CIBT EDUCATION GROUP INC.

Annual Information Form

For the fiscal year ended
August 31, 2020

777 West Broadway, Suite 1200
Vancouver, BC, V5Z 4J7
Tel: 604 871 9909
Fax: 604 871 9919
Website: www.cibt.net

Dated: November 30, 2020

TABLE OF CONTENTS

GLOSSARY **1**

PRELIMINARY NOTES **2**

CORPORATE STRUCTURE **4**

NAME, ADDRESS AND INCORPORATION 4
INTERCORPORATE RELATIONSHIPS 4

GENERAL DEVELOPMENT OF THE BUSINESS **5**

THREE YEAR HISTORY 5

DESCRIPTION OF BUSINESS **6**

GENERAL 6
SERVICES 8
SPECIALIZED SKILL AND KNOWLEDGE 12
COMPETITIVE CONDITIONS 12
INTANGIBLE ASSETS 12
CYCLES 13
EMPLOYEES 13
FOREIGN OPERATIONS 13
BANKRUPTCY AND SIMILAR PROCEDURES 13
RISK FACTORS 14

DIVIDENDS **19**

DESCRIPTION OF CAPITAL STRUCTURE **19**

COMMON SHARES 19

MARKET FOR SECURITIES **19**

MARKET 19
TRADING PRICE AND VOLUME 19

DIRECTORS AND OFFICERS **20**

NAME, OCCUPATION AND SECURITY HOLDING 20
CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS 21

LEGAL PROCEEDINGS AND REGULATORY ACTIONS **22**

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS **23**

TRANSFER AGENTS AND REGISTRARS **23**

MATERIAL CONTRACTS **23**

INTERESTS OF EXPERTS **23**

ADDITIONAL INFORMATION **23**

AUDIT COMMITTEE 23
GENERAL 25

APPENDIX A – Amended and Restated Audit Committee Charter

GLOSSARY

In addition to the terms defined elsewhere in this AIF, the terms below have the meanings shown.

"**AIF**" means an annual information form prepared pursuant to Part 6 of National Instrument 51-102 *Continuous Disclosure Obligations*.

"**A Plus**" means the Company's subsidiary, A Plus Student Services Inc.

"**Board**" means the Company's board of directors.

"**CIBT (China)**" means the Company's subsidiary, CIBT School of Business & Technology Corp.

"**Company**" means CIBT Education Group Inc. and its direct and indirect subsidiaries on a consolidated basis unless otherwise indicated.

"**Fiscal 2018**" means the Company's fiscal year ended August 31, 2018.

"**Fiscal 2019**" means the Company's fiscal year ended August 31, 2019.

"**Fiscal 2020**" means the Company's fiscal year ended August 31, 2020.

"**Fiscal 2021** means the Company's fiscal year ending August 31, 2021.

"**GEA**" means the Company's subsidiary, Global Education Alliance Inc.

"**GECH**" means the Company's subsidiary, Global Education City Holdings Inc.

"**IRIX**" means the Company's subsidiary, IRIX Design Group Inc.

"**NI 52-110**" means National Instrument 52-110 *Audit Committees*.

"**RMB**" means the renminbi, the national currency of the People's Republic of China.

"**SSCC**" means the Company's subsidiary, Sprott Shaw College Corp.

"**SSLC**" means Sprott Shaw Language College, operated as a division of SSCC.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"**TSX**" means the Toronto Stock Exchange.

"**VIC**" means Vancouver International College, a division of SSCC.

PRELIMINARY NOTES

Date of Information

Unless otherwise stated, the information herein is presented as at August 31, 2020, being the year-end date of the Company's most recently completed financial year.

Currency

Unless otherwise specified, in this AIF all references to "dollars" or to "$" are to Canadian dollars.

Cautionary Note Regarding Forward-Looking Statements

This AIF contains "forward-looking information" within the meaning of Canadian securities laws. Statements that are not historical facts are forward-looking statements that involve risks and uncertainties. Forward-looking statements include, but are not limited to, financial projections, information or expectations about the Company's business plans, results of operations, products or markets, or otherwise makes statements about future events. Such forward-looking statements can be identified by the use of words such as "intends", "anticipates", "believes", "estimates", "projects", "forecasts", "expects", "plans" and "proposes". The forward-looking statements in this AIF include, without limitation, information with respect to the impact of COVID-19 on the Company's anticipated cash flows, that the student-centric accommodations business provides the Company with four potential benefits: (1) fees from developing and structuring each project, (2) a proportional interest in the net profits generated by each project through the holding of limited partnership units, (3) fees from managing the business operations of each project, and (4) a proportionate interest in any capital gain upon exit.

Although the Company believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. These include, among others, the risk factors and other cautionary statements under *"Description of Business"* which identify important factors that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause actual results to differ materially from the forward-looking statements include but are not limited to the following:

- a slower than expected return of international students to Canada
- government restrictions arising as a result of COVID-19 remaining in place for a period of time beyond management's current expectations, continuing to adversely affect the economy and real estate values
- fluctuation of real estate prices
- risks related to real estate project developments generally such as interest rates and construction delays due to factors including permit issuance, construction costs and construction labour market shortages including but not limited to:
    - rezoning process risk due to delays in permit approval, issuance, design changes or use of property may result in extensive cost increases
    - significant interest rate increases will affect financial performance, and lending sentiment by construction lenders may impact the cost of mortgage financing
    - significant insurance premium increases will affect financial performance
    - construction delays, cost overruns and exchange rate fluctuation on construction materials will impact the cost of construction
- increased competition in the sectors in which the Company has investments
- need for additional capital to complete acquisitions and expand operations
- dependence on key personnel, the Company's facility providers and educational service providers
- ability to compete effectively with competitors that have greater financial, marketing and other resources
- ability to manage planned growth and integrate new business opportunities into existing operations
- risks involving the Chinese legal system, tax system, and foreign currency limitation
- risks related to government regulations and obtaining required approvals

- the possibility that personal information that the Company collects may be vulnerable to breach, theft or loss, which could subject the Company to liability or adversely affect its reputation and operations
- government policy relating to rent control may affect rental income
- government policy relating to foreign investment may affect investor sentiment
- the inability of any of the Company's limited partnerships to repay loans guaranteed by the Company or its subsidiaries could have a significant effect on the Company's financial performance

Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this AIF speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events, other than as required by applicable securities laws.

[Remainder of page intentionally left blank.]

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company is a corporation governed by the *Business Corporations Act* (British Columbia). It was incorporated on November 17, 1986 pursuant to the *Company Act* (British Columbia) under the name Moneywise Resources Inc. The Company changed its name to Stealth Ventures Inc. on October 1, 1992 and to Annova International Holdings Corp on May 10, 1994. The Company changed its name to Annova Business Group Inc. and consolidated its share capital on a 1:4 basis on April 27, 1995. On November 27, 1998, the Company changed its name to Capital Alliance Group Inc. and consolidated its share capital on a 1:2 basis. On November 14, 2007, the Company changed its name to CIBT Education Group Inc. and on February 23, 2010, the Company increased its authorized share capital from 100,000,000 to 150,000,000 common shares without par value.

The head office of the Company is located at 777 West Broadway, Suite 1200, Vancouver, BC V5Z 4J7 and its registered office is located at 595 Burrard Street, Suite 2900, Vancouver, BC V7X 1J5.

Intercorporate Relationships

Set out below are two corporate organization charts. Chart 1 shows, as at August 31, 2020, the Company's material subsidiaries comprising its education division, along with its other non-real estate division subsidiaries. Chart 2 shows the Company's direct and indirect material subsidiaries comprising its real estate division as at August 31, 2020. The domicile of each entity is shown within parentheses.

Chart 1:

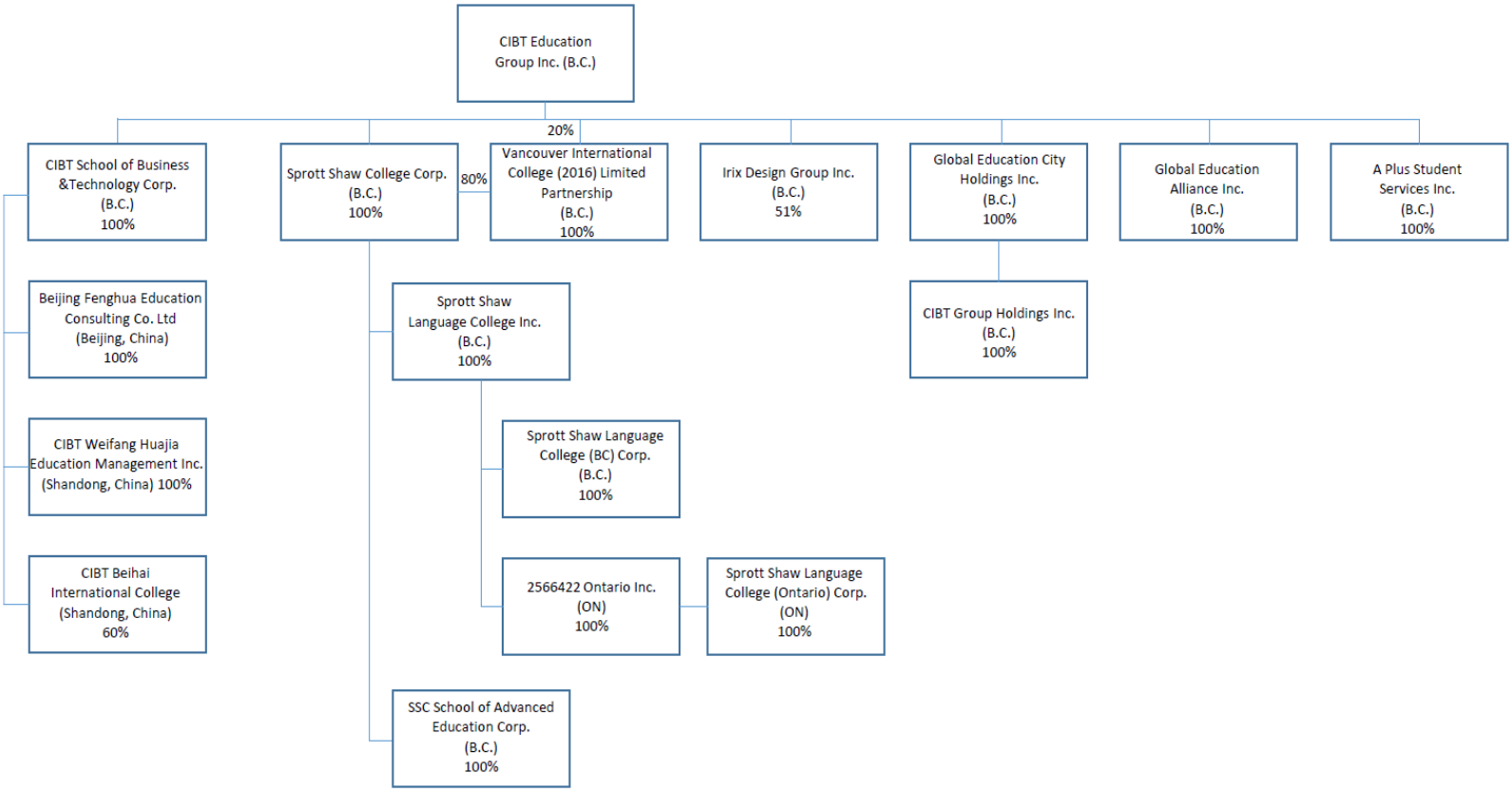
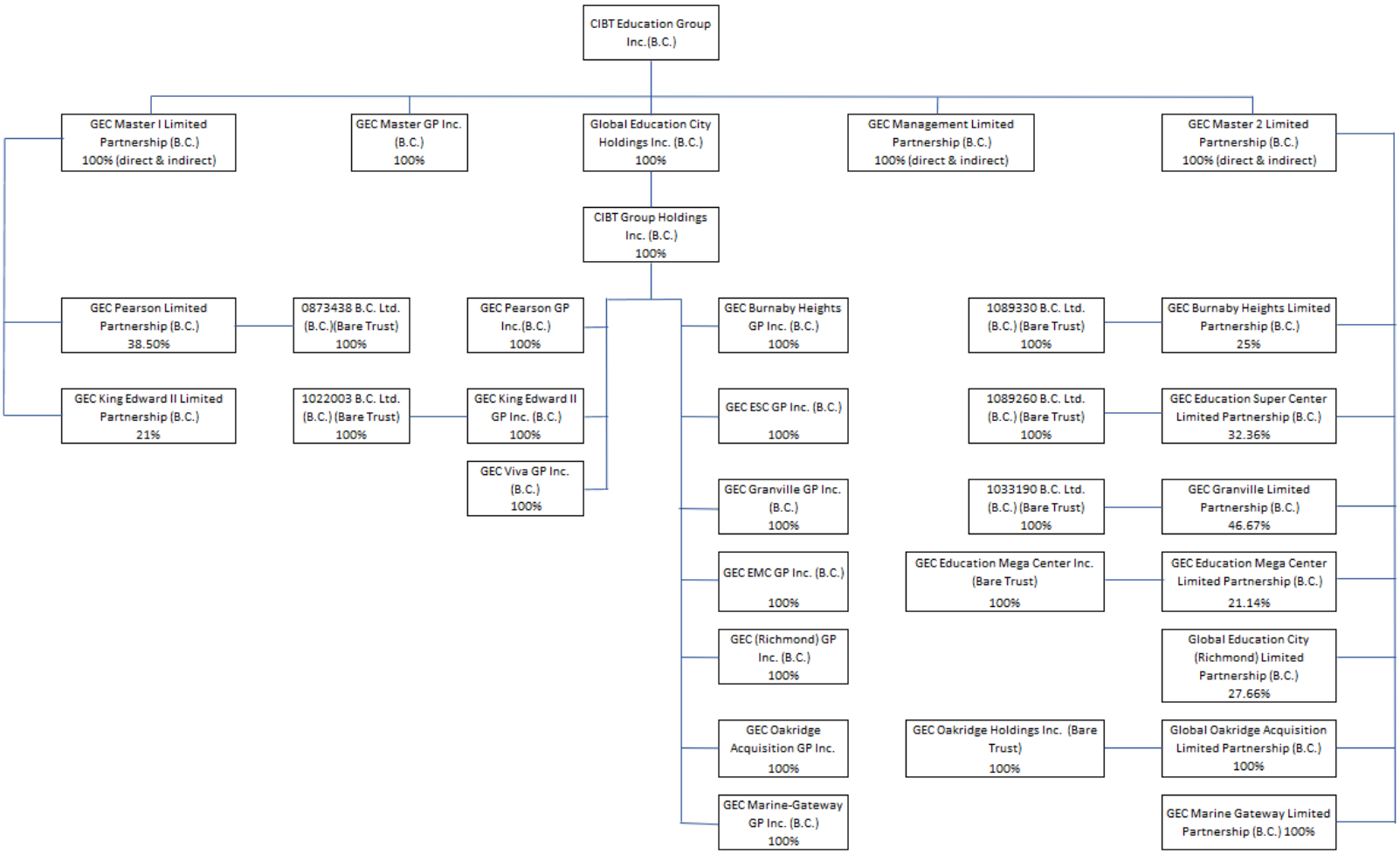


Chart 2



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

During Fiscal 2018, major activities relating to the Company's business included the following:

1. the completion of extensive renovations to GEC® Viva to convert the buildings from luxury residential rental suites and offices to a serviced apartment to accommodate students and technology employees in Vancouver, and the subsequent sale of the GEC® Viva project by a limited partnership controlled by the Company for a gain on sale of approximately $17,500,000 after an investment period of 41 months;

2. the receipt of Advisory Design Panel and further reading approvals by Surrey City Council as a part of a series of five required approvals to construct the GEC Education Mega Center® project;

3. the acquisition by a limited partnership controlled by the Company of the land and rights to construct the GEC® King Edward II project;

4. the increase in the Company's ownership of the limited partnership that owns the GEC® Granville project, from 20% to 47%;

5. receipt of occupancy permits for the GEC® Pearson project, and the completion of the purchase of the project by a limited partnership controlled by the Company;

6. the completion of equity private placements undertaken by the real estate limited partnerships comprising the Company's real estate division; and

7. the completion of the sale of commercial units in the GEC Burnaby® project by a limited partnership controlled by the Company for proceeds of approximately $5,400,000 net of selling expenses and leasehold improvement costs.

During Fiscal 2019, major activities relating to the Company's business included the following:

1. the receipt of a development permit, design panel approval and final reading for the Global Education City® (Richmond) project;

2. the execution of three purchase and sale agreements by a limited partnership controlled by the Company for the lands for the GEC® Oakridge project;

3. the completion by the Company of an equity private placement of convertible debentures (the "**2019 Debentures**") raising aggregate cash proceeds in the Canadian dollar equivalent of approximately $8,200,000;

4. the completion of equity private placements undertaken by the real estate limited partnerships comprising the Company's real estate division;

5. the completion of the purchase of the land for the development of GEC Education Mega Center® project; and

6. the completion of property financing and mortgage renewals totaling $89,500,000 by limited partnerships controlled by the Company.

During Fiscal 2020, despite the challenges presented by COVID-19, major activities relating to the Company's business included the following:

1. the commencement of construction of the GEC® King Edward project;

2. the completion of the purchase of the land for the development of the GEC® Oakridge project;

3. the execution of a purchase and sale agreement by the Company for two fully occupied rental apartment buildings located in Metro Vancouver to be operated as GEC Marine Gateway®; and

4. the completion of equity private placements undertaken by the real estate limited partnerships comprising the Company's real estate division.

DESCRIPTION OF BUSINESS

General

CIBT is an education and student-centric rental apartment and development company focused on the Canadian and global education market. The Company's common shares are listed on the "TSX" under the trading symbol "MBA" and are quoted on the OTCQX-International under the trading symbol "MBAIF". The Company owns and operates a network of business, technical and language colleges in North America and Asia. Its real estate business provides student housing in the Metro Vancouver area, British Columbia. The Company controls and is an investor in limited partnerships that own a network of serviced apartments and one hotel. Certain subsidiaries of the Company act as general partner and manager to these limited partnerships.

The Company's operating entities are as follows:

Name of Entity	**Business Description**
Global Education City Holdings Inc. ("**GECH**")	Investment holding, development and management company with a focus on student housing real estate projects such as serviced apartments and hotels for domestic and international students as well as technology workers and working professionals in the Metro Vancouver area in British Columbia
Sprott Shaw College Corp. ("**SSCC**")	Career and technical training college, offering diplomas and certificates in health care, tourism, hospitality, business, administrative, technical trades, and international studies in Canada
Sprott Shaw Language College ("**SSLC**") and Vancouver International College **("VIC")**	English as a second language college, offering accredited programs such as General English (ESL), College Preparation/Pathway, Business English, Medical English, English Language Test Preparation, Vacation English and Online English Career training college, offering accredited programs in the following fields: Business Management, Customer Service, TESOL Teacher Training, Interpreting and Translation for Koreans and Online English Teacher Training
Global Education Alliance Inc. ("**GEA**")	Recruitment of international students and on-ground concierge services for elite kindergarten, primary, secondary school and university students coming to study in North America
CIBT School of Business & Technology Corp. ("**CIBT China**")	College program provider offering automotive technical training, English teacher preparation, English as a Second Language, and accounting programs in China
IRIX Design Group Inc. ("**IRIX**")	Design and advertising company which mainly services the real estate industry

The Company's primary business units consist of three categories with corporate (head office) as the supporting hub: *Education related real estate* (GECH); *Education* (SSCC, SSLC/VIC, GEA, and CIBT China); and *Media* (IRIX).

The Company's business activities cover three complementary areas:

1. operation of a network of business, technical and language colleges in North America and Asia;
2. recruitment of international students to North America; and
3. development and management of student-centric accommodations.

The following table summarizes the revenue for each category of products or services from the Company's core business activities. The figures in the table below are in thousands of Canadian dollars.

	12 Months Ended August 31, 2020 ($)	12 Months Ended August 31, 2019 ($)	Percentage Fiscal 2020	Percentage Fiscal 2019
Total revenues	62,548	70,997	100%	100%
Educational revenues – SSCC	37,036	35,433	59.2%	49.9%
Educational revenues – SSLC/VIC	7,173	13,865	11.5%	19.5%
Rental revenues – GECH	10,016	13,035	16.0%	18.4%
Development fees – GECH and Corporate	4,540	4,347	7.3%	6.1%

None of these revenues resulted from sales or transfers to controlling shareholders or sales or transfers to joint ventures in which the Company is a participant or to entities in which the Company has an investment accounted for by the equity method.

Services

(i) Education Business

Activities

The Company, owns and operates Sprott Shaw College ("**SSC**"), SSLC, VIC and CIBT (China), a network of business, technical and language colleges in North America and Asia offering Western and Chinese accredited business and management programs, programs in college preparation, healthcare, hotel management and tourism, English language training, English teacher certifications, junior and high school preparation programs for overseas study, and other career/vocational training.

CIBT (China) is a post-secondary education provider in China offering Chinese college degree and training programs. These programs range in length from one to three years. This subsidiary generated approximately 4% of the Company's total revenue in Fiscal 2020.

SSCC currently provides education programs and services in Canada through its operating entities SSC, SSLC and VIC. SSC is a private career and technical training college offering diplomas and certificates in health sciences and social development, tourism, hospitality, business, administrative, trades and applied technology, and international studies. These programs range in length from 12 weeks to 24 months.

SSLC is a private language college offering certificates in English as a Second Language (ESL) for ages six years old to adult. SSLC also offers specialized English programs in the following fields; College Preparation/Pathway, Business English, Medical English, English Language Test Preparation, Vacation English and Online English. All programs range in length from one to 48+ weeks. VIC is a private career college with programs primarily designed for international students. VIC specializes in custom-designed curriculum in programs such as: Customer Service Professional, Global Business Expertise, Interpreting and Translation, and a variety of Teaching English to Speakers of Other Languages (TESOL) programs. VIC also offers a successful online program for both international and domestic students, TESOL Advanced Online; eligible graduates can apply for TESL Canada Certification. All programs range from four to 48 weeks.

Student Enrollment Statistics

Annual student enrollment is defined as new students who entered into the Company's colleges in that fiscal year and the existing students who re-enrolled for the second and third year's courses.

Presented below is a table indicating total annual student enrollment for the Company's colleges.

	Annual Enrollment (9/1/2019 – 8/31/2020)
CIBT (China)	1,970
SSCC	4,772
SSLC and VIC	2,556
Total	**9,298**

GEA and A Plus also recruited over 316 students for enrollment into various other public and private schools in Canada during Fiscal 2020, covering primary school (including kindergarten), secondary school and university level, as well as summer and winter camp studies.

Locations

SSC provides its programs from 16 leased campuses in British Columbia, Canada. SSC also offers programs through blended and on-line delivery models.

SSLC provides its programs from three campuses in Canada: Vancouver, Victoria and Toronto, and one centralized head office in Vancouver, all of which are leased. VIC provides its programs from one leased campus in downtown Vancouver, and is also supported by the SSLC centralized head office.

The programs in China are provided from either a university campus or from a satellite centre organized within an established local university or college through cooperation agreements between the Company or a subsidiary and the respective university or college. The cooperating university or college provides its facilities, and the Company is responsible for renovating classrooms and providing video conferencing equipment.

CIBT (China) also has joint programs/schools at three locations in China offering accounting, auto, logistics, physical education, business and other courses.

Target Students

The target students for the Company's schools are recent high school graduates or adults working in urban centres. The Company believes that its core educational programs in business, hotel and tourism management, and healthcare represent large and growing markets with attractive employment opportunities.

The Company's management believes prospective students are attracted to its schools due to the quality of its programs, its relatively long operating history in the private education sector, its extensive international network and its ability to provide training which is relevant in obtaining jobs from multinational corporations and other employers. SSCC's student recruitments are generated through a combination of recruiting agents and student referrals and SSCC relies on traditional marketing methods including radio, television, newspaper and bill board advertising. CIBT (China) and SSCC employ a variety of marketing and recruiting methods to attract students and increase enrollments. CIBT (China) uses recruitment channels such as recruiting agents, direct recruitment from government colleges and student referrals.

Governmental Approvals

The educational operations of SSCC in Canada and CIBT (China) in China require approvals from various government authorities.

SSCC is subject to the jurisdiction of certain regulatory bodies, including the following:

- Private Training Institutions Branch: The Private Training Institutions Branch sets basic education standards for registered private career training institutions and language institutions in British Columbia and establishes standards of quality which must be met by designated institutions in areas such as programs, instructors and staff, enrolment contracts, fees and tuition, work experience, student withdrawal and dismissal, and student dispute resolution. The Private Training Institutions Branch, which replaced the Private Career Training Institutions Agency, is established under the *Private Training Act*, and currently falls under the responsibility of the BC Ministry of Advanced Education.
- StudentAid BC: StudentAid BC helps eligible students with the cost of their post-secondary education through loans, grants, scholarships, and other programs and also offers programs for borrowers who need help repaying their loans. BC student loans are provided by the provincial government and Canada student loans are provided by the federal government. These loans are managed as a single Canada-BC integrated loan at the National Student Loans Service Centre.
- College of Licensed Practical Nurses of British Columbia: The College of Licensed Practical Nurses of British Columbia is responsible for regulating the profession of Licensed Practical Nurses in the public interest.
- BC Care Aide & Community Health Worker Registry: This Registry develops a process for Health Care Assistant program recognition and lists Health Care Assistant educational institutions in British Columbia that meet specific program standards. The Registry acts to serve and protect vulnerable patients, residents and clients receiving care from health care assistants employed by publicly funded facilities.
- Ministry of Children and Families (British Columbia): The Ministry of Children and Families provides programs and services to ensure that healthy children and responsible families are living in safe, caring and

inclusive communities, including the establishment of Child Care Occupational Competencies that must be met by both training facilities and early childhood educators.

- Industry Training Authority: The Industry Training Authority is a provincial crown agency. It was established in 2004 and is responsible for managing BC's industry training system to develop the skilled workforce needed to ensure the competitiveness and economic prosperity of the Company's businesses and the Province of British Columbia. The Industry Training Authority leads and coordinates BC's skilled trades system, working with employers, employees, industry, labour, training providers and government to issue credentials, support apprenticeships, fund programs, set program standards and increase opportunities in the trades.
- The Ministry of Advanced Education and Skills Development (Ontario): The Ministry of Advanced Education and Skills Development develops policy directions and registers private career and language colleges in Ontario. The ministry administers several legislations, including the *Ministry of Training, Colleges and Universities Act*, and International Student Program regulations.

In British Columbia, all vocational programs costing over $1,000 and providing at least 40 hours of instruction are accredited by the Ministry of Education. SSCC's Practical Nursing program is approved by the College of Licensed Practical Nurses of British Columbia. The Early Childhood Education program is approved by the Ministry of Children and Families. The Trades Programs are approved by the Industry Training Authority. All academic programs are subjected to a quality assessment process undertaken by the Degree Quality Assessment Board which then makes recommendations in support of the Minister of Advanced Education's statutory powers to approve new degree programs.

In order to open its campuses and/or offer its educational programs, CIBT (China) obtained approvals from the Ministry of Education in China which is the national agency that is responsible for approvals of all Chinese and foreign bachelor's and master's degree programs offered in China.

(ii) Student Recruitment Business

Activities

GEA and A Plus recruit international students for primary schools, secondary schools and universities and colleges in North America, such as British Columbia Institute of Technology, Capilano University, City University Seattle (Vancouver Campus), Columbia College, Pythagoras Academy, Southpointe Academy and Vancouver Community College. One source of students for recruitment is the recruitment centres operated by the Company in Asia under the brand name, *Global Education Alliance*. GEA also relies upon referral contacts to provide international student leads.

(iii) Student-Centric Accommodations Business

Activities

The Company's student-centric accommodations business, such as serviced apartments and a hotel for domestic and international students as well as working professionals in the Metro Vancouver area of British Columbia, is administered through GECH, an investment holding and management company with a special focus on education real estate projects in Canada.

Due to the low vacancy rate generally, and, in particular, the significant shortage of affordable rental apartments in Metro Vancouver, students face difficulty in finding affordable housing when coming to study in Vancouver. In order to help meet this need, GECH is spearheading the development of education themed real estate projects in Metro Vancouver featuring student-centric accommodations. In addition to serviced apartments for students and a short-stay hotel for students and tourists, the Company has also identified a need for affordable housing for technology workers and working professionals migrating from across Canada and the USA to Metro Vancouver.

The student-centric accommodations business provides the Company with three potential revenue streams:

1. fees from developing and structuring each project;
2. a proportional interest in the net profits generated by each project through the holding of limited partnership units; and

3. management fees and rental income from managing the business operations of each project.

In addition, those properties that meet the definition of investment properties are recorded at fair value at the end of each reporting period, and the Company shares in the proportional interest of any gains or loss on changes in fair value. On disposition of the property, the Company will receive its share of proceeds as set forth in the applicable limited partnership agreement.

The Company controls the limited partnerships which own the student-centric accommodation projects by means of contractual arrangements between the general partners (which are indirect subsidiaries of the Company) and each of the limited partnerships.

The following is the portfolio of GEC® branded projects as at the date of this AIF:

1. GEC® Viva Tower – a seventeen-storey tower sold in 2018 with a five-year leaseback agreement
2. GEC® Granville Hotel and Suites – a twelve-storey concrete construction tower which is fully operational as a hotel and as accommodations for students and working professionals
3. GEC® Burnaby Heights – a four-storey concrete and wood-frame condominium building which is fully operational as accommodations for students and working professionals. The commercial space on the first floor of the building was sold in 2018.
4. GEC® Pearson – two 6-storey rental apartment towers which are fully operational as rental apartments for students and working professionals
5. GEC® Global Education City (Richmond) – an office tower and a rental apartment building under construction
6. GEC® King Edward – a four-storey rental apartment under construction
7. GEC® Cyber City – a planned project with two office towers and a micro-suite hotel which is in the rezoning phase
8. GEC Education Mega Center® Surrey – a planned 49-storey, concrete high-rise commercial, condo and rental tower which is in the rezoning phase
9. GEC® Oakridge – a planned 18-storey, concrete high-rise rental tower which is in the rezoning phase
10. GEC® Kingsway – a rental apartment building under construction which is master-leased from the owner for 21 years
11. GEC® Marine Gateway – two rental apartment buildings, comprised of one 4-storey and one 6-storey, which are fully operational as rental apartments for students and working professionals

(iv) Operations of IRIX

Products and Services

IRIX provides a wide range of production and design services. The types of major services and the percentages of overall revenues of IRIX are summarized as follows:

Description	**Percentage of Overall Revenues in Fiscal 2020**
Graphic Design	53%
Product Sales	9%
Production Services for print, video, film and multimedia	38%

Marketing Strategy

IRIX provides marketing services including corporate identity development, personal profile building, printing services, multimedia production, marketing support, website development, web application, online marketing, and internet and traditional advertising. Its services are provided primarily to real estate firms. IRIX's experience and understanding of the Chinese market also allows it to target clients who intend to build a Chinese customer base.

Specialized Skill and Knowledge

The Company's education business requires instructors with knowledge of the subjects taught as part of the programs offered by the Company's subsidiaries. The Company's other business activities do not require personnel with specialized skill or knowledge.

Competitive Conditions

The Company's education business faces competition from providers of traditional education programs and training services, and expects to face increasing competition from existing competitors and new market entrants in the online education market, including the following:

- Canadian and American for-profit post-secondary and English as a Second Language education companies
- Overseas for-profit post-secondary education companies that offer western-style educational programs
- Not-for-profit post-secondary education companies that offer western-style educational programs, typically public schools run by the local government
- Online education companies that offer download and self-study, language based one-on-one video conference teaching using low cost personal computers, and American and Canadian universities (such as Simon Fraser University and Richard Ivey School of Business) who use video conferencing equipment to deliver classes within their school system, but do not operate outside of their school system

The Company's student recruitment business faces competition from independent agents, and immigration companies as well as direct recruitment by schools.

The Company's student-centric accommodations business does not currently face any significant competition but no assurance can be given that this situation will continue.

IRIX faces intense competition from a wide range of companies. The multimedia, advertising and graphic design market consists of many competitors, from world-wide or nation-wide advertising companies or agencies, to self-employed web designers or programmers. Many of IRIX's competitors have substantially greater financial and other resources. IRIX primarily competes with small-size Vancouver-based companies rather than large-size advertising companies or agencies.

IRIX's products and services are distinguished by the quality of the products and services being offered and an emphasis on customer focus rather than low price. Therefore, an aggressive price competition from existing or future competitors could result in the need to reduce prices or increase the Company's spending and could result in a decrease in the Company's revenues and/or profitability.

Intangible Assets

The Company's trademarks, copyrights, domain names, trade secrets and other intellectual property rights distinguish its services from those of its competitors and contribute to its ability to compete in its target markets. The Company relies on a combination of copyright and trademark law, trade secret protection and confidentiality agreements with its employees, lecturers, business partners and others, to protect its intellectual property rights. In addition, the Company requires its employees to enter into agreements with the Company under which they acknowledge that all inventions, trade secrets, works of authorship, developments and other processes made by them during their employment are the Company's property.

The Company owns the copyright to all of the contents of its websites, which include www.cibt.net, www.cibt.edu, www.cibt.ca, www.cibt.cn, www.mygea.ca, www.vicenglish.com, www.studysslc.com, www.sprottshaw.com, www.studenthotel.ca, www.myaplus.ca, www.gdancechallenge.com and www.irix-design.com. The Company, directly or indirectly, is the owner of registered trademarks including the following: Sprott Shaw College, Sprott-Shaw, Sprott-Shaw Community College, Pitman Business College, Tourism Training Institute, Concordia Career College and Modus International Language Institute, GEC, Global Education City, GEC Education Super Center, GEC Education Mega Center and Education Mega Center.

In addition, the Company owns the following intangible assets, among others, related to its education programs and training services business, directly or indirectly through its subsidiaries:

- affiliation agreements
- recruiting agent agreements
- course curriculum

The Company's intellectual property is subject to risks of theft and other unauthorized use, and the Company's ability to protect its intellectual property from unauthorized use is limited. In addition, the Company may be subject to claims that it has infringed on the intellectual property rights of others. The Company's failure to protect its intellectual property rights may undermine its competitive position, and litigation to protect its intellectual property rights or defend against third-party allegations of infringement may be costly and ineffective.

Cycles

The Company's education business is seasonal in nature as it fluctuates with the applicable school terms. As a result, the Company has historically received spikes in its deferred revenues in September, which is the typical starting date for a student of SSCC. The Company's student-centric accommodations business is similarly seasonal in nature, although to a somewhat lesser extent than the Company's education business due to some accommodations being occupied by technology professionals. The Company's other business activities are not cyclical or seasonal in nature.

Employees

Total Employees

As at August 31, 2020, the Company's head office in Vancouver employed 10 full-time personnel who oversee its operations and carry out strategic planning, corporate communications, marketing, financing, human resources and information technology functions. In addition, the number and type of personnel employed in the Company's various businesses were as follows:

	Full-time Instructors	**Part-time Instructors**	**Administrative and Other Employees**	**Total Employees**
SSCC	28	109	244	381
SSLC	1	71	33	105
CIBT (China)	4	10	9	23
VIC	3	6	6	15
GECH	N/A	N/A	39	39
IRIX	N/A	N/A	8	8
GEA and A Plus	N/A	N/A	6	6
Total	**36**	**196**	**345**	**577**

Foreign Operations

Approximately 4% of the Company's consolidated revenues earned during Fiscal 2020 were generated through foreign operations, most of which are conducted in China and other parts of Asia.

Bankruptcy and Similar Procedures

Management of the Company is not aware of any bankruptcy, receivership or similar proceedings against the Company or any of its subsidiaries, within the three most recently completed fiscal years or during or proposed for the current fiscal year.

Risk Factors

In addition to the risks described elsewhere in this AIF, the Company and its subsidiaries are subject to certain risks including those described below.

Risks Related to the Company's Business

The Impact of COVID-19 on the Company's Business is Uncertain

COVID-19 and the closure of the Canada-US border has restricted travel and has negatively impacted the Company's performance. COVID-19 may continue to affect certain portions of the Company's education revenues and it is difficult to ascertain for how long such adverse effects will continue. International student revenues decreased substantially commencing in the third Quarter of Fiscal 2020 and have yet to recover, while domestic student revenues have been increasing steadily since the fourth Quarter of Fiscal 2020. Occupancy in the Company's GEC® branded properties began to improve following the end of Fiscal 2020, with an increase in the number of domestic student tenants helping to lessen the financial impact of the decrease in international student tenants due to restrictions on their entry into Canada.

The Company will need additional capital to fully carry out its proposed plans.

The Company will require significant expenditures of capital in order to carry out its full business strategy. The Company plans to obtain the necessary additional funds from equity or debt financings undertaken by the Company, the issuance of limited partnership units by the various real estate investment limited partnerships, commercial bank loans or the sale of assets on terms considered favourable by the Company. However, there can be no assurance that the Company will obtain the financing required, or at all. If the Company is not able to obtain the necessary additional financing, it may be forced to scale back its business plans or eliminate them altogether.

Environmental matters.

The Company is an investor in entities holding real property (the "**Real Estate Entities**") which are subject to various federal, provincial and municipal laws relating to environmental matters. Such laws provide that the Real Estate Entities could be liable for the costs of removal of hazardous substances and remediation of hazardous locations. The failure to remove substances or remediate locations, if any, could adversely affect the Real Estate Entities' ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against the Real Estate Entities. The Company is not aware of any material non-compliance with environmental laws with respect to any of the properties held by a Real Estate Entity in which the Company holds an interest, nor of any pending or threatened investigations or actions by environmental regulatory authorities.

Environmental laws and regulations may change and the Company may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on the Company's business, financial condition or results of operations.

Liquidity of real estate investments.

The Company's investments in the Real Estate Entities are long-term investments therefore relatively illiquid. Such illiquidity may tend to limit the Company's ability to vary its portfolio promptly in response to changing economic or investment conditions.

The expansion of the Company's business through acquisitions, joint ventures, and other strategic transactions creates risks that may reduce the benefits the Company anticipates from these strategic transactions.

The Company intends to consider entering into acquisitions, joint ventures and other strategic transactions to acquire new campuses or schools to expand its operations. The Company's management is unable to predict whether or when any other future strategic transactions will occur.

Acquisitions, joint ventures or other strategic transactions may present financial, managerial and operational challenges, including but not limited to maintaining the consistency of the Company's quality of instruction and its

culture to ensure that recognition of the Company's brands does not suffer. The Company may be exposed to successor liability relating to prior actions involving a predecessor company, or contingent liabilities incurred before a strategic transaction. Liabilities associated with an acquisition or a strategic transaction could adversely affect the Company's financial performance. Any failure to integrate new businesses or manage any new alliances successfully could adversely affect the Company's reputation and financial performance.

The Company may not be able to improve the operating performance and financial results of acquired businesses or lower the costs of services provided as planned.

While the Company believes that there are usually a number of opportunities to reduce operating costs and improve the financial results of businesses acquired by it, the Company cannot fully evaluate its plans or confirm its projections until it controls the acquired business. The Company may not be able to achieve its planned operating improvements, cost reductions or expected synergies in its expected time periods, if at all. In addition, some of the improvements the Company plans to implement may depend upon capital expenditure projects at the acquired business. Such capital projects may not be completed in the Company's expected time periods, if at all, may not achieve the results that the Company has estimated or may have a cost substantially in excess of the Company's planned amounts. This could materially adversely affect the Company's results of operations and financial condition on a consolidated basis.

A substantial decrease in government student loans, or a significant increase in financing costs for SSCC's students, could have a material adverse effect on student enrollment and financial results.

Some of SSCC's domestic students in Canada are highly dependent on government-funded financial aid programs. Students apply for student loans on an annual basis. If there are changes to financial aid program regulations that restrict student eligibility or reduce funding levels for student loans, SSCC's enrollment and/or collection of student billings may suffer, causing revenues to decline.

Interest rates have reached historically low levels in recent years, creating a favourable borrowing environment for students. However, if interest rates increase, SSCC's students may have to pay higher interest rates on their loans, which could result in a significant reduction in SSCC's student population and revenues.

If SSCC is not able to continue to have its campuses and education facilities in Canada certified as eligible educational institutions in accordance with the requirements of applicable student loan regulations at the federal and provincial levels, its students will not be eligible for student loans if they enroll in SSCC's programs and SSCC could suffer from reduced enrollment levels, which would have a material adverse effect on its revenues.

Private educational institutions must be certified on a campus by campus basis in order for their students to be eligible to apply for student loan and student grant funding. Certifications are valid for a period of up to five years, subject to review by the granting authority. There are also a number of administrative requirements that must be complied with in order to maintain an existing certification. SSCC employs a Manager of Student Services and two other staff members whose responsibilities include the oversight of each campus' compliance program with the administrative requirements to maintain their student loan accreditations. In addition, SSCC's head office and StudentAid BC each conduct semi-annual audits to verify that the campuses are in compliance. However, there can be no assurance that SSCC's campuses will be certified in the future or will maintain their existing certifications. If SSCC was to lose certifications for a number of its campuses, its enrollment levels would in all likelihood decrease, which would negatively impact its results of operations and financial condition.

The Company's quarterly results of operations are likely to fluctuate based on seasonal student enrollment patterns.

The Company's education business is seasonal in nature and it receives a large portion of its cash flows at the beginning of each new school year in September and cash flows increase again in the summer due to summer classes. Accordingly, the Company's results in a given quarter may not be indicative of its results in any subsequent quarter or annually. The Company's quarterly results of operations have tended to fluctuate as a result of seasonal variations in its education business in China and Canada, principally due to seasonal enrollment patterns.

The Company operates its education business in a competitive industry.

The post-secondary education market is highly fragmented and competitive. The Company competes for students with traditional public and private colleges and universities, other not-for-profit schools, including those that offer online learning programs, and alternatives to higher education, such as employment and military service. Many public and private schools, colleges, and universities offer online programs. The Company expects to experience additional competition in the future as more colleges, universities, and for-profit schools offer an increasing number of online programs. Public institutions receive substantial government subsidies, and public and private non-profit institutions have access to government and foundation grants, tax-deductible contributions, and other financial resources generally not available to for-profit schools. Accordingly, public and private non-profit institutions may have instructional and support resources superior to those in the for-profit sector, and public institutions can offer substantially lower tuition prices. Some of the Company's competitors in both the public and private sectors also have substantially greater financial and other resources than the Company. The Company may not be able to compete successfully against current or future competitors and may face competitive pressures that could adversely affect its business, prospects, financial condition, and results of operations. These competitive factors could cause the Company's enrollments, revenues, and profitability to significantly decrease. However, any students which enroll at a competitor's school will still be a potential client of the Company's student-centric accommodations business.

A portion of the Company's Canadian business is generated through overseas recruitment activities which require students to apply for student visas, and this exposes the Company to the risk of visa and immigration policy changes.

International student recruitment is subject to uncertainty regarding the student's application for a student visa. Should the Canadian government decrease the number of student visas it offers within various foreign countries in which the Company actively recruits, it could have a material adverse effect on the Company's results of operation and financial condition.

A surge of student housing could adversely affect the Company's education-related real estate business.

Although there is currently a large need for student-centric accommodations in the Metro Vancouver area, a material decrease in this need, whether due to an increase in competition, international border closures due to pandemic or other reasons could jeopardize the Company's education-related real estate business. In addition, the Company's real estate business is dependent upon securing substantial third-party investment for its projects.

Real estate market fluctuations, increased interest rates, increased insurance premiums, and delays in construction.

In addition to the other risks mentioned herein relating to the Company's student housing business, an increase in interest rates, insurance premiums, delays in construction for reasons including but not limited to delays in obtaining required permits, cost overruns, and fluctuations in the value of real estate may also adversely affect the Company's business operations and implementation of its growth strategy.

The Company may be negatively affected by an economic crisis.

If global economic or financial conditions worsen, the Company's cost of borrowing may increase and it may become more difficult to obtain financing for its operations or investments, which may adversely affect the Company's business operations and implementation of its growth strategy.

Liquidity risk. (Numbers are expressed in thousands)

The Company is exposed to liquidity risk which is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due in the normal course of business. The Company manages its liquidity risk by monitoring its operating requirements. Cash and cash equivalents as at August 31, 2020 were $ 23,030 (August 31, 2019 - $ 15,213). The Company has an undrawn demand operating credit facility of $1,802 at the date of this report in addition to cash and cash equivalents of $23,030 at August 31, 2020. At August 31, 2020 and 2019, the Company was in a working capital deficit position. The majority of the Company's assets are long-term in nature; however, there are a fluctuating amount of current borrowings due to the maturity date of mortgages classified as short-term liabilities (as required under IFRS accounting standards) which are associated with the purchase of investment properties that contribute to the working capital deficit position. The Company has successfully

renegotiated debt instruments on reasonable terms to continue to provide liquidity and anticipates that it will be able to do so in future, although no assurance of this can be given. In addition, the Company anticipates capital financing could be raised if required, which it has successfully raised in the past; however, there is no assurance that such financing will be available on favourable terms.

Tax risks.

The Company is subject to various taxes including, but not limited to, Canadian income tax, goods and services tax, provincial sales tax, land transfer tax and payroll tax, and its tax filings will be subject to audit by various taxation authorities. While the Company intends to base its tax filings and compliance on the advice of its tax advisors, there can be no assurance that its tax filing positions will never be challenged by a relevant taxation authority resulting in a greater than anticipated tax liability.

No Dividends on Shares.

The Company has never declared or paid any dividends or distributions on its shares. It is currently expected that the Company will retain future earnings, if any, to support operations and to finance future acquisitions and investments and therefore will not pay any cash dividends on its shares for the foreseeable future.

Risks Related to Doing Business in China

The Company is exposed to currency exchange risk which could cause its reported earnings or losses to fluctuate.

Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency rates. The Company conducts the majority of its business in Canada, with a small portion of its business in the United States, China and Hong Kong (combined total of approximately 4%) giving rise to exposure to market risks from changes in foreign currency rates. The Company is exposed to additional currency risk associated with the 2019 Debentures, the majority of which are denominated in Hong Kong dollars. As the 2019 Debentures do not mature until Fiscal 2021, this instance of currency risk is limited to the required interest payments. Currently, the Company does not use derivative instruments or other measures to reduce its exposure to foreign currency risk.

The Company is subject to limitations on its ability to convert Chinese currency.

Conversion of RMB into foreign currencies and of foreign currencies into RMB, for payments relating to "capital account transactions", which principally includes investments and loans, generally requires the approval of the Chinese State Administration of Foreign Exchange and other relevant Chinese governmental authorities. Restrictions on the convertibility of the RMB for capital account transactions could affect the ability of the Company's Chinese subsidiary to make investments overseas or to obtain foreign exchange through debt or equity financing, including by means of loans or capital contributions from the Company. The Company's requirements for RMB conversion in Fiscal 2020 was nil.

The Company depends upon the acquisition and maintenance of approvals to conduct its business in China. Failure to obtain or renew these approvals will adversely affect operations in China.

The Company is dependent upon certain approvals in China, including, without limitation, campus approvals, and program approvals, to conduct its business. While the Company believes that all steps necessary to obtain or maintain these approvals have been or will be taken, the failure to obtain or renew these approvals could have a material adverse impact on the Company's business, results of operations and financial condition. It is also possible that new laws and regulations governing the education business in China will prohibit or restrict foreign investment in the education business generally, which would significantly impact the scope of its operations and may materially adversely impact its results of operations.

Chinese economic, political and social conditions, as well as changes in any government policies, laws and regulations, could adversely affect the overall economy in China or the prospects of the education market, which in turn could adversely affect the Company's business.

Demand for the Company's programs and services in China depends, in large part, on economic conditions in China. A continued slowdown in China's economic growth may cause the Company's potential customers to delay or cancel their plans to participate in the Company's educational services, which in turn could reduce its revenues.

There are various restrictions under Chinese law on the distribution of dividends by the Company's Chinese operating companies.

The Wholly-Foreign Owned Enterprise Law (1986), as amended and the Wholly-Foreign Owned Enterprise Law Implementing Rules (1990), as amended and the Company Law of the People's Republic of China (2006) contain the principal regulations governing dividend distributions by wholly foreign owned enterprises. Under these regulations, wholly foreign owned enterprises may pay dividends only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. Additionally, a wholly foreign owned enterprise is required to set aside a certain amount of its accumulated profits each year, if any, to fund certain reserve funds. These reserves are not distributable as cash dividends except in the event of liquidation and cannot be used for working capital purposes.

General Operating Risks

Loss of certain key personnel may adversely impact the Company's business.

The success of the Company's business will depend on the management skills of certain key personnel and the relationships they have with educators, administrators and other business contacts they have in North America and China. The loss of the services of any of the Company's key personnel could impair our ability to successfully manage our business in North America and China. The Company also depends on successfully recruiting and retaining qualified and experienced managers, sales persons and other personnel who can function effectively in North America and China. In some cases, the market for these skilled employees is highly competitive. The Company may not be able to retain or recruit such personnel on terms acceptable to it, which could adversely affect the Company's business prospects and financial condition.

The Company's success depends, in part, on its ability to keep pace with changing market needs.

The success of the Company's business will depend on the Company's ability to anticipate the needs and preferences of its students and other clients. customers. The failure to do so could adversely affect the Company's business prospects and financial condition.

The personal information that the Company collects may be vulnerable to breach, theft or loss, which could subject the Company to liability or adversely affect its reputation and operations.

Possession and use of personal information in the Company's operations subjects it to risks and costs that could harm the Company's business and reputation. The Company collects, uses and retains large amounts of personal information regarding its students and their families, including personal and family financial data. The Company also collects and maintains personal information of its employees in the ordinary course of business. Although the Company uses security and business controls to limit access and use of personal information, a third party may be able to circumvent those security and business controls, which could result in a breach of student or employee privacy. In addition, errors in the storage, use or transmission of personal information could result in a breach of student or employee privacy. Possession and use of personal information in the Company's operations also subjects it to legislative and regulatory burdens that could require the Company to implement certain policies and procedures, regarding the identity theft related to student credit accounts, and could require the Company to make certain notifications of data breaches and restrict its use of personal information. A violation of any laws or regulations relating to the collection or use of personal information could result in the imposition of fines against the Company. As a result, the Company may be required to expend significant resources to protect against the threat of these security breaches or to alleviate problems caused by these breaches. While the Company believes it takes appropriate precautions and safety measures, there can be no assurances that a breach, loss or theft of any such personal information will not occur. Any breach, theft or loss

of such personal information could have a material adverse effect on the Company's financial condition, reputation and growth prospects and result in liability under privacy statutes and legal actions against the Company.

Compliance with rules and requirements applicable to public companies may cause the Company to incur increased costs.

Changing laws, regulations and standards relating to corporate governance and continuous disclosure result in increased legal and financial compliance costs. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

DIVIDENDS

The Company has never declared or paid any cash or stock dividends on their common shares since their inception. Since the Company currently has a policy of investing earnings in the expansion of its business, the Company does not anticipate paying cash or stock dividends on their common shares for the foreseeable future. Future dividends on their common shares will be determined by the Board in light of circumstances existing at the time, including earnings and financial condition. There is no assurance that dividends will ever be paid.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

All of the issued common shares of the Company are fully paid and non-assessable. Each common share entitles the holder thereof to one vote per share at all meetings of shareholders. All of the common shares issued rank equally as to dividends, voting rights and distribution of assets on wind up or liquidation. Shareholders have no pre-emptive rights, nor any right to convert their common shares into other securities. There are no existing indentures or agreements affecting the rights of shareholders other than the notice of articles and articles of the Company.

MARKET FOR SECURITIES

Market

The common shares of the Company are listed and posted for trading on the TSX under the symbol "MBA" and on the OTCQX under the symbol "MBAIF".

Trading Price and Volume

The following table sets forth the particulars of the trading of the common shares of the Company on the TSX during the most recently completed financial year:

Month	High ($)	Low ($)	Close ($)	Volume
September 2019	0.76	0.49	0.68	665,291
October 2019	0.76	0.62	0.64	500,491
November 2019	0.66	0.60	0.66	150,150
December 2019	0.71	0.65	0.68	267,039
January 2020	0.72	0.66	0.71	151,092
February 2020	0.68	0.57	0.60	330,260
March 2020	0.60	0.40	0.46	1,144,263
April 2020	0.58	0.41	0.50	661,237
May 2020	0.53	0.42	0.51	715,193
June 2020	0.53	0.45	0.46	630,422
July 2020	0.48	0.45	0.47	457,606
August 2020	0.59	0.45	0.59	488,836

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The name, province or state and country of residence, position with and principal business or occupation in which each director and executive officer of the Company has been engaged during the immediately preceding five years, is as follows:

Name, Position, Province or State and Country of Residence	Principal Occupation or Employment for the Past Five Years	Director Since
MORRIS CHEN BC, Canada *Director*	Real estate development entrepreneur	April 23, 2018
TOBY CHU[3,4] BC, Canada *Chief Executive Officer, President, Chairman and Director*	Chairman, president and chief executive officer of the Company	May 11, 1994
TONY DAVID[2] BC, Canada *Director*	Retired oral maxillofacial surgeon	July 28, 1998
DEREK FENG[1,2,4] California, USA *Director*	CEO of Bright Scholar Education since 2018. Independent investment consultant; management director of Fosun Group from July 2016 until March 2017; chief executive officer of Global Education & Technology Group from 2014 until 2016.	July 19, 2011
MAY HSU[1,2,4] California, USA *Director*	Management consultant	January 26, 2018

Name, Position, Province or State and Country of Residence	Principal Occupation or Employment for the Past Five Years	Director Since
DENNIS HUANG BC, Canada *Secretary and Chief Accounting Officer*	Employee of the Company	Not Applicable
HILBERT NG BC, Canada *Chief Financial Officer* *President, Education Real Estate*	Employee of the Company	Not Applicable
TROY RICE[1,3] Arizona, USA *Director*	Chief financial officer of Strategic Solar Energy, LLC	October 28, 2005
VICTOR TESAN BC, Canada *Chief Operating Officer* *President, Education Services*	Employee of the Company	Not Applicable
SHANE WEIR[1,3,4] Hong Kong, PRC *Director*	Senior solicitor and consultant with Weir & Associates in Hong Kong and Shanghai	December 12, 2008

1 Member of the Company's audit committee
2 Member of the Company's compensation committee
3 Member of the Company's corporate governance committee
4 Member of the Company's executive committee

Term of Office

The term of office for each of the Company's directors expires immediately before each annual meeting of shareholders.

Share Ownership

As of August 31, 2020, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over an aggregate of 14,610,331 common shares, which together represented approximately 19.60% of the Company's issued and outstanding common shares. The foregoing information is based upon information provided by the Company's directors and executive officers.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the directors or executive officers of the Company, is at the date of the AIF, or was within the past ten years before the date of the AIF, a director, chief executive officer or chief financial officer of any other company (including the Company), that:

(a) was subject to an order (as defined below) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer and chief financial officer.

In this section, "order" means:

(a) a cease trade order;

(b) an order similar to a cease trade order; or

(c) an order that denied the relevant company access to any exemption under securities legislation.

None of the directors or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company are, or have been within the past ten years, directors, officers or promoters of other companies which were declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with any creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that company.

None of the directors or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has, within the past ten years, declared bankruptcy or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with any creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that director, executive officer or shareholder.

None of the directors or executive officers of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

On August 13, 2020, GEC Pearson Limited Partnership, by its general partner GEC Pearson GP Inc., and 0873438 B.C. Ltd., subsidiaries of the Company, commenced an action in the Supreme Court of British Columbia against Cambie Street Limited Partnership, by its general partner Cambie Street GP Inc., Metro Can Construction (CM) Ltd., Northmark Mechanical Systems Inc., Rocky Point Engineering Ltd., William G. May and Gerard Sass dba Protection Engineering, A Proprietorship, and GBL Architects Inc. The claim is for breach of contract, breach of duty of care and/or negligence and breach of guarantee, warranty and indemnity obligations caused by water leaks and design and/or construction defects in the mechanical systems of the two residential rental housing buildings located at 7655 and 7657 Cambie Street in Vancouver, BC. The claim has recently been served on the defendants. It is expected that the claim will be contested, at least in part.

On January 30, 2020, Dorchester Properties (North) Ltd. and Dorchester Properties (South) Ltd., which became subsidiaries of the Company subsequent to Fiscal 2020, commenced an action in the Supreme Court of British Columbia against Intracorp S.W. Marine Limited Partnership, Intracorp S.W. Marine Ltd., Axiom Builders Inc., Integral Group Consulting (BC) LLP, Olympic International Sales Ltd., Olympic Controls Inc., Jaga Canada Climate Systems Inc., Aermec S.P.A., Giacomini Consulting Canada Inc., Giacomini S.P.A., Enerpro Systems Corp., DMS Mechanical Ltd., DMS Hydronics Mechanical Systems Ltd., and James K.M. Cheng Architects Inc. The claim is generally related to construction and design deficiencies with the HVAC system at the two residential rental housing buildings located at 8018-8150 Cambie Street in Vancouver, BC and breaches of representations and warranties related thereto, negligence related to the marketing and construction of the building and its HVAC system, resultant damage to the buildings, and loss of use. To the best of the Company's knowledge, the last recorded activity on the court file was the filing of a response on October 30, 2020.

Regulatory Actions

The Company has not:

(a) had any penalties or sanctions imposed against it by a court relating to securities legislation or by a securities regulatory authority during the most recently completed financial year;

(b) had any other penalties or sanctions imposed against it by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision; or

(c) entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority during the most recently completed financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

For the purposes of this AIF, "informed person" means:

(a) a director or executive officer of the Company;

(b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the outstanding voting securities of the Company; and

(c) any associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b) above.

No informed person has or has had any material interest, direct or indirect, in any transaction undertaken by the Company during its three most recently completed fiscal years or during the current fiscal year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent of the Company is Computershare Trust Company of Canada. The Company's register of transfer of its common shares is located in Vancouver, BC.

MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business or contracts which are required, pursuant to NI 51-102, to be filed despite being entered into in the ordinary course of business, the following is the only contract entered into by the Company that is material to the Company and that was entered into within the most recently completed financial year, or in a year prior thereto but which contract is still in effect:

- registration rights agreement dated December 10, 2007 with Shane Corporation S.à.r.l., a private limited liability company incorporated in Luxembourg, setting out the rights of Shane Corporation S.à.r.l. in connection with registration, public offerings and sales of common shares of the Company

INTERESTS OF EXPERTS

The Company's independent auditor is BDO Canada LLP, Unit 1100-Royal Centre, 1055 West Georgia Street, Vancouver, BC V6E 3P3. BDO Canada LLP has reported on the Company's consolidated financial statements for Fiscal 2020 which have been filed with the relevant securities regulatory authorities. BDO Canada LLP is independent from the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Audit Committee

Pursuant to the provisions of NI 52-110, reporting issuers in those jurisdictions which have adopted NI 52-110 are required to provide disclosure with respect to its audit committee including the text of the audit committee's charter,

composition of the committee, and the fees paid to the external auditor. The Company's audit committee charter is attached as Appendix A.

Composition of Audit Committee

The Company's audit committee is comprised of Derek Feng, May Hsu, Troy Rice and Shane Weir; Troy Rice is its chairman. All members of the audit committee are independent directors of the Company within the meaning of NI 52-110 and all are financially literate. The Company considers "financial literacy" to be the ability to read and understand a company's fundamental financial statements, including a company's balance sheet, statement of income (loss) and cash flow. The members of the audit committee are appointed by the Board at its first meeting following the annual shareholders' meeting to serve one-year terms and are permitted to serve an unlimited number of consecutive terms.

Relevant Education and Experience

In addition to each member's general business experience, the following sets out the relevant education and experience of each member of the Company's audit committee:

Derek Feng is currently the President and CEO of Bright Scholar Education, a NYSE listed company. Since July 2016, he has been the management director of education investment for Fosun Group in China, a publicly traded conglomerate based in Hong Kong. Prior to joining Fosun, he was the chief executive officer of Global Education & Technology Group, a leading education company in China with over 3,000 employees. Previously Mr. Feng was the chairman/interim chief executive officer of ChinaCast Education Corporation. From 2006 to 2011, he was executive vice president of strategy, planning and operations at Knowledge Universe, an education holding company with more than 40,000 employees in North America, Europe and Asia. Prior to joining Knowledge Universe, Mr. Feng held several executive positions at the General Electric Company including leading global business development at GE Industrial, a $33 billion revenue division of GE. Mr. Feng had also held positions as a senior analyst in the financial planning and reporting division of Enron Oil Trading and Transportation, and as a vice president in the investment banking division of Takenaka and Company, through which gained expertise in financial reporting and analysis. Mr. Feng graduated from Tsinghua University in China in 1989 with a Bachelor's degree in Industrial Automation and earned a Master of Business Administration degree from University of California, Los Angeles in 1992.

May Hsu has over 20 years of experience in market research, business development, management consulting and marketing for international businesses. She assists North American firms establish a business presence in Asia and Chinese companies setting up businesses in the U.S. Ms. Hsu's experience includes having been appointed as the acting secretary of state for California in 1990, and senior consultant to Zhuhai New Hi-Tech Industries Development Zone in China in 1997. She also served an advisor to Suzhou Machinery Holding (Group) Co. Ltd. in China in 1999. Ms. Hsu is affiliated with numerous community organizations in California, including the Young Generation Asian Professionals, Asian American Senior Citizens Service Center, Bowers Museum and Pan Pacific Performing Arts.

Troy Rice has been chief financial officer of Strategic Solar Energy, LLC since 2010, a private U.S. company focused on creating innovative renewable energy technology solutions. From 2009 to 2011, he was chief investment officer of HFC Advisors. Mr. Rice served as the senior vice president of business development at Universal Technical Institute, Inc. (NYSE: UTI), an automotive repair education company, from 2002 to 2005. From 2001 to 2002 Mr. Rice was the vice president of Petsmart, Inc. (NASDAQ: PETM), a supplier of pet supplies and products, and from 1995 to 2001, he was the senior vice president of Comfort Systems U.S.A. (NYSE: FIX), and been the chief financial officer of five companies. Mr. Rice received his Bachelor's degree in accounting from the University of Iowa in 1985 and his MBA from Arizona State University in 1992. Mr. Rice is also a Certified Public Accountant in the State of Arizona.

Shane Weir is a senior solicitor and consultant with Weir & Associates, Solicitors & Notaries in Hong Kong. He received his LL.B from the University of Saskatchewan in 1977 and practices in areas of business law, banking law, commercial law, finance, immigration, intellectual property, securities, taxation, telecoms, trademarks, entertainment law, and trusts and estates. Mr. Weir is an independent non-executive director and a member of the audit committee of e-Kong Group Limited, a listed company in Hong Kong. He has more than 40 years relevant experience and/or experience that assist in understanding and evaluating a company's financial statements and other financial information, and to make knowledgeable and thorough inquiries and discussions regarding same.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year, has the Company relied on the exemption in sections 2.4 (De Minimis Non-audit Services), 3.2 (Initial Public Offerings), 3.4 (Events Outside Control of Member), 3.5 (Death, Disability or Resignation of Audit Committee Member) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Reliance of the Exemption in Subsection 3.3(2) or Section 3.6

At no time since the commencement of the Company's most recently completed financial year, has the Company relied on the exemption in subsection 3.3(2) (Controlled Companies) or section 3.6 (Temporary Exemption for Limited and Exception Circumstances) of NI 52-110.

Reliance on Section 3.8

At no time since the commencement of the Company's most recently completed financial year, has the Company relied on section 3.8 (Acquisition of Financial Literacy) of NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year, was a recommendation of the Company's audit committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Company's audit committee is required to approve the engagement of the Company's external auditors in respect of non-audit services.

The aggregate fees billed by the Company's external auditors in each of the last two financial years for audit fees are as follows:

Financial Year Ending	**Audit Fees**	**Audit Related Fees(1)**	**Tax Fees(2)**	**All Other Fees(3)**
2020	$991,750	$48,950	$308,056	$Nil
2019	$783,500	$22,350	$313,914	$Nil

1 Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
2 Fees charged for tax compliance, tax advice and tax planning services.
3 Fees for services other than disclosed in any other column.

General

Additional information relating to the Company may be found under the Company's profile on the SEDAR website at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, will be contained in the Company's information circular for its annual meeting which is expected to be held on January 15, 2021 which the Company expects to file on SEDAR on or about December 21, 2020.

Additional financial information is provided in the Company's audited consolidated financial statements and management discussion and analysis for Fiscal 2020 which is available on SEDAR.

APPENDIX A

Amended and Restated Audit Committee Charter

Purpose

The primary purpose of the Company's audit committee (the **"Committee"**) is to assist the Company's board of directors (the **"Board"**) in fulfilling its responsibility to oversee management's conduct of the Company's financial reporting process. This includes oversight and review of the following:

- financial reporting and the accounting system
- the Company's systems of internal accounting and financial controls
- the annual independent audit of the Company's financial statements

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside counsel, auditor or other experts for this purpose. The Board and the Committee are in place to represent the Company's shareholders; accordingly, the outside auditor is ultimately accountable to the Board and the Committee.

The Committee shall review the adequacy of this charter on an annual basis and regularly report to the Board about Committee activities, issues and related recommendations.

Membership

The Committee shall be comprised of not less than three members of the Board all of whom shall be "independent" pursuant to applicable laws, rules and regulations of applicable Canadian and U.S. securities regulators. All members must also be financially literate or become financially literate within a reasonable period of time subsequent to appointment to the Committee. In addition, at least one member of the Committee will have accounting or related financial management expertise.

The Committee may seek guidance from the Company's legal counsel to determine the independence of a particular director on an as needed basis.

Each Committee member will be appointed by the Board for a term expiring at the next annual general meeting and may serve any number of consecutive terms.

At the beginning of each fiscal year, the Committee members shall select a chairperson.

Meetings

The Committee is required to meet at least once per fiscal quarter to review interim and annual financial statements before filings are made with the appropriate regulatory body.

The Committee chairperson shall, in consultation with management and the auditor, establish the agenda for each meeting and ensure agenda materials are circulated to members in advance of each meeting such that sufficient time is provided for members to review the materials.

The Committee shall keep regular minutes of its meetings and record all material matters and shall cause such minutes to be recorded in the books kept for that purpose and shall distribute such minutes to the Board.

A majority of the members of the Committee shall constitute a quorum thereof. Questions arising shall be determined by a majority of votes of the members of the Committee present, and in the case of an equality of votes, the chairperson shall not have a second or casting vote.

Authority

The Committee shall have the power, authority and discretion delegated to it by the Board which shall not include the power to change the membership of or fill vacancies in the Committee.

The Committee shall conform to the regulations which may from time to time be imposed upon it by the Board. The Board shall have the power at any time to revoke or override the authority given to or acts done by the Committee except as to acts done before such revocation or act of overriding and to terminate the appointment or change the membership of the Committee or fill vacancies in it as it shall see fit.

Resolutions

A resolution approved in writing by all of the members of the Committee shall be valid and effective as if it had been passed at a duly called meeting. Such resolution shall be filed with the minutes of the proceedings of the Committee and shall be effective on the date stated thereon or on the latest date stated in any counterpart.

General Responsibilities

The Committee's job is one of oversight and members of the Committee recognize that the Company's management is responsible for preparing the Company's financial statements and that the outside auditor is responsible for auditing those financial statements. In carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the outside auditor's work.

The following functions shall be the common recurring activities of the Committee in carrying out its oversight function:

- review the annual financial statements and related matters and recommend their approval to the Board, after discussing matters such as the selection of accounting policies, major accounting judgements, accruals and estimates with the auditor and management prior to the Company's filing of its annual report

- review the Company's annual filings as necessary

- review and approve the interim financial statements

- oversee all aspects of the external audit, including the following:

    - audit results, selection of an independent public accounting firm
    - terms of engagement of each audit, including review of the interim financial statements and the audit of the annual financial statements
    - the reasonableness of estimated audit fees
    - the scope of the audit, including materiality, locations to be visited, audit reports to be prepared, areas of audit risk, timetable, deadlines and coordination with any internal audits taking place, the post-audit management letter together with management's response
    - the form of the audit report
    - any other related audit engagements (e.g. audit of the company pension plan)

- non-audit services performed by an auditor
- pre-approval of all audit and non-audit services
- provision by the auditor of a formal written statement outlining all relationships between the auditor and the Company on an annual basis
- assessing the auditor's performance, as well as the impact non-audit services performed by the auditors' accounting firm on the auditors' independence
- recommending the auditor for appointment by the Board
- meeting with the auditor to discuss pertinent matters, including the quality of accounting personnel

- discuss with management and the outside auditor the quality and adequacy of the Company's accounting systems, the reliability of the accounting systems, the effectiveness of the internal controls and any changes needed to improve such reliability and effectiveness

- review any internal control weaknesses identified by the auditor, together with management's responses

- ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements (except for disclosure required to be reviewed by the Committee), and periodically assess the adequacy of those procedures

- review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company

- review and oversee any and all transactions between the Company and a related party of the Company unless a special committee of the Board is appointed with respect to a specific transaction

- oversee the hiring process to fill key financial positions within the Company, including chief financial officer and the controller

- oversee succession planning and human resource development within the Company's accounting and finance groups

- report to the Board following each meeting on the major discussions and decisions made by the Committee and propose recommendations to the Board

The above functions are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate given the circumstances.

The Committee shall:

- have the power to conduct or authorize investigations into matters within the Committee's scope of responsibilities

- have unrestricted access to members of management and all information relevant to its responsibilities

- be empowered to retain independent counsel, external accountants, or others to assist it in the conduct of its duties, as the Committee deems necessary

- be provided with appropriate funding, as determined by the Committee, by the Company to compensate the external accountants engaged for the purpose of rendering an audit report or performing other audit, review or attest services, to compensate any advisers employed by the Committee, and to pay ordinary administrative expenses that are necessary or appropriate in carrying out the Committee's duties

- request members of management, counsel, internal audit, and external accountants, to participate in Committee meetings, as necessary, to carry out the Committee responsibilities

- periodically and at least annually, meet in private session with only the Committee members.

The Committee shall also meet in executive session separately with the external accountants, at least annually. However, either the external accountants or counsel, may, at any time, request a meeting with the Committee or the Committee chairperson, with or without management attendance.

Other Functions — The Committee shall perform such other functions required by law, rules of applicable securities regulators, the Company's certificate of incorporation or bylaws, or the Board.

External Reports — The Committee shall provide for inclusion in the Company's filings with applicable securities regulators, any report from the Committee required by applicable laws and regulations.

Adopted by the Board on November 30, 2020.