EA EDUCATION GROUP INC.

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

FOR THE THREE-MONTH PERIOD ENDED NOVEMBER 30, 2017

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 condensed interim consolidated 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.

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

	Notes	(Unaudited) November 30, 2017	(Audited) August 31, 2017
Assets			
Current			
Cash and cash equivalents		4,039	12,340
Accounts receivable		269,766	429,376
Prepaid expenses and deposits		15,022	6,232
		288,827	447,948
Loan receivable	8	786,742	773,682
Prepaid expenses and deposits		-	9,341
Property, plant and equipment		10,839	15,484
		797,581	798,507
Total assets		1,086,408	1,246,455
Liabilities			
Current			
Bank indebtedness		10,515	39,802
Accounts payable and accrued liabilities		621,406	597,824
Deferred revenue		259,062	284,930
Due to related parties	7	72,600	77,900
Total liabilities		963,583	1,000,456
Equity			
Share capital	6	4,517,961	4,517,961
Share based payment reserve	6	162,670	162,670
Accumulated other comprehensive income		(2,553)	(2,553)
Deficit		(4,555,253)	(4,432,079)
Total equity		122,825	245,999
Total liabilities and equity		1,086,408	1,246,455

Nature and continuance of operations and going concerin (Note 1) -
Commitments (Note 11)
Events after the reporting period (Note 12)

Signed: "Wendy Xu", Director

Signed: "Weidong Wang", Director

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

EA EDUCATION GROUP INC.

Unaudited Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
For the three months ended November 30, 2017 and 2016
(Expressed in Canadian dollars, except for per share amount)

	Notes	3 months ended November 30, 2017	3 months ended November 30, 2016
		$	$
Revenues		153,659	301,936
Expenses			
Direct operating costs		86,686	199,848
General and administrative expenses	7	195,340	257,007
Marketing and promotion		8,407	5,337
Interest income		(13,600)	(29,315)
		276,833	432,877
Loss before income taxes		(123,174)	(130,941)
Income taxes expenses		-	-
Net loss		(123,174)	(130,941)
Other comprehensive (loss) income			
(Loss) gain on translation of foreign operations		-	(2,341)
Total comprehensive loss		(123,174)	(133,282)
Basic and diluted loss per share		(0.00)	(0.00)
Weighted average number of shares outstanding			
Basic and diluted		174,256,868	174,256,868

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

EA EDUCATION GROUP INC.

Unaudited Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars, except shares)

	Notes	Common shares		Share-based payment reserve	Accumulated other comprehensive Income (loss)	Deficit	Total shareholders' equity
		Shares	Amount				
			$	$	$	$	$
Balance at August 31, 2016		**174,256,868**	**4,517,961**	**162,670**	**(1,432)**	**(3,519,265)**	**1,159,934**
Net loss for the period		-	-	-	-	(130,941)	(130,941)
Other comprehensive income		-	-	-	(2,341)	-	(2,341)
Balance at November 30, 2016		**174,256,868**	**4,517,961**	**162,670**	**(3,773)**	**(3,650,206)**	**1,026,652**
Net loss for the period		-	-	-	-	(781,873)	(781,873)
Translation of foreign operations		-	-	-	1,220	-	1,220
Balance at August 31, 2017		**174,256,868**	**4,517,961**	**162,670**	**(2,553)**	**(4,432,079)**	**245,999**
Net loss for the period		-	-	-	-	(123,174)	(123,174)
Balance at November 30, 2017		**174,256,868**	**4,517,961**	**162,670**	**(2,553)**	**(4,555,253)**	**122,825**

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

EA EDUCATION GROUP INC.

Unaudited Condensed Interim Consolidated Statements of Cash Flows
For the three months ended November 30, 2017 and 2016
(Expressed in Canadian dollars)

	Notes	3 months ended November 30, 2017	3 months ended November 30, 2016
		$	$
Operating activities			
Net loss		(123,174)	(130,941)
Items not involving cash			
Depreciation		4,645	17,500
Interest income		(13,600)	(29,315)
		(132,129)	(142,756)
Changes in non-cash working capital		123,828	(203,213)
		(8,301)	(345,969)
Investing activities			
Payment from related parties		-	152,183
Payment from shareholders		-	150,537
		-	302,720
Financing activities			
Issuance of share capital		-	-
		-	-
Decrease in cash		(8,301)	(43,249)
Cash, beginning of period		12,340	25,734
Cash (indebtedness), end of period		4,039	(17,515)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

EA Education Group Inc. (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 acquired 100% ownership of EA Education Group Inc. ("EAEG Private") by issuing 120,000,000 common shares to the shareholders of EAEG Private. This resulted in the previous shareholders of EAEG Private obtaining control of the combined entity and constituted a reverse takeover ("RTO"). 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 4576 Yonge Street, Unit 600, Toronto, Ontario M2N 6N4.

The unaudited condensed interim consolidated financial statements for the period ended November 30, 2017 were approved and authorized for issuance by the Board of Directors of the Company on April 5, 2018.

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 three months ended November 30, 2017, the Company reported a net loss of $123,174 and as at that date had deficit of $4,555,253. 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.

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.

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. 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, 2017 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, 2017.

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, 2017.

5. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURE

There was no change in the Company's accounting policies in the period.

*Future accounting standards***:**

- *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. IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

  The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:
    - Step 1: Identify the contract(s) with a customer
    - Step 2: Identify the performance obligations in the contract
    - Step 3: Determine the transaction price
    - Step 4: Allocate the transaction price to the performance obligations in the contract
    - Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

  Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

  In 2016, the IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

  The application of IFRS 15 is mandatory for annual reporting periods starting from 1 January 2018. The Company will apply this standard for the year starting from September 1, 2018. The management of the Company is in the process of assessing the potential impacts of IFRS 15 in respect of the Company’s contracts with students in Canada and franchisees in China, in particular, the identification of performance obligations under IFRS 15 and the allocation of total consideration (including tuition fees, student housing fee, franchising fee, courses and program fees, and student membership fees) to the respective performance obligations that will be based on relative fair values.

- *IFRS 16 Leases* was amended by IASB in January 2016 to eliminate the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted.

6. SHARE CAPITAL

Authorized:
Unlimited number of common shares without par value.

Issuances of share capital:

There were no new shares issued in the reporting periods.

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 November 30, 2017, no more (August 31, 2017 - 18,000,000) common shares were 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 years ended August 31, 2017 and the period ended November 30, 2017. There were no stock options outstanding as at November 30, 2017 and August 31, 2017. No stock-based compensation expense was recognized for the periods ended November 30, 2016 and 2017.

(Expressed in Canadian dollars)

7. 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.

		November 30, 2017		August 31, 2017
Due to directors and officers (a)	$	(72,600)	$	(77,900)
Due to related parties	**$**	**(72,600)**	**$**	**(77,900)**

(a) Due to directors and officers represents the director fees payable to the Company's directors Mr. Zu Zheng, Mr. Simon Tam, and Mr. Stan Grunsenweig, and consulting fees payable to a company controlled by the CFO of the Company.

For the three months ended November 30, 2017 and 2016, the Company incurred compensation to the Company's officers and directors in the amount as follows.

		November 30, 2017		November 30, 2016
Salaries, consultant fees and other benefits	$	64,500	$	59,500
Directors' fees		15,000		15,000
	$	79,500	$	74,500

The Company paid each of the Shareholders $3,000 director fees for the fiscal period ended November 30, 2017 (2016 - $3,000) that was recorded as a reduction to the accounts receivable guarantted by the Shareholders (Note 12). The Company accrued $3,000 (2016 - $3,000) director fee for each of the other three directors during the three months period ended November 30, 2017.

(b) The Company rented one property from one of the Shareholders for the Company's student housing services and paid rent in the amount of $nil for the period ended November 30, 2017 (2016 - $15,000).

(c) The Company recognized interest income of $13,600 for the three months ended November 30, 2017 (2016 - $29,315) in the consolidated statements of operations related to due from related parties and promissory notes from Zhongjiu (Note 8), which all bear interest of 8% per annum.

8. LOAN RECEIVABLE

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 total balance of the promissory notes plus interest is $786,742 as of November 30, 2017 (August 31, 2017 - $773,682 On June 21, 2017, the Shareholders have personally signed a Guarantee (the "Guarantee") to the Company to guarantee for the repayment of the loans receivable, due from related party, and the receivables from EA Clubs before December 31, 2017. One of the Shareholders' personal real estate assets in Toronto is used as collateral that has a fair market value over $10.0 million and mortgages of $6.9 million. On January 19, 2018, the Board of the Company has a resolution to agree the extension of the repayment to December 31, 2018 for the loans receivable and the accounts receivable from EA Clubs guaranteed by the Shareholders. Subsequent to the year end, the Shareholders of the Company, Ms. Wen Xu and Mr. Weidong Wang have repaid a total of $365,618 to the Company which covered full balance of the accounts receivable from EA Clubs and partial balance of the loans receivable.

9. 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, 2016.

(Expressed in Canadian dollars)

10. 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 period is as follows:

		Three months ended November 30, 2017		Three months ended November 30, 2016
Canada	$	153,659	$	252,957
China		-		48,979
Total	$	153,659	$	301,936

11. 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 August 31, 2017 is, as follows:

		August 31, 2017
Within one year	$	154,358
After one year but not more than five years		89,117
Total Commitments		243,475

The Company terminated the lease of one of its premises in December 2016 before the original term expiring on May 31, 2017. The Company is required to pay the landlord of the premise sum of $57,281. Payment of the settlement funds will occur as follows: $10,000 in June 2017 (paid), with the balance of $47,281 payable in nine monthly instalments of $5,000, and a final instalment of $2,281, due on the first business day of each month, commencing August 1, 2017. The amounts of $42,281 have been accrued as accounts payable as of August 31, 2017.

12. EVENTS AFTER THE REPORTING PERIOD

(a) On December 15, 2017 the Company announces that it has terminated the existing Strategic Partnership Cooperation Agreement with Zhongjiu signed in 2012.

(b) On December 22, 2017 the Company has entered into a conditional sale and purchase agreement (“the Agreement”) among the Company and Duke (collectively, the “Sellers”) and Dong-An Educational Services Canada Inc. (the “Purchaser”) that contemplates the sale to the Purchaser of 100% of the issued shares of Duke held by the Company (“Sale Shares”). The aggregate purchase price to be paid for the Sale Shares is $258,000, of which $100,000 has already been paid for subsequent to November 30, 2017 and the balance of $158,000 is payable as follows: $100,000 is payable approximately one month after the date of closing; and $58,000 is payable approximately two months after the date of closing.

(c) In January 2018, the Board of the Company has a resolution to agree the extension of the repayment to December 31, 2018 for the loans receivable and the accounts receivable from EA Clubs guaranteed by the Shareholders.