ACANA CAPITAL CORP.

Management's Discussion & Analysis

Year Ended September 30, 2012

This MD&A is dated January 28, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS
YEAR ENDED SEPTEMBER 30, 2012

FORM 51-102F1

DATE AND SUBJECT OF REPORT

The following Management's Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of the operations of Acana Capital Corp. ("Acana" or the "Company") for the year ended September 30, 2012.

The Company's audited financial statements for the year ended September 30, 2011 ("2011 Annual Financial Statements") were prepared in accordance with Canadian Generally Accepted Accounting Principles (the "Canadian GAAP"). Effective October 1, 2011 the Company adopted International Financial Reporting Standards ("IFRS") as required by the Canadian Institute of Chartered Accountants. In accordance with these requirements the transition date for the implementation of IFRS was October 1, 2010. Except as otherwise noted all amounts for prior periods reported in this MD&A have been restated or reclassified to conform to IFRS.

This MD&A should be read in conjunction with the audited financial statements for year ended September 30, 2012 and 2011 which are available at www.sedar.com. This MD&A has been prepared effective as of January 28, 2013.

On May 14, 2012, the Company's shares were consolidated on a 10-1 basis. All presentations in this MD&A have been adjusted to reflect this share consolidation.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward looking statements involve a number of risks and uncertainties, including the impact of general economic conditions, industry conditions, and changes in Canadian and foreign laws and regulations, increased competition, fluctuations in real estate properties market, foreign exchange, and interest rates and stock market volatility. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and while many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. Acana Capital Corp. is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

OVERALL PERFORMANCE

Acana Capital Corp. (the "Company"), formerly 2801 Shangri-La Holdings Ltd., was incorporated on June 18, 2007 in British Columbia, Canada. The company's principal activity is the acquisition and development of real estate properties in Canada and USA. In addition, it invests in shares of small and medium size Canadian public companies.

Significant events happened are summarized as follows:

Corporate Restructuring

On April 18, 2011, the Company entered into an arrangement agreement with Grand Peak Capital Corp. ("Grand Peak") to proceed with a corporate restructuring whereby Grand Peak would transfer its real estate interest in a condominium located in Toronto, Canada (the "Interest") and would loan $200,000 to the Company. In exchange, the Company would issue 2,446,670 common shares to Grand Peak. The transaction constitutes a spin-out under the regulations on the Canadian National Stock Exchange ("CNSX").

The arrangement agreement was approved by the Company's shareholders on June 30, 2011, by the court on July 13, 2011, and was completed on December 2, 2011 when the Company's shares started trading under the symbol "APB" on the CNSX.

The Company has fully repaid Grand Peak the $200,000 in January 2012 after the Company closed a private placement.

Equity Financing (Private Placements)

i) On January 19, 2012 the Company completed a private placement of issuing 5,100,000 units at $0.5 per unit for gross proceeds of $2,550,000. Each unit consisted of one common share and one warrant of the Company. Each warrant is convertible to a common share of the Company at $0.5 per share until January 20, 2013. Finder fees of $255,000 were paid.

ii) Subsequent to the year ended September 30, 2012, the Company completed a private placement on November 23, 2012, whereby 7,500,000 units were issued at $0.05/unit. The gross proceeds of this private placement was $375,000 and the Company did not pay finder's fees. Each unit of this private placement consists of one common share and one share purchase warrant which can be converted one common share of the Company at $0.05/share. The share warrants issued from this private placement will expire on June 6, 2013.

iii) On January 18, 2013, 2012, the Company closed a private placement for the issuance of 7,500,000 shares at $0.05/share for the gross proceeds of $375,000. There are no finder's fees in connection with this private placement.

Debt Financing (Convertible Debentures)

Subsequent to the year ended September 30, 2012, the Company borrowed $2,000,000 from a shareholder and $2,000,000 from the spouse of a shareholder to finance various acquisitions of real estate projects in December 2012 and January 2013. Four un-secured convertible debentures were issued. Details are as follows:

Principal	Interest rate	Interest payment	Mature date	Conversion features
1,000,000	6%/ annum	Payable semi-annually	December 18, 2017	Convertible to the Company's preferred share at $0.5/share
1,000,000	6% /annum	Payable semi-annually	January 10, 2018.	Convertible to the Company's preferred share at $0.5/share
1,000,000	6% /annum	Payable semi-annually	January 21, 2018.	Convertible to the Company's preferred share at $0.5/share
1,000,000	6%/ annum	Payable semi-	January 22,	Convertible to the Company's preferred

		annually	2018.	share at $0.5/share

Investments in Shares of Canadian Public Companies

During the year ended September 30, 2012, the Company acquired common shares and stock purchase warrants of various small-size Canadian public companies. A summary of the Company's investments in shares and stock purchase warrants as at September 30, 2012 are as follows:

	Cost	**Unrealized loss**	**Fair value**
	$	$	$
Common shares	891,325	(173,776)	717,549
Warrants	39,700	55,694	95,394
	931,025	(118,082)	812,943

Real Estate Projects

During the year ended September 30, 2012, the Company acquired two real estate projects. Details are as follow:

Suite 2801, 180 University Avenue, Toronto, Ontario, Canada **–**The Company acquired a condominium located at Suite 2801, 180 University Avenue, Toronto, Canada by issuing 2,446,670 common shares to Grand Peak (a transaction in connection with the arrangement agreement with Grand Peak as discussed in the section "Corporate Restructuring") and $824,771 plus HST in cash. The condominium was leased to a tenant at a monthly rate of $6,681.68 commencing November 1, 2012.

1329, Crocker Drive, EI Corado Hills, CA 95762, USA – The Company acquired this parcel of land for the purchase price of $227, 603. The Company is in the process of planning the development of this project.

Subsequent to the year ended September 30, 2012, the Company acquired the following real estate interests:

Two parcels of lands, Glenn Road, Corning, CA, USA –On November 30, 2012, the Company acquired 106 acres of vacant lands located on Glenn Road, Corning, California, USA, for US$455,800. In January 2013, the Company sold 50% interest of this property to an arm's length business partner at cost.

860 Acres of lands, 19542 and 19544 Corning Road, Corning City, California, USA **-** The Company acquired a 50% interest of 860 acres of vacant land in Corning City on December 24, 2012 for the consideration of US$1,250,000

A parcel of land, 8374 Bradshaw Road, Sacramento, CA, USA **-** the Company acquired this property on January 25, 2013 for US$2,515,481.

The Company is in the process of making plans for the development of all the real estate interests recently acquired.

74 acres of land, 12749 River Road, Sacramento, California, USA **-** On December 24, 2012, the Company entered into an agreement to acquire this property from a company controlled by a shareholder of the Company for $400,000. The Company paid the $400,000 on January 18, 2013.

Office building, Tuscon, Arizona **-** On December 24, 2012, the Company entered into an agreement to acquire this property, from a company controlled by a shareholder for the purchase price of $2,300,000 which will be delivered to the vendor as a $1,300,000 debenture and a $1,000,000 promissory note. The debenture bears interest at 4% annually, is due in 5 years and is convertible to preferred shares of the Company. The promissory note is due on demand and bears interest at 3% annually. The acquisition is not completed as of the date of this report.

SELECTED ANNUAL INFORMATION

The following table includes selected annual information of the last three recent years. The Company was inactive in 2011 and 2010, thus did not have revenue, loss, assets and liabilities to report on these two years.

	2012 $	**2011 $**	**2010 $**
	(ii)	(ii)	(i)
Revenues	-	-	-
Total loss	213,715	-	-
Loss per share, basic and diluted	0.04	-	-
Total assets	2,372,124	-	-
Total non-current liabilities	-	-	-
Cash dividend	-	-	-

(i) Prepared in accordance with Canadian GAAP

(ii) Prepared in accordance with IFRS

RESULTS OF OPERATIONS

Year Ended September 30, 2012 (the "Current Year')

As discussed in the selected annual information section, the Company was inactive in 2011 and did not have revenue, income or losses. As such, the discussion of operation of does not include comparison to the same periods in 2011.

The Company began its operation in the Current Year and is in the business of acquisition and development of real estate projects, which may takes years to complete. As a result, the Company did not have revenue in the Current Year and does not expect to earn significant revenue from its operations in the next 12-month operating period.

Loss in the Current Year was $213,715 which was mainly a combined result of incurring $106,784 in operating expenses, and the unrealized loss on marketable securities of $118,082.

Main components of the operating expenses in the Current Year were $31,325 in trust and listing fees, $26,718 in office and administration, and $19,971 in professional fees.

The Company invested in common shares and warrants of various Canadian public companies (the "Marketable Securities'). The Company has designated these Marketable Securities at fair-value-through-profit- and-loss financial instruments and is required to re-measure the Marketable Securities on hand at its market value on each reporting date and recognize any un-realized gains and losses through income and losses. The Company expects that the gains and losses arising from these marketable securities will fluctuate in the future depending on the market prices of the marketable securities held on hand.

As at September 30, 2012, the Company had $154,012 cash (September 30, 2011 – $nil), $812,943 marketable securities (September 30, 2011 - $nil), $1,328,624 real estate properties (September 30, 2011 - $nil), share capital of $1,653,250 (September 30, 2011 - $nil) and warrant reserve of $918,000 (September 30, 2011 - $nil). These changes were a combined result of raising $2,295,000 cash through the issuance of shares and warrants and the acquisition of real estate interests, marketable securities, and incurring operating expenses in the Current Year.

Three Months Ended September 30, 2012 (the "Fourth Quarter" or "2012 Q4")

Losses in the Fourth Quarter was $178,725, which was mainly a combined result of incurring $62,566 in operating expenses, and $118,082 unrealized loss on marketable securities.

Main components of the operating expenses in the Fourth Quarter were $12,129 in trust and filing fees, 11,399 in office and administration, and 11,662 professional fees which were incurred to maintain the Company's listing status and to maintain the Company's day-to-day operations.

SUMMARY OF QUARTERLY RESULTS

The table below sets out the recent eight quarterly information of the Company. As discussed in the selected annual information section, the Company was inactive in 2011. As such, the quarterly results in fiscal 2011 were all $nil.

	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
	$	$	$	$	$	$	$	$
Revenue	--	--	--	--	--	--	--	--
Loss	178,725	5,148	18,431	11,411	--	--	--	--
Loss per share, basic and diluted	0.02	0.00	0.01	0.00	--	--	--	--

LIQUIDITY & CAPITAL RESOURCES

Financing of operations has been achieved primarily by equity financing. On September 30, 2012, the Company had a cash balance of $154,012, marketable securities of $812,943 and working capital of 1,028,911. The Company is not subject to external working capital requirements.

During the Current Year, the Company had $2,295,000 cash inflow from financing activities, solely from issuing common shares and warrants for cash in a private placement closed in January 2012.

In fiscal 2012, the Company used $1,983,399 in investing activities which was a combined result of paying $1,052,374 and $931,025 in the acquisition of real estate interests and marketable securities respectively.

Management realizes that the capital and liquidity on hand may not adequate for the Company to achieve its long term business objectives. Subsequent to the year ended September 30, 2012, the Company borrowed $4,000,000 by issuing convertible debentures (discussed in the "Debt Financing" section). Management will consider further equity or debt, or other financing arrangements in the future if needed. While the Company was able to raise financing when needed in the past, there is no guarantee that the Company can do so in the future.

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties that are not disclosed elsewhere in this MD&A are as follows:

During the year ended September 30, 2012, the Company acquired 2,365,954 common shares and 1,633,594 warrants of five Canadian public companies that have directors or officers in common with the Company. The cost of these marketable securities was $341,025 and their market value as at September 30, 2012 of was $374,243. During the year ended September 30, 2012, the Company recorded an unrealized gain of $33,218 on these securities.

During the year ended September 30, 2012, the Company incurred consulting fees of $3,270 to its Chief Financial Officer (Jamie Lewin).

During the year ended September 30, 2012, the Company incurred rent expense of $22,500 to a company controlled by a shareholder of the Company.

As at September 30, 2012, and 2011, the Company did not have any balances due to or due from its related parties.

During the year ended September 30, 2012 and 2011, the Company did not pay or grant any short-term employee benefits, post-employment benefits, other long-term benefits, or termination benefits to its management; and there was $nil share-based payments made to the Company's management and directors.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company has 22,546,670 common shares and 12,600,000 share purchase warrants outstanding. Each share purchase warrant can be exercisable into one common share of the Company. Other features of the share purchase warrants are available at the Note 5 to the Company's audited consolidated financial statements for the year ended September 30, 2012.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company does not have other proposed transactions that have material effects to the Company to discuss at this time.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ESTIMATES

Refer to the Note 3 to the Company's audited consolidated financial statements for the year ended September 30, 2012.

FINANCIAL INSTRUMENTS

Refer to the Note 12 to the Company's audited consolidated financial statements for the year ended September 30, 2012 for the details of the Company's financial instruments and the management of risks related to these financial instruments.

RISK FACTORS

Risks of the Company's business include the following:

Development and Construction Risk
The Company's real estate development are subject to risks generally attributable to construction projects which include: (i) design risk including delays involving zoning or other approvals from local authorities; (ii) construction cost overruns; and (iii) lease-up and rental achievement risk.

(i) Planning and design risk - Planning and design encompasses a review of local development requirements, the acquisition of suitable land, the selection of an appropriate building configuration with suitable amenities and appearance, zoning or other approvals from local authorities, identification of a skilled workforce, available contractors and selection of a project manager. Planning and design risk is mitigated by understanding local building codes, contracting the design to qualified professionals, obtaining development permits and meeting all other legal requirements. The process of obtaining approvals may take months or years, and there can be no assurance that the necessary approvals for any project will be obtained. Significant delays could render future developments uneconomical.

(ii) Construction risk is the risk that development will not be completed by the expected turnover date, the costs will exceed budgeted amount or health and safety concerns. The Company will minimize its exposure to construction risk by entering into fixed price contracts when possible, analyzing project costs compared to budget, management approval of change orders, utilizing qualified project managers and the use of a robust internal health and safety program. Management monitors the construction costs by analyzing variances between actual and budgeted costs.

(iii) Lease-up and potential rent risk includes the risk that tenants will fail to occupy the completed project on a timely basis following completion and (or) pay the forecast rents.

Government Regulation
Real estate development are subject to various applicable federal and local laws governing real estate development, taxes, labour standards, and occupational health and safety, and environment protection matters.

Management will monitor the Company's activities closely to ensure they are implemented in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail the Company's activities. Amendments to current laws and regulations could have substantial impacts on the Company.

Permits and Licenses
The real estate development may require the Company to obtain regulatory permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required.

Prices of Real Estate Properties

The profitability of real estate development is significantly affected by changes in the market price of real estate properties may significantly fluctuate with the change of economic condition, interest rate, and rate of employment which are not predictable.

Conflicts of Interest

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in real estate development or management. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Land Title

Although the Company has obtained title opinions with respect to certain of its properties, there may still be undetected title defects affecting such properties. Accordingly, such properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Company's operations.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"). In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

OFFICERS AND DIRECTORS

Eugene Beukman, CEO, Director
Jamie Lewin, CFO before January 22, 2013
Khalil Kassam, CFO since January 22, 2013
Ravinder Binpal, Director
Brian Findlay, Director