION GROUP INC.

(FORMERLY, "Kenieba Goldfields Ltd.")

Unaudited Interim Condensed Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars, except shares)

	Notes	Common shares Shares	Amount	Share-based payment reserve	Accumulated other comprehensive Income (loss)	Deficit	Subtotal shareholders' equity
			$	$	$	$	$
Balance at September 1, 2014		**1,000,001**	**100**	**-**	**-**	**(44,879)**	**(44,779)**
Stock exchange related to the reverse takeover	6	(1,000,001)	-	-	-	-	-
Receipt of Kenieba shares	6	120,000,000	-	-	-	-	-
Fair value of Kenieba's previous outstanding shares	6	24,065,868	1,203,293	-	-	-	1,203,293
Fair value of Kenieba's outstanding warrents	6	-	-	167,470	-	-	167,470
Private placement on February 18, 2015	8	15,000,000	750,000	-	-	-	750,000
Finder's fee paid in cash	8	-	(60,000)	-	-	-	(60,000)
Net loss for the period		-	-	-	-	(1,191,114)	(1,191,114)
Balance at February 28, 2015		**159,065,868**	**1,893,393**	**167,470**	**-**	**(1,235,993)**	**824,870**
Private placement on April 27, 2015	8	8,452,000	1,690,400	-	-	-	1,690,400
Finder's fee paid in cash	8	-	(106,032)	-	-	-	(106,032)
Issued shres for Duke College acquisition	7 & 8	1,500,000	300,000	-	-	-	300,000
Private placement on August 24, 2015	8	2,115,000	423,000	-	-	-	423,000
Net loss for the period		-	-	-	-	(822,795)	(822,795)
Translation of foreign operations		-	-	-	175	-	175
Balance at August 31, 2015		**171,132,868**	**4,200,761**	**167,470**	**175**	**(2,058,788)**	**2,309,618**
Net loss for the period		-	-	-	-	(180,162)	(180,162)
Translation of foreign operations		-	-	-	776	-	776
Balance at February 29, 2016		**171,132,868**	**4,200,761**	**167,470**	**951**	**(2,238,950)**	**2,130,232**

See accompanying notes to the unaudited interim condensed consolidated financial statements.

EA EDUCATION GROUP INC.

(FORMERLY, "Kenieba Goldfields Ltd.")

Unaudited Interim Condensed Consolidated Statements of Cash Flows
For the periods,
(Expressed in Canadian dollars)

	Notes	6 months ended February 29 2016	6 months ended February 28, 2015
		$	$
			(Restated)
Operating activities			
Net (loss)		(180,162)	(1,191,114)
Items not involving cash			
Depreciation		44,212	38,629
Income taxes		(12,308)	-
Listing expenses		-	1,006,340
Interest income		(32,320)	-
		(180,578)	(146,145)
Changes in non-cash working capital		159,799	(209,884)
		(20,779)	(356,029)
Investing activities			
Net cash acquired in reverse takeover		-	1,154,004
Purchase of property, plant and equipment		(47,453)	(46,395)
		(47,453)	1,107,609
Financing activities			
Transaction costs		-	(60,000)
		-	(60,000)
Increase in cash		(68,232)	691,580
Cash, beginning of period		439,383	446,713
Cash, end of period		371,151	1,138,293

See accompanying notes to the unaudited interim condensed consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

EA Education Group Inc. (formerly “Kenieba Goldfields Ltd.”)(the“Company”) was incorporated pursuant to the provisions of the *Business Corporations Act*(Ontario)under the name “1156261 Ontario Inc.” on November 21, 1995. The Company changed its name to “Croesus Gold Inc.” on July 19, 1996, and continued into British Columbia pursuant to the *Business Corporations Act* (British Columbia) on November 17, 2006 under the name “Croesus Gold Inc.”.On June 20, 2008, the Company changed its name to “Kenieba Goldfields Ltd.” (“Kenieba”) that was listed on the Canadian Securities Exchange (“CSE”) under the trading symbol “KEN”. Its principal business at the time was to acquire, explore and develop mineral property.

On February 18, 2015, Kenieba acquired100% ownership of EA Education Group Inc. (“EAEG Private”) by issuing 120,000,000 common shares to the shareholders of EAEG Private. The reverse takeover (“RTO”) resulted in the previous shareholders of EAEG Private obtaining control of the combined entity. Subsequent to the acquisition, Kenieba amalgamated with EAEG and the new Company continued as the name “EA Education Group Inc.” and its stock symbol from in CSE changed from “KEN” to “EA”.

The Company, together with its subsidiaries, provides international educational service and comprehensive student housing services in Canada and China. The address of the Company’s corporate office and principal place of business is 1 Scarsdale Road, Toronto, Ontario M3B 2R2.

The unaudited condensed interim consolidated financial statements for the period ended February 29, 2016 were approved and authorized for issuance by the Board of Directors of the Company on April 29, 2016.

2. BASIS OF PREPARATION

Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). They were also prepared in accordance with IAS34, Interim Financial Reporting. The policies applied in these financial statements are based on the IFRS issued and outstanding as at the date the Board of Directors approved these financials for issue.

Going Concern

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment to assess the Company’s ability to continue as a going concern and the existence of conditions that cast doubt upon the going concern assumption. It is management’s assessment that the going concern assumption is appropriate based on its continued ability to raise funds and its ability to develop profitable operations.

For the six months ended February 29, 2016, the Company reported a net loss of $180,162 and as at that date had deficit of $2,238,950. While in the past, the Company has been successful in obtaining funding from equity financings, shareholders’ loans or through other arrangements, there is no assurance that these initiatives will be successful in the future. These unaudited condensed interim consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and statement of financial position classifications that would be necessary if the going concern assumption were not appropriate and such adjustments could be material.

Basis of Measurement

These unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value, and prepared using the accrual basis of accounting.

Basis of Consolidation

These unaudited condensed interim consolidated financial statements include the accounts of EA Education Group Inc. (formerly “Kenieba Goldfields Ltd.”) and its wholly-owned subsidiaries Duke College Inc., and EA International Education Co., Limited, which are controlled by the Company.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Intercompany balances and transactions, and unrealized gains arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The policies used for preparation of these unaudited interim condensed consolidated financial statements were the same accounting policies and methods of application as the audited consolidated financial statements of the Company for the year ended August 31, 2015 and were consistently applied to all the periods presented unless otherwise noted below. They do not include all of the information and disclosures required for annual financial statements. For further information, see the Company's audited consolidated financial statements for the year ended August 31, 2015.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates about and apply assumptions or subjective judgment to future events and other matters that affect the reported amounts of the Company's assets, liabilities, expenses and related disclosures. Assumptions, estimates and judgments are based on historical experience, expectations, current trends and other factors that management believes to be relevant at the time at which the Company's consolidated financial statements are prepared. Management reviews, on a regular basis, the Company's accounting policies, assumptions, estimates and judgments in order to ensure that the consolidated financial statements are presented fairly and in accordance with IFRS.

Critical accounting estimates and judgments are those that have a significant risk of causing material adjustment and are often applied to matters or outcomes that are inherently uncertain and subject to change. As such, management cautions that future events often vary from forecasts and expectations and that estimates routinely require adjustment. The critical accounting estimates and judgements used for preparation of these unaudited interim condensed consolidated financial statements were the same as the audited consolidated financial statements of the Company for the year ended August 31, 2015.

5. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURE

The Company's accounting policies do not change in the period in 2016.

Future accounting standards:

- *IAS 1 Presentation of Financial Statements* was amended by the IASB in December 2014. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures. The effective date is for annual periods beginning or after January 1, 2016. Entities may still choose to apply IFRS 1 immediately, but are not required to do so.

- *IFRS 9 Financial Instruments: Classification and Measurement* was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is available for application, with the mandatory effective date expected to be on or after January 1, 2018.

- *IFRS 15 Revenue from Contracts with Customers* was issued by the IASB in May 2014. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. The effective date is for annual periods beginning or after January 1, 2018. Entities may still choose to apply IFRS 15 immediately, but are not required to do so.

(Expressed in Canadian dollars)

6. REVERSE TAKEOVER

On February 18, 2015, Kenieba Goldfields Inc. (“Kenieba”) acquired 100% ownership of EA Education Group Inc. (“EAEG Private”) by issuing 120,000,000 common shares to the shareholders of EAEG Private. The reverse takeover (“RTO”) resulted in the previous shareholders of EAEG Private took control of the combined entity. Subsequent to the acquisition, Kenieba amalgamated with EA Private and the new Company continues with the name “EA Education Group Inc.” and its stock symbol changed from “KEN” to “EA”.

As Kenieba did not qualify as a business prior to the RTO according to the guidance in IFRS 3, for accounting purposes, this acquisition is accounted for as a reverse takeover transaction and as a share-based transaction in return for the assets acquired and the listing cost.

Accounting for the acquisition as a reverse takeover results in the following:

(i) The consolidated entity is considered to be a continuation of EAEG Private, with the net identifiable assets of Kenieba deemed to have been acquired by EAEG Private.

(ii) Since EAEG Private is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.

(iii) The common shares, warrants, contributed surplus and deficit of Kenieba up to the date of RTO was eliminated.

(iv) The number of shares issued in the consolidated entity is that of Kenieba up to the RTO date on February 18, 2015, plus all shares issued on and after the RTO date.

(v) The identifiable assets acquired and liabilities of Kenieba assumed by EAEG Private are measured at their fair values at the acquisition date. Excess of the aggregate of the consideration transferred by EAEG Private over the fair value of the identifiable net assets acquired and liabilities of Kenieba assumed by EAEG Private is attributable to the cost of obtaining a listing status. This amount is expensed as it does not meet the criteria for recognition as an asset.

(vi) The fiscal year end was changed from December 31 to August 31 to be consistent with the fiscal year end of EAEG Private.

The following are the fair values of Kenieba’s assets acquired and liabilities assumed by EAEG Private on February 18,2015 and consideration paid by EAEG Private:

Net Assets (Liabilities) Acquired

Cash	$	1,154,004
GST receivable		7,311
Accounts payable		(46,892)
Subscription receipts		(750,000)
Net assets acquired:	**$**	**364,423**

(Expressed in Canadian dollars)

Consideration Paid

Fair value of Kenieba’s 24,065,868 existing common shares deemed issued by EAEG Private (at $0.05 per share)	$	1,203,293
Fair value of Kenieba’s existing 6,875,000 stock warrants deemed issued by EAEG Private (at $0.024* per warrant)		167,470
Total consideration paid:	**$**	**1,370,763**

* The fair value of warrants is valued by using the Black-Scholes option pricing model with the following assumptions:

Stock price volatility	195%
Risk free interest rate	0.42%
Expected life	1.33 year
Expected dividend yield	0

Costs Attributable to Obtaining a Listing Status:

Total consideration paid	$	1,370,763
Net assets acquired		(364,423)
Listing expenses:	**$**	**1,006,340**

(Expressed in Canadian dollars)

7. ACQUISITION OF DUKE COLLEGE INC.

On June 15, 2015, EA Education Group Inc. ("EA") closed the acquisition of Duke College Inc. ("Duke"). According to the Share Purchase Agreement, EA has acquired all the issued and outstanding shares of Duke.

The total purchase price of **$500,000** includes:

(1) **$200,000** cash
(2) **$300,000** in form of 1,500,000 of common shares of the Company at $0.20 per share.

The Net Assets acquired at fair value

Cash	$	69,475
Accounts receivable		898
Rent deposit and prepaid rent		5,434
Leasehold improvement, furniture and equipment		23,280
Intangible assets		286,043
Subtotal –Assets		**385,130**
Accounts payable		(32,598)
Deferred revenue		(121,361)
Deferred income tax liabilities		(12,308)
Subtotal – Liabilities:		**(166,267)**
Goodwill		**281,137**
Total Net Assets (including Goodwill):	**$**	**500,000**

The deferred tax liabilities mainly comprise the tax effect of the accelerated depreciation for tax purposes of tangible assets and intangible assets.

The goodwill of $281,137 comprises the value of expected synergies arising from the acquisition, which is not separately recognized. None of the goodwill recognized is expected to be deductible for income tax purposes.

Since the acquisition, Duke College Inc. had sales of $47,565 and loss before taxes of $69,086 up to August 31, 2015. If the acquisition had occurred on September 1, 2014, management estimates that sales would have been $488,284 and loss before taxes for the same year would have been $10,971. In determining these amounts, management has assumed that the fair value adjustments that arose on the acquisition dates would have been the same if the acquisition had occurred on September 1, 2014.

8. SHARE CAPITAL

Authorized:
Unlimited number of common shares without par value.

Issuances of share capital:

a) In 2013, EAEG Private issued 1,000,000 common shares for gross proceeds of $99.
b) On February 18, 2015, in a reverse takeover acquisition, the outstanding shares of EAEG Private were exchanged for 120,000,000 common shares of the Company.
c) Concurrent with the reverse takeover transaction, the Company completed a non-brokered private placement for 15,000,000 common shares at $0.05 per share for aggregate proceeds of $750,000. The Company paid finder’s fees of $60,000 in cash.
d) On April 27, 2015, the Company completed the first tranche for 8,452,000 common shares for an aggregate amount of $1,690,400. The Company paid finder’s fees of $106,032 in cash.
e) On June 15, 2015, 1,500,000 common shares were issued at $0.20 for the acquisition of Duke.
f) On August 24, 2015, the Company closed on the second tranche of the private placement, which raised aggregate gross proceeds of $423,000 by the issuance of 2,115,000 common shares at $0.20 per common share.

Securities held in escrow

Pursuant to the escrow agreement, 120,000,000 common shares issued to the shareholders of EAEG Private were escrowed subject to release only with regulatory approval to the release provisions of the escrow agreement. As of February 29, 2016, 72,000,000 common shares were still held in escrow.

Stock options

Concurrent with the reverse takeover transaction, the Company adopted its existing stock option rolling plan to reserve 10% of issued shares for issuance to executive officers, directors, employees and consultants of the Company. Under the plan, the exercise price of each option is set on the date of grant at no less than the discount market price of the Company’s stock as determined per the CSE policy. Options granted under the plan have a term not to exceed ten years and are subject to vesting provisions as determined by the board of directors. There were no stock options granted during the year ended August 31, 2015 and the period in 2016. There were no stock options outstanding as at February 29, 2016 and August 31, 2015. No stock-based compensation expense was recognized for the year ended August 31, 2015 and for the period in 2016.

(Expressed in Canadian dollars)

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price	Weighted Average Life Remaining
Warrants outstanding and exercisable, September 1, 2014	6,875,000	$	0.10	1.80
Warrants issued	-		-	-
Warrants outstanding and exercisable, August 31, 2015	6,875,000	$	0.10	0.80
Warrants issued	-		-	-
Warrants outstanding and exercisable, February 29, 2016	**6,875,000**	**$**	**0.10**	**0.80**

As at February 29, 2016, the following warrants were outstanding:

Number of Warrants		Exercise Price	Expiry Date
6,875,000	$	0.10	June 17, 2016

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL COMPENSATION

The Company defines related parties to include significant shareholders, key management and officers and directors, as well as companies controlled by them.

		February 29, 2016		August 31, 2015
Due from Zhongjiu (a)	$	490,828	$	226,598
Due from shareholders (b)		493		790,580
Due from EA Homestay Inc. (c)		34,063		41,998
Due from related parties	**$**	**525,384**	**$**	**1,059,176**
Due to related parties (d)	**$**	**(43,000)**	**$**	**(33,000)**

(a) On March 28, 2012, the Company entered into a Strategic Partnership Cooperation Agreement (the "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 is 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 and execute the Company's growth strategy in China. Zhongjiu represents the Company in franchising the Company's brand and curriculum services to local Chinese schools ("EA Clubs") and helps in the day to day management of the franchising network. Zhongjiu itself also owns an EA Club ("Zhongjiu Club").

In return, the Company waived Zhongjiu Club's brand franchising and service fee until December 31, 2013. The Company has continued to charge Zhongjiu for its ongoing curriculum fees and student registration fees since January 1, 2014. In addition, when the number of the EA Clubs in China reaches more than 50, 20% of the service fee from these clubs will be shared by Zhongjiu. For the six months ended February 29, 2016, the revenue from Zhongjiu was $94,491(2015: $41,377). In the six months in 2016 Zhongjiu received $221,054 on behalf of the Company from the other EA Clubs for franchising and services fees. As of February 29, 2016, the balance of due from Zhongjiu is $490,828 (August 31, 2015: $226,598). The Company also has a loan receivable from Zhongjiu (Note 10).

(b) Due from shareholders as at August 31, 2015 comprised promissory notes from the two significant shareholders of the Company (the "Shareholders") who are also the officers and directors of the Company. The promissory notes were signed in June 2015 and bore interest of 8% per annum. The promissory notes were due on demand of the Company and paid off by the Shareholders in the period in 2016.

(c) EA Homestay Inc. is a company controlled by one of the Shareholders. EA Homestay Inc. paid certain expenditures related to the Company's student housing services on behalf of the Company.

(d) Due to directors represents the director fees payable to the Company's directors.

(e) For the six months ended February 29, 2016, the Company incurred compensation to the Company's officers and directors in the amount of$31,806 (2015: $63,201).

(f) The Company rented two properties from one of the Shareholders for the Company's student housing services and paid rent in the amount of $61,200 for the six months ended February, 2016 (2015: $61,200).

10. LOAN RECEIVABLE

Loan receivable consisted of the following:

(a) A loan agreement with Access International Education Inc., a Canadian public company (symbol: AOE) was signed on November 27, 2013 for a principal amount of $150,000. The loan receivable is unsecured and bears interest of 8% per annum. The loan receivable is renewable every 3 months at the option of the Company. The balance of this loan plus interest receivable is $177,271 as of February 29, 2016 (August 31, 2015: $171,271).

(b) Promissory notes agreements with the related party, Zhongjiu were signed in 2015 for principal amount of $658,000.The promissory notes bear interest of 8% per annum and are repayable in one year from the day of advance. The promissory notes are guaranteed by the Shareholders personally. The total balance of the promissory notes plus interest is $693,922 as of February 29, 2016 (August 31, 2015: $668,402).

11. FINANCIAL INSTRUMENTS, RISK AND CAPITAL MANAGEMENT

Fair Value

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.

The carrying amount of the Company's cash and cash equivalents, accounts receivable, due to and due from related parties, loan receivable, accounts payable and accrued liabilities approximate their fair values because of the short-term nature of these financial instruments.

Risk

There has been no material change to the Company's risk and risk management activities since August 31, 2015.

(Expressed in Canadian dollars)

12. SEGMENT INFORMATION

The Company operates in a single segment, being the provider of education programs to students in China and Canada. In presenting information on the basis of geographical information, segment revenue is based on the geographical location of the customers. A summary of geographical information for the Company's revenue for the year is as follows:

	Three months ended February 29, 2016	Three months ended February 28, 2015	Six months ended February 29, 2016	Six months ended February 28, 2015
Canada	$ 185,968	$ 96,726	$ 403,125	$ 205,525
China	111,856	112,156	336,699	287,113
Total	$ 297,824	$ 208,882	$ 739,824	$ 492,638

13. COMMITMENTS

The Company and its subsidiaries have entered into operating leases on certain premises and motor vehicles, with lease term between one year and four years.

Future minimum rentals payable under non-cancellable operating leases as at February 29, 2016 is, as follows:

		February 29, 2016
Within one year	$	230,519
After one year but not more than five years		275,850
More than five years		-
Total Commitments	$	506,369