TWX GROUP HOLDING LIMITED
(FORMERLY, "EA EDUCATION GROUP INC.")

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

For the three and six months ended February 29, 2020 AND February 28, 2019

(Stated in Canadian dollars)

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.

TWX GROUP HOLDING LIMITED
(FORMERLY. “EA EDUCATION GROUP INC.”)

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

	Notes	(Unaudited) February 29, 2020	(Audited) August 31, 2019
		$	$
		(Restated – Note 13)	
Assets			
Current			
Cash and cash equivalents		**1,963**	344,204
Accounts receivable		**54,016**	106,819
Loan receivable	5	**28,000**	-
Due from related parties	9	**318,254**	103,134
Prepaid expenses and deposits		**15,000**	10,000
		417,233	564,157
Plant and equipment	6	**18,512**	-
Total assets		**435,745**	564,157
Liabilities			
Current			
Accounts payable and accrued liabilities	9	**194,710**	135,629
Lease liability	8	**11,930**	-
Due to related parties	9	**17,900**	5,000
Total liabilities		**224,540**	140,629
Shareholders’ equity			
Share capital	7	**5,833,191**	5,733,191
Reserve		**162,670**	162,670
Accumulated other comprehensive loss		**(6,728)**	(6,728)
Accumulated deficit		**(5,777,928)**	(5,465,605)
Total shareholders’ equity		**211,205**	423,528
Total liabilities and shareholders’ equity		**435,745**	564,157
Nature and continuance of operations and going concern	1		
Contingencies	11		
Commitments	12		
Events after the reporting date	14		

Signed "Wendy Xu", Director

Signed "Stan Grunzeweig", Director

See accompanying notes to the unaudited condensed interim consolidated financial statements

TWX GROUP HOLDING LIMITED
(FORMERLY. “EA EDUCATION GROUP INC.”)
Unaudited Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
For the Three and Six Months Ended February 29, 2020 and February 28, 2019
(Expressed in Canadian dollars)

	3 months ended 29-Feb 2020	3 months ended 29-Feb 2019	**6 months ended 29-Feb 2020**	**6 months** ended 29-Feb 2019
	$	$	**$**	$
	(Restated – Note 13)		**(Restated – Note 13)**	
Expenses				
General and administrative expenses	**166,215**	178,748	**310,320**	383,456
Marketing and promotion	**(42,577)**	6,413	**11,973**	23,513
	123,638	185,161	**322,293**	406,969
Net loss for the period	**(123,638)**	(185,161)	**(322,293)**	(406,969)
Other comprehensive (loss) income				
Gain on translation of foreign operations	**-**	(2,405)	**-**	169
Interest income	**(4,858)**	-	**(9,003)**	-
Net and comprehensive loss	**(118,780)**	(187,566)	**(313,290)**	(406,800)
Basic and diluted loss per share	**(0.00)**	(0.02)	**(0.01)**	(0.04)
Weighted average number of shares outstanding				
Basic and diluted	**30,192,215**	11,617,125	**30,071,336**	11,617,125

See accompanying notes to the unaudited condensed interim consolidated financial statements

AMENDED AND RESTATED

TWX GROUP HOLDING LIMITED
(FORMERLY. “EA EDUCATION GROUP INC.”)

Unaudited Condensed Interim Consolidated
Statements of Changes in Equity
(Expressed in Canadian dollars)

	Common shares Shares	Common shares Amount	Share-based Reserve	Accumulated other comprehensive Income (loss)	Accumulated Deficit	Total Shareholders' Equity
Balance at August 31, 2018	**11,617,124**	**4,517,961**	**162,670**	**(6,855)**	**(5,025,683)**	**(351,907)**
Net loss for the period	-	-	-	-	(406,969)	(406,969)
Translation of foreign operations	-	-	-	169	-	169
Balance at February 28, 2019	**11,617,124**	**4,517,961**	**162,670**	**(6,686)**	**(5,432,652)**	**(758,707)**
Net loss for the period	-	-	-	-	(32,953)	(32,953)
Private placement (Note 7)	8,333,333	500,000	-	-	-	500,000
Private placement (Note 7)	10,000,000	750,000	-	-	-	750,000
Share issuance cost	-	(34,770)	-	-	-	(34,770)
Translation of foreign operations	-	-	-	(42)	-	(42)
Balance at August 31, 2019	**29,950,457**	**5,733,191**	**162,670**	**(6,728)**	**(5,465,605)**	**423,528**
Private placement (Note 7)	2,000,000	100,000	-	-	-	100,000
Net loss for the period	-	-	-	-	(312,290)	(312,290)
Adjustment – IFRS 16 Leases (Note 8)	-	-	-	-	967	967
Balance at February 29, 2020	**31,950,457**	**5,833,191**	**162,670**	**(6,728)**	**(5,777,928)**	**211,205**

See accompanying notes to the unaudited condensed interim consolidated financial statements

TWX GROUP HOLDING LIMITED
(FORMERLY. "EA EDUCATION GROUP INC.")

Unaudited Condensed Interim Consolidated Statements of Cash Flows
For the Six Months Ended February 29, 2020 and February 28, 2019
(Expressed in Canadian dollars)

	6 months ended 29-Feb 2020	6 months ended 29-Feb 2019
	$	$
	(Restated – Note 13)	
Operating activities		
Net loss for the period	**(313,290)**	(406,969)
Items not involving cash		
Depreciation	**3,688**	5,594
Adjustment – IFRS leases	**967**	-
	(308,635)	(401,375)
Changes in non-cash working capital	**118,814**	85,840
	(189,821)	(315,535)
Investing activities		
Acquisition of property plant and equipment	**(22,200)**	(2,045)
	(22,200)	(2,045)
Financing activities		
Issuance of shares	**100,000**	-
Bank indebtedness	**-**	2,210
Increase in loan receivable	**(28,000)**	-
Due from (to) related parties	**(202,220)**	260,149
	(130,220)	262,359
Decrease in cash	**(342,241)**	(55,221)
Cash, beginning of period	**344,204**	58,783
Cash, end of period	**1,963**	3,562

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) on November 21, 1995. The address of the Company's corporate office and principal place of business is 908 – 939 Howe Street, Vancouver, BC, V6Z 1N9. The Company is currently reviewing alternative business plans and intends to pursue a change of business.

The unaudited condensed interim consolidated financial statements for the period ended February 29, 2020 were approved and authorized for issuance by the Board of Directors of the Company on April 29, 2020.

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.

For the six months ended February 29, 2020, the Company reported a net loss of $313,290 and as at that date had deficit of $5,777,928. 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.

Functional and Presentation Currency

The functional currency of the Company is the Canadian dollars, while the functional currency of its other wholly owned subsidiary, EA International Education Co., Limited, is Chinese Yuan. These consolidated financial statements are presented in Canadian dollars.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements except for the adoption of IFRS 9.

Basis of Consolidation

These consolidated financial statements include the accounts of TWX Group Holding Limited (Formerly, "EA Education Group Inc." and its wholly-owned subsidiary EA International Education Co., Limited.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Foreign Currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company and its subsidiaries at the exchange rate in effect at the transaction date. Monetary assets and liabilities are translated at the exchange rates in effect at date of financial position. Non-monetary assets and liabilities measured at historical costs that are denominated in other than the functional currency are translated at the exchange rate at the date of the transaction. Revenues and expenses are translated at the exchange rates prevailing at the date of the transaction except for amortization, which is translated at historical rates. Translation gains or losses are included in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Company's presentation currency at exchange rates at the financial position date. The income and expenses of foreign operations are translated into the Company's presentation currency at average exchange rates for the year. Foreign currency differences are recognized as other comprehensive income (loss) and accumulated in a separate component of shareholders' equity, described as foreign currency translation adjustment.

Cash

Cash consists of cash at banks and or short term deposits with an original maturity of three months or less.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Plant and Equipment

Property and equipment are recorded at historical cost (including directly applicable taxes, freight-in and installation costs), net of accumulated amortization and accumulated impairment losses. Depreciation is recognized to write off the cost of assets less their residual value over their estimated useful lives at the following annual rates:

- Computer equipment - 30% per annum declining balance
- Furniture and equipment - 20% per annum declining balance
- Vehicles – 20% per annum declining balance
- Leasehold improvements - straight-line over the lesser of lease term and three years

The Company reviews the estimated useful lives, residual values and depreciation method at each period-end, accounting for the effect of any changes in estimate on a prospective basis.

Impairment of Non-financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each financial position date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal and its value in use. Fair value less costs to sell is defined as the estimated price that would be received on the sale of the asset in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounted rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other groups of assets (cash generating units or "CGUs"). The allocation of goodwill to cash-generating units reflects the lowest level at which goodwill is monitored for internal reporting purposes.

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of the cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit on a pro-rata basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Plant and Equipment (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decrease or no longer exists. When impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimated recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Income Taxes

The Company follows the asset and liability method of accounting for income tax. Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of unused tax losses and tax credits, as well as for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future and their timing of the reversal can be controlled. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to be applied to temporary differences when the related asset is realized or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares, warrants and stock options are recognized as a deduction from equity, net of any tax effects.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component and the common shares are valued at their estimated fair value. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Earnings (loss) Per Share

The Company presents basic and diluted earnings (loss) per share data for its common shares. Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for the effects of all diluted potential common shares, which comprise warrants and share options issued using the treasury stock method. Anti-diluted shares are not included in the computation.

Financial Instruments

On January 1, 2018, the Company, adopted on a modified retrospective basis, for the first time, IFRS 9 - Financial Instruments. The nature and effect of these changes are disclosed below.

IFRS 9 - Financial Instruments replaces IAS 39 - Financial Instruments Recognition and Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities.

[i] Financial Assets

IFRS 9 includes a revised model for classifying financial assets, which results in classification according to a financial instrument's contractual cash flow characteristics and the business models under which they are held. At initial recognition, financial assets are measured at fair value. Under the IFRS 9 model for classification of financial assets the Company has classified and measured its financial assets as described below:

• Cash and cash equivalents are classified as financial assets measured at amortized cost. Previously under IAS 39 these amounts were classified as Loans and Receivables.

• Short-term investments are classified as financial assets measured at amortized cost. Previously under IAS 39 these amounts were classified as Loans and Receivables.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

• Trade and other receivables are classified as financial assets at amortized cost. Previously under IAS 39, Trade and other receivables were classified as Loans and Receivables measured at amortized cost. The adoption of IFRS 9 did not result in a material change in the carrying values of any of the Company's financial assets on the transition date.

[ii] Financial Liabilities

Financial liabilities are recognized initially at fair value and in the case of financial liabilities not subsequently measured at fair value, net of directly attributable transaction costs. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled, or expired. For financial liabilities, IFRS 9 retains most of the IAS 39 requirements. Therefore, the adoption of IFRS 9 did not impact the Company's accounting policies for financial liabilities. Trade and other payables are classified as financial liabilities to be subsequently measured at amortized cost. Put options (see Note 8) are classified as financial liabilities that are measured at their fair value through profit or loss.

Accounting Standards, Amendments and Interpretations

New Standards, Amendments and Interpretations Effective for the first time

IFRS 16 *Leases*

On September 1, 2019, the company, adopted on a modified retrospective basis, for the first time, IFRS 16 - Leases. Under this approach, the cumulative effect of initially applying IFRS 16 is recognized as an adjustment to equity at the date of initial application. Comparative figures are not restated to reflect the adoption of IFRS 16.

IFRS 16 introduces a single lessee accounting model and requires lessees to recognize assets and liabilities for all leases, except when the term is 12 months or less or when the underlying asset has a low value. The Company recognizes a right-of-use asset and a lease liability for its leases with lease terms greater than one year. The right-of-use asset is measured at cost and depreciated over its estimated useful life. At the commencement date, the lease liability is measured as the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or if that rate cannot be easily determined, the Company's incremental borrowing rate. If the lease terms are subsequently changed, the present value of the lease liability is re-measured using the revised lease terms and applying the appropriate discount rate to the remaining lease payments. The Company recognizes the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. However, the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of re-measurement in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRIC 23 – Uncertainty over Income Tax Treatment ("IFRIC 23")

This new standard, also to be effective for annual report periods beginning on or after January 1, 2019, clarifies how to apply the recognition and measurement requirements in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments, addressing four specific issues:

- Whether an entity considers uncertain tax treatments separately;
- The assumptions an entity should make about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit or loss, taxes bases, unused tax losses, unused tax credits and tax rates; and
- How an entity considers changes in facts and circumstances.

The Company has reviewed the standard and believes that this does not have an impact on the Company's condensed consolidated interim financial statements due to its taxable loss position.

There are no other IFRS or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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.

Management considers the following areas to be those where the significant estimates, which may involve assumptions requiring the application of judgments, are used in the preparation of the Company's consolidated financial statements.

Evaluation of the Company's Ability to Continue as a Going Concern

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing these consolidated financial statements. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The assessment of the Company's ability to execute its strategy and finance the operations through achieving positive cash flow from operations or by obtaining additional funding through debt or equity financing involves judgments. Management monitors future cash requirements to assess the Company's ability to realize

(Expressed in Canadian dollars)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Evaluation of the Company’s Ability to Continue as a Going Concern (continued)

assets and discharge its liabilities in the normal course of operations. Please refer to Note 1 for more information.

5. LOAN RECEIVABLE

On February 21, 2020, the Company has advanced the sum of $28,000 CAD to a former director of the Company, Mr. Simon Tam. The purpose of this loan is for seeking out mining opportunities in South Africa. The conditions of the repayment of loan were that if a suitable mining exploration opportunity was identified and acquired by the company, then the loan would not be repayable. However, the opportunity was not identified and the loan was to be repaid by December 31, 2020. The loan is to is non-interest bearing.

There was no executed loan agreement between the Company and Mr. Simon Tam and there is no directors’ resolution executed to approve this loan.

The Company has not collected this amount to the date of this report and will pursue it when the due date of December 31, 2020 approaches.

See Note 9: “Related Party transactions and key management personnel compensation”

6. PLANT AND EQUIPMENT

	Lease Improvements	Furniture	Equip.	Computers	Vehicle	Total
Cost						
Balance, Aug 31, 2017	**14,087**	**62,242**	**10,632**	**-**	**5,673**	**92,634**
Additions	9,425	4,225	-	-	-	13,650
Disposal	(14,087)	(62,242)	(10,632)	-	(5,673)	(92,634)
Balance, Aug 31, 2018	**9,425**	**4,225**	**-**	**-**	**-**	**13,650**
Additions	-	2,045	-	-	-	2,045
Balance, Aug 31, 2019	**9,425**	**6,270**	**-**	**-**	**-**	**15,695**
Additions	-	-	-	6,015	16,185	22,200
Balance, Feb 29, 2020	**9,425**	**6,270**	**-**	**6,015**	**16,185**	**37,895**

(Expressed in Canadian dollars)

6. PLANT AND EQUIPMENT (continued)

	Lease Improvements	Furniture	Equip	Computers	Vehicle	Total
Accumulated depreciation and impairment						
Balance, August 31,	14,087	46,758	10,63	-	5,673	77,150
Depreciation	2,570	274	-	-	-	2,844
Disposal	(14,087)	(46,758)	(10,63	-	(5,673)	(77,150
Balance, Aug 31, 2018	**2,570**	**274**	**-**	-	**-**	**2,844**
Depreciation	6,855	1,221	-	-	-	8,076
Impairment	-	4,775	-	-	-	4,775
				-		
Balance, Aug 31, 2019	**9,425**	**6,270**	**-**	-	**-**	**15,695**
Depreciation	-	-	-	452	3,236	3,688
Balance, Feb 29, 2020	**-**	**-**	**-**	**452**	**3,236**	**19,383**
Net Carrying Amounts						
Balance, Aug 31, 2018	6,855	3,951	-		-	10,806
Balance, Aug 31 2019	**-**	**-**	**-**		**-**	**-**
Balance, Feb 29, 2020	**-**	**-**	**-**	**5,564**	**14,566**	**14,566**

7. SHARE CAPITAL

Authorized:

Unlimited number of common shares without par value.

Issuances of share capital:

On February 19, 2020, the Company has issued 2,000,000 common shares at a price of $0.05 per unit for a total of $100,000, Each unit consists of one (1) common share and one (1) transferable share purchase warrant. Each warrant is exercisable for a purchase of an additional share of the Company for a period of twenty-four (24) months from the date of closing of the private placement at an exercise price of $0.10 per common share.

There were no shares issued in the report periods ended February 28, 2019.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

Stock options

The Company's 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 periods ended February 29, 2020 and February 28, 2019.

Warrants

A summary of warrants as at February 29, 2020 and August 31, 2019 is as follows:

	Warrant Outstanding	
	Number of warrants	Weighted Average Exercise Price
Balance, August 31, 2018 and 2017	-	$ -
Issued	10,000,000	0.075
Balance, August 31, 2019	10,000,000	$ 0.075
Issued	2,000,000	$ 0.10
Balance, February 29, 2020	12,000,000	$ 0.79

Number Outstanding	Weighted Average Exercise Price	Expiry Date	Weighted Average Remaining Life
8,000,000	$0.075	May 22, 2024	4.37
2,000,000	$0.075	June 5, 2024	4.27
2,000,000	$0.100	February 19, 2022	1.98
12,000,000	$0.075		3.49

(Expressed in Canadian dollars)

8. Lease Liability

On March 8, 2018, the Company entered into a 48-month lease agreement to lease a vehicle. The lease payments are $630.98 at the beginning of each month.

The Company has recorded this lease as a right-of-use asset and lease liability in the statement of financial position as at February 29, 2020. At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease rate was 2.90%.

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, 2020		August 31, 2019
Loan receivable (a)	$	28,000	$	-
Due from shareholders (b)	$	318,254	$	103,134

(a) On February 21, 2020, the Company has advanced the sum of $28,000 CAD to a former director of the Company, Mr. Simon Tam. The purpose of this loan is for seeking out mining opportunities in South Africa. The conditions of the repayment of loan were that if a suitable mining exploration opportunity was identified and acquired by the company, then the loan would not be repayable. However, the opportunity was not identified and the loan was to be repaid by December 31, 2020. The loan is to is non-interest bearing.

There was no executed loan agreement between the Company and Mr. Simon Tam and there is no directors' resolution executed to approve this loan.

The Company has not collected this amount to the date of this report and will pursue it when the due date of December 31, 2020 approaches.

(b) The amounts above represent loan amounts and advances to Wen Xu and Weidong Wang, directors of the Company.

On June 1, 2019, the Company executed a loan agreement in the amount of $225,000 with Weidong Wang that was non-secured, bearing interest of 8%, due on demand. There is no directors' resolution approving the loan and is currently outstanding.

This loan was for the purpose of seeking out business opportunities. Weidong Wang went to Cambodia to work on a blockchain business that could not be developed within the jurisdiction

9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

of the People's Republic of China. The reason it could not be done because China has very restrictive rules regarding blockchain development because of money laundering or circumvention of their currency controls. The intent was not to circumvent the currency controls but to adjunct it to the development of the education business and other legitimate purposes. Tony had to invite his investment group and pay for them to come and meet in Cambodia.

Subsequent to the year-ended August 31, 2019, Tony expensed these expenditures under marketing and project investigation costs with a view that they were legitimate expenses on behalf of the Company. Ms. Xu has agreed to bear the responsibility of the expense ($179,336) incurred by Tony and offset those liabilities represented by such expenses against the payables owed to her.

During the six-month period ended February 29, 2020, the Company recognized interest income of $9,000 related to $225,000 loan to Weidong Wang (advanced during the year ended August 31, 2019) for the period ended February 29, 2020 (February 28, 2019 interest income - $Nil for loan previously granted to the Shareholders) in the unaudited consolidated statements of operations and comprehensive loss.

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

	Wen Xu	**Weidong Wang**	**Total**
	$	**$**	**$**
As at August 31, 2019	**(125,165)**	**228,299**	**103,134**
Director fees during the period	(3,000)	(3,000)	(6,000)
Payroll during the period	(7,264)	(5,135)	(12,399)
Payback of loan	-	(75,000)	(75,000)
Interest on loan	-	4,145	4,145
Personal expenses - draws	35,882	50,915	86,796
Balance, as at November 30, 2019	**(99,548)**	**200,223**	**100,676**
Director fees during the period	(4,000)	(4,000)	(8,000)
Payroll during the period	-	(5,135)	(5,135)
Reclassification of payback from Weidong Wang to Wen Xu	(75,000)	75,000	-
Reversal of Mr. Wang's repayment of shareholder's loan	-	94,089	94,089
Reversal of payback – due to Mr. Weidong Wang	-	(75,000)	(75,000)
Reclassification of project investigation costs	99,886	-	99,886
Reclassification of marketing and promotion	79,450	-	79,450
Personal expenses - draws	11,433	16,000	27,433
Interest on loan	-	4,855	4,855
Balance as at February 29, 2020	**12,222**	**306,033**	**318,254**

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

		February 29, 2020		August 31, 2019
Due to former directors and officers (a)	$	(10,650)		-
Due to directors and officers (b)	$	(7,250)	$	(5,000)
Due to related parties	**$**	**(17,900)**	**$**	**(5,000)**

(a) Due to former director and officer represents the director fees payable to the Company’s former director Mr. Mr. Simon Tam, and Oriental Sources Inc, a company controlled by the former CFO of the Company

(b) Due to directors and officers represents director and consulting fees payable to the Company’s directors Mr. Stan Grunzeweig, and Mr. Jim Y. Huang.

During the six-month period ended February 29, 2020, the Company accrued $9,250 (2019 - $10,000) director fees for the above two directors (Mr. Stan Grunzeweig, and Mr. Jim Y. Huang,) and $15,000 (2019 - $15,000) consulting fee to the former CFO of the Company. In addition, the Company paid directors’ consulting fee of $500 (2019 - $9,461) for the period ended February 29, 2020.

During the six-month period ended February 29, 2020, the Company recorded $40,000 salary of (2019 - $60,000) to Wen Xu the Chairman of the Company and $29,500 (2019 - $39,000) to the Weidong Wang the CEO of the Company (the “Shareholders”), and accrued each of the Shareholders $7,000 director fees (2019 - $6,000) that was recorded as a reduction to the balance owed by the related parties.

10. 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, due to and due from related parties and accounts payable and accrued liabilities approximate their fair values because of the short-term nature of these financial instruments.

Risk

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

Credit risk

Credit risk is the loss associated with counterparty's inability to fulfill its payment obligations. The Company's exposure to credit risk includes cash and due from related parties. The Company's maximum exposure to credit risk is equal to the carrying value of these financial assets. The Company reduces its credit risk by maintaining its bank accounts at large financial institutions, and monitoring receivables closely.

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 February 29, 2020, the Company had working capital deficiency of $14,643 (August 31, 2019 working capital surplus of $423,528). The ability to do this relies on the Company to generate income in the future or raise capital in a timely manner to maintain sufficient cash in excess of anticipated needs.

Capital Management

The Company's capital management objectives are to ensure sufficient liquidity to support its financial obligations and raise the necessary equity financing to execute its operating and strategic growth plans. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development.

11. CONTINGENCIES

On August 16 and October 2, 2019, the Company was served with two Statements of Claim issued by the Ontario Superior Court of Justice (Commercial List) that named the Company as one of the defendants. These two Statements of Claim sought damages in the amount of $500,000 and $1,500,000, respectively and an unspecified sum of punitive damages from allegations of breach of contract, negligence and misrepresentations. The Company denies the allegations made against the Company in the Statements of Claim.

The original claim by Ling (Alice) Jiang and a group of individuals (Superior Court of Justice File CV-19-00635736-00CL) was issued on August 16, 2019, which did not successfully delivery to the office of EA Education Group Inc, but Wen Xu, as a defendant, got the statement of claims. The company's corporate counsel prepared and filed the news release on September 18, 2019. At that time, the management and Board didn't think the claim was material to the company. Then the company received the amendment statement of claim by Ling (Alice) Jiang on October 2, 2019 with the same File No. CV-19-00635736-00CL. On the same day, the company also received a new claim by Dong Li. And a group of individuals (Superior Court of Justice File No. CV-19-00628456-00CL), and it is for similar matters. The company's litigation council entered order to consolidate the two claims in January 2020, and was waiting for receive the consolidated claim from court. On Aug 25, 2020, the Company decided to seek new council to prepare a Claim of Defence.

The first Claim (File CV-19-00635736-00CL) is between the company and the plaintiffs (Ling (Alice) Jiang, Ling(alice) Jiang, Beibei Liu, Yu Guo, Fanxiong Meng, Guihua Sun, Jingkai Xu, Li Zhou, Man Yuan, Ning Li, Yanfang Hao, Yi Hu and Hui Jiang) and defendants (Canada Blockchain E-Commerce Ltd., Canadian Blockchain Media Group Inc., 2465213 Ontario, Weidong (Tony) Wang, Wen Xu, Tong Gao, Weixia (Winnie) Ou).

The second Claim (File CV-19-00628456-00CL) is between the company and the plaintiffs (Dong Li, Jiliang Li, Weimin Gu, Qiong zou, Mei Huang and Ping Hung Ting) and defendants (Canada Blockchain E-Commerce Ltd., Canadian Blockchain Media Group Inc., 2465213 Ontario, Weidong (Tony) Wang, Wen Xu, Tong Gao, Weixia (Winnie) Ou).

In 2018, the Company subleased a part of office space to defendants, Canada Blockchain E-Commerce Ltd. (CBE) and Canada Blockchain Media Group (CBM). The Lease Agreements were terminated by the Company in or about March 2019, after the Company determined that it would no longer be able to renew its existing lease on the premises at 3190 Steeles Avenue East and after CBE and CBM had ceased making payments pursuant to the Lease Agreements.

11. CONTINGENCIES (continued)

The defendant, Wen Xu is a director and president of the Company. The defendant, Weidong Wang, is a former CEO and director of the Company. The defendant, CBM, is the company's contracting party, which provides marketing service to the Company in 2018. The defendant, Tong Gao is a director of CBE. The defendant, 2465213 Ontario Inc. ("246"), is a coproation incorporated pursuant to the Ontario Business Corporations Act. Tong Gao is the sole director and officer of 246. There is no relationship between the Company and Tong Gao, the defendant. Tony Gao who is a Xu's family friend and trustee of the family children trust.

Wen Xu has brought an application to remove the Mareva injunction on her property and bank account. While still responding to the complaint, the judge ruled that WEN XU had won, and the plaintiff must compensate her for her legal fees.

Pursuant to the order of Justice McEwen, assets held directly or indirectly by Weidong Wang are subject to the Mareva junction since August 28, 2019.

On February 21, 2020, The court granted a Mareva injunction against the Company. The judge removed the Mareva in March 2020.

There is no relationship between the Company and Alice Jiang, Dong Li, and a group of individual plaintiffs. the company has no business relation with the plaintiffs and has no any agreement signed with the plaintiffs. Therefore, material change report has not been filed.

No provision has been recorded in the consolidated financial statements since management believes that there is no merit to these claims.

(Expressed in Canadian dollars)

12. COMMITMENTS

The Company and its subsidiary have entered into operating leases on certain motor vehicles, with lease term from three years to four years.

Future minimum rentals payable under non-cancellable operating leases as at February 29, 2020 is, as follows:

		February 29, 2020
Within one year	$	13,540
After one year but not more than five years		7,572
Total Commitments		21,112

13. Restatement

The Company restated its consolidated financial statements as at February 29, 2020 and for the three and six months then ended to reflect the following:

1) Reclassified project investigation costs of $127,866 and charged it against due from Ms. Xu $99,866 and due from ex-director, Mr. Simon Tam, in the amount of $28,000.

2) Reclassified YTD marketing and promotion costs of $79,450 and charged it against due from shareholder – Ms. Xu.

3) Reduced accounts payable in the amount of $75,000 due to reclassification of $75,000 shareholder payback by Mr. Wang to Ms. Xu This reduces the amount set aside for the amount due to court – Mareva injunction (See Note 13 – Contingencies).

4) Reclassified $10,650 from "Accounts Payable and Accrued Liabilities to "Due to Related Parties".

(Expressed in Canadian dollars)

13. Restatement (continued)

Consolidated Statement of Financial Position

	As reported $	Adjustment $	As restated $
Current			
Cash and equivalents	1,963	-	1,963
Accounts receivable	54,016	-	54,016
Loan receivable	-	28,000	28,000
Due from related parties	213,918	104,336	318,254
Prepaid expenses and deposits	15,000	-	15,000
	284,897	132,336	417,233
Plant and equipment	18,512	-	18,512
Total assets	303,409	132,336	435,745
Liabilities			
Current			
Accounts payable and accrued liabilities	280,360	(85,650)	194,710
Lease liability	11,930	-	11,930
Due to related parties	7,250	10,650	17,900
Total liabilities	299,540	(75,000)	224,540
Shareholders' equity			
Share capital	5,833,191	-	5,833,191
Reserve	162,670	-	162,670
Accumulated other comprehensive loss	(6,728)	-	(6,728)
Accumulated deficit	(5,985,264)	207,336	(5,777,928)
Total shareholders' equity	3,869	207,336	211,205
Total liabilities and shareholders' equity	303,409	132,336	435,745

(Expressed in Canadian dollars)

13. Restatement (continued)

Consolidated Statements of operations and comprehensive loss

	Three months ended February 29, 2020		
Expenses			
General and administrative expenses	166,215	-	166,215
Marketing and promotion	36,873	(79,450)	(42,577)
Project investigation costs	127,886	(127,886)	-
	330,974	(207,336)	123,638
Net loss for the period	(330,974)	207,336	(123,638)
Other comprehensive (loss) income			
Interest income	4,858	-	4,858
Net and comprehensive loss	(326,116)	207,336	(118,780)
Basic and diluted loss per share	(0.01)	0.01	0.00
Weighted average number of shares outstanding			
Basic and diluted	30,192,215	-	30,192,215

(Expressed in Canadian dollars)

13. Restatement (continued)

Consolidated Statements of operations and comprehensive loss

	Six months ended February 29, 2020		
Expenses			
General and administrative expenses	310,320	-	310,320
Marketing and promotion	91,423	(79,450)	11,973
Project investigation costs	127,886	(127,886)	-
	529,629	(207,336)	322,293
Net loss for the period	(529,629)	207,336	(322,293)
Other comprehensive (loss) income			
Interest income	9,003	-	9,003
Net and comprehensive loss	(520,626)	207,336	(313,290)
Basic and diluted loss per share	(0.02)	0.01	(0.01)
Weighted average number of shares outstanding			
Basic and diluted	30,192,215	-	30,192,215

(Expressed in Canadian dollars)

13. Restatement (continued)

Consolidated Statements of Cash Flows

	Six months ended February 29, 2020		
Operating activities			
Net loss for the period	(520,626)	207,336	(313,290)
Items not involving cash			
Depreciation	3,688	-	3,688
Adjustment - IFRS leases	967	-	967
	(515,971)	207,336	(308,635)
Changes in non-cash working capital	204,464	(85,650)	118,814
	(311,507)	121,686	(189,821)
Investing activities			
Acquisition of plant and equipment	(22,200)	-	(22,200)
	(22,200)	-	(22,200)
Financing activities			
Issuance of shares	100,000	-	100,000
Increase in loan receivable	-	(28,000)	(28,000)
Due from (to) related parties	(108,534)	(93,686)	(202,220)
	(8,534)	(121,686)	(130,220)
Decrease in cash	(342,241)	-	(342,241)
Cash, beginning of period	344,204	-	344,204
Cash, end of period	1,963	-	1,963

14. EVENTS AFTER THE REPORTING DATE

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID- 19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

On October 16, 2020, Mr. Stan Grunzeweig, has elected to step down from CEO and resigned as director. On October 19, 2020, Mr. Kevin Beaulieu was appointed CEO and director to replace Mr. Stan Grunzeweig.