Acana Capital Corp.

Condensed Consolidated Interim Financial Statements

Three and Six Months Ended March 31, 2014

Unaudited

Expressed in Canadian Dollars

NOTICE TO READER

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management, and were not reviewed by the Company's independent auditor.

Acana Capital Corp.
Condensed consolidated interim statements of financial position
(Unaudited - Expressed in Canadian Dollars)

	Note	March 31, 2014	September 30, 2013
		$	$
Assets			
Current assets			
Cash		159,615	1,363,153
Marketable securities	6	1,764,364	698,539
Other receivable	9	207,211	548,790
Prepaid		110,600	1,250
		2,241,790	2,611,732
Non-current			
Property for sale	7	2,565,028	2,127,556
Properties	8	9,411,155	8,707,832
Total assets		**14,217,973**	**13,447,120**
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	11	383,458	467,358
Due to related party	12	5,636	20,984
		389,094	488,342
Non-current liabilities			
Retractable preferred shares	12	8,500,000	8,500,000
Note payable	10	182,490	169,950
Total liabilities		9,071,584	9,158,292
Shareholders' equity			
Share capital	5	2,808,250	2,808,250
Reserves		4,434,540	3,763,990
Deficit		(3,929,624)	(3,979,521)
Equity attributed to shareholders		3,313,166	2,592,719
Non-controlling interests		1,833,223	1,696,109
Total Equity		5,146,389	4,288,828
Total liabilities and shareholders' equity		**14,217,973**	**13,447,120**

Nature of operations and going concern (Note 1)

See accompanying notes to the condensed consolidated interim financial statements

Approved and authorized for issuance by the Board of Directors on May 29, 2014

"Sonny Janda"
Director

"Lucky Janda"
Director

Acana Capital Corp.
Condensed consolidated interim statements of comprehensive loss
(Unaudited - Expressed in Canadian Dollars)

		Three months ended March 31,		Six months ended March 31,	
	Note	**2014**	**2013**	**2014**	**2013**
		$	$	$	$
Rental income	8	18,321	20,046	36,641	33,410
Rental expenses		6,963	2,739	9,702	4,565
Net Rental income		11,358	17,307	26,939	28,845
Expenses					
Amortization		–	12,310	–	23,320
Office and administration		45,271	1,188	93,316	11,095
Professional fees		8,523	11,460	14,098	22,521
Trust and filing fees		4,269	2,629	10,271	9,864
Total operating expenses		58,063	27,587	117,685	66,800
Lose before other items		(46,705)	(10,280)	(90,746)	(37,955)
Dividends on retractable preferred shares		(106,250)	–	(212,500)	–
Gain (losses) on marketable securities	6	316,671	(115,924)	342,031	(489,093)
Foreign exchange gain (loss) and interest expenses		(1,824)	(64,094)	(3,554)	(65,763)
Net income (loss)		161,892	(190,298)	35,231	(592,811)
Other comprehensive loss:					
Translation gain (loss)		372,751	70,710	768,257	64,795
Comprehensive loss		534,643	(119,588)	803,488	(528,016)
Net income (loss) attributable to:					
Equity holders of the Company		164,586	(190,298)	49,897	(592,811)
Non-controlling interests		(2,694)	–	(14,666)	–
		161,892	(190,298)	35,231	(592,811)
Other comprehensive income attributable to:					
Equity holders of the Company		339,577	70,710	670,550	64,795
Non-controlling interests		33,174	–	97,707	–
		372,751	70,710	768,257	64,795
Comprehensive income (loss) attributable to:					
Equity holders of the Company		504,163	(119,588)	720,447	(528,016)
Non-controlling interests		30,480	–	83,041	–
		534,643	(119,588)	803,488	(528,016)
Loss per share attributable to the equity holders of the Company					
Loss per share, basic and diluted		0.01	(0.01)	0.00	(0.04)
basic and diluted		30,646,670	23,773,337	30,646,670	16,601,066

See accompanying notes to the condensed consolidated interim financial statements

Acana Capital Corp.

Condensed consolidated interim statements of cash flows

(Unaudited - Expressed in Canadian Dollars)

		Six months ended March 31,	
	Note	**2014**	**2013**
Cash (used in) provided by:		$	$
Operating activities			
Income (loss) for the period		49,897	(592,811)
Items not involving cash :			
Amortization		-	23,320
Loss (gain) on marketable securities		(342,031)	489,093
Share of loss of non-controlling shareholders		(14,666)	-
Changes in non-cash operating working capital			
Other receivables and prepaid		232,229	(642)
Accounts payable and accrued liabilities		(83,900)	62,147
Due to related party		(15,348)	-
Cash used in operating activities		(173,819)	(18,893)
Financing activities			
Common shares issued for cash		-	1,125,000
Issuance of convertible debentures		-	5,300,000
Increase of short-term loan		-	-
Issuance of promissory notes		-	1,152,025
Cash provided by financing activities		-	7,577,025
Investing activities			
Acquisition of marketable securities	6	(798,749)	(382,779)
Disposition of marketable securities	6	74,955	-
Increase of property for sale		(293,284)	(2,301,503)
Acquisition of properties		(16,076)	(4,427,417)
Additon of deferred development cost		(169,075)	-
Cash used in investing activities		(1,202,229)	(7,111,699)
Effect of holding cash in foreign currency		172,510	-
Decrease of cash		(1,203,538)	446,433
Cash, beginning of period		1,363,153	154,012
Cash, end of period		159,615	600,445
Supplementary information:			
Cash paid for interest		3,554	-
Cash paid for income taxes		-	-

See accompanying notes to the condensed consolidated interim financial statements

Acana Capital Corp.
Condensed consolidated interim statements of changes in equity
(Unaudited - Expressed in Canadian Dollars except for number of shares)

	Common shares		Preferred shares		Reserve						
	Number	Amount	Number	Amount	Warrant	Loan	Translation gain (loss)	Deficit	Equity attributed to the equity holders of the Company	Non-controlling interests	Total equity
		$			$		$	$	$	$	$
Balance, September 30, 2012	7,546,670	1,653,250	–	–	918,000	–	–	(213,715)	2,357,535	–	2,357,535
Share issuance for cash - warrant exercise	7,500,000	375,000	–	–	–	–	–	–	375,000	–	375,000
Cash issuance - acquisition for property	600,000	30,000	–	–	–	–	–	–	30,000	–	30,000
Share issuance for cash - private placement	15,000,000	750,000	–	–	–	–	–	–	750,000	–	750,000
Translation loss							64,795		64,795	–	64,795
Net loss	–	–	–	–	–	–	–	(592,811)	(592,811)	–	(592,811)
Balance, March 31, 2013	30,646,670	2,808,250	–	–	918,000	–	64,795	(806,526)	2,984,519	–	2,984,519

	Common shares		Preferred shares		Reserve						
	Number	Amount	Number	Amount	Warrant reserve	Loan	Translation gain (loss)	Deficit	Equity attributed to the equity holders of the Company	Non-controlling interests	Total equity
		$		$	$	$	$	$	$	$	$
Balance, September 30, 2013	30,646,670	2,808,250	10,250,000	–	918,000	2,664,963	181,027	(3,979,521)	2,592,719	1,696,109	4,288,828
Contribution by minority interest	–	–	–	–	–	–	–	–	–	54,073	54,073
Translation from subsidiaries	–	–	–	–	–	–	670,550	–	670,550	97,707	768,257
Net loss	–	–	–	–	–	–	–	49,897	49,897	(14,666)	35,231
Balance, March 31, 2014	30,646,670	2,808,250	10,250,000	–	918,000	2,664,963	851,577	(3,929,624)	3,313,166	1,833,223	5,146,389

See accompanying notes to the condensed consolidated interim financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Acana Capital Corp. (the "Company") was incorporated on June 18, 2007 in British Columbia, Canada. The Company's principal activity is the acquisition and development of real estate properties. The Company's head office is located at Suite 200 – 8338 120th Street, Surrey, BC, V3W 3N4. The Company's shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "APB".

Going concern

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at March 31, 2014, the Company is not able to finance its day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful sale or lease of its properties and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and through the issuance of its common and preferred shares. The Company's ability to continue as a going concern requires the continued support of the Chief Executive Officer ("CEO") who is also, along with companies he controls and other related parties, a key shareholder. The CEO and related parties also hold 100% of the redeemable preferred shares (Note 4) and the redemption of the preferred shares at a future date may result in a dissolution or windup of the Company. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position.

2. STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements for the three and six months ended March 31, 2014, together with the comparative figures herein have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, certain disclosures required in annual financial statements have been condensed or omitted. These condensed interim financial statements are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these condensed interim financial statements be read in conjunction with the most recent audited annual financial statements of the Company for the year ended September 30, 2013.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs, except for financial instruments measured at their fair value, and are presented in Canadian dollars, unless otherwise noted.

These consolidated financial statements incorporate the accounts of the Company and its controlled subsidiaries:

Name	Country of incorporation/formation	Ownership percentage as at March 31, 2014
JG Wealth Management Corp.	Canada	100%
* JDLP LLP	USA	50%
Acana Capital USA Inc.	USA	100%
Acana Capital LLC.	USA	100%
Corning 106 LLC	USA	100%
Crocker Acana LLC	USA	100%
Pershing-Churchill LLC	USA	100%

* *The Company has control over the partnership; therefore, it is consolidated and its non-interest is reflected in non-controlling interests in the consolidated statements of financial position.*

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Significant estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets and the fair value of the properties and property held for sale.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments; and
- the determination of the functional currency of the parent company and its subsidiaries.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of new accounting standards

Since the recent year ended September 30, 2013, there were no significant changes in the accounting policies except the adoption of the following new standards commencing October 1, 2013:

IAS 1 – Presentation of Financial Statements amendment issued by the IASB in June 2011 provides improved consistency and clarity of the presentation of items of other comprehensive income. The main change was a requirement to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

IFRS 10 – Consolidated Financial Statements supersedes SIC 12 – Consolidation – Special Purpose Entities and the requirements relating to consolidated financial statements in IAS 27 – Consolidated and Separate Financial Statements. IFRS 10 establishes the principle and application of control as the basis for an investor to identify whether an investor controls an investee and thereby requiring consolidation.

IFRS 11 – Joint Arrangements establishes the principle a joint arrangement is classified as joint operations or joint ventures based on the rights and obligations of the parties to the joint arrangement, rather than its legal form.

IFRS 12 – Disclosure of Interests in Other Entities requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

IFRS 13 – Fair value measurements establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted.

The adoption of these standards did not have a material impact on the accompanying condensed consolidated interim financial statements.

Accounting standards issued but not yet in effective

IFRIC 21 – Levies, an interpretation of IAS 37 was issued by the IASB in May 2013 and provides interpretation on when to recognize a liability for a levi imposed by a government and clarifies the criteria for the recognition of a liability. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014.

New standard IFRS 9 "Financial Instruments" - This is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

The Company is still in the process of assessing the impact of these new accounting standards

4. RETRACTABLE PREFERRED SHARES

Class B preferred shares - Issued and outstanding
As at March 31, 2014 and September 30, 2013, the number of outstanding Class B preferred shares was 8,000,000 (with retractable value of $4,000,000) and the number of outstanding Class B Series A preferred shares was 2,250,000 (with retractable value of $4,500,000). There was neither issuance nor redemption during six months ended March 31, 2014. These Class B preferred shares are held by the Company's CEO and related parties.

The Class B non-voting preferred shares have the following features:

Conversion
Each Class B preferred share is convertible into one common share of the Company at the discretion of the holder. The conversion price will be the average closing price of the Company's common shares during ten trading days before conversion. This conversion right will expire on the second anniversary of the issuance.

Dividends
Cumulative dividends of 5% per annum. Holders are entitled to receive dividends over the holders of the common shares.

Redemption
Class B preferred shares are redeemable for cash at $0.50 per share after the second anniversary of the issuance of the shares at the option of the holder. Class B Series A preferred shares are redeemable for cash at $2 per share after the second anniversary of the issuance of the shares at the option of the holder.

Rights on Liquidation
Holders of the Class B shares shall receive priority over the holders of the common shares on any distribution of the assets of the Company on the voluntary or involuntary liquidation, dissolution or winding-up of the Company.

Per International Accounting Standard ("IAS") 32, "Financial Instruments: Presentation", the substance of a financial instrument, rather than its legal form, governs its classification in an entity's statement of financial position. As the shares include a contractual obligation to deliver cash, the preferred shares have been classified as a financial liability.

As at March 31, 2014, $344,692 (September 30, 2013 - $132,192) of dividends payable have been accrued for and have been included in the Company's accounts payable and accrued liabilities. (Note 11)

5. SHARE CAPITAL

Authorized
Unlimited number of Class A common shares without par value.
Unlimited number of non-voting Class B preferred shares without par value.

Common shares - Issued and outstanding
There was neither share issuance nor redemption during the 2013 Six Months.

(Unaudited - expressed in Canadian dollars)

5. SHARE CAPITAL (Continued)

Share warrants
The Company did not have outstanding share warrants as at March 31, 2014 and September 30, 2013.

Translation reserve
Translation reserve records unrealized exchange differences arising on translation of foreign operations that have a functional currency other than the Company's reporting currency.

Loan reserve
Recorded in the loan reserve is the discount on the convertible debentures issued and settled in prior periods

6. MARKETABLE SECURITIES

As at March 31, 2014 and September 30, 2013, the Company's marketable securities comprise of investments in shares and share purchase warrants of Canadian public companies (Note 12). The Company designates its marketable securities at fair value through profit or loss. The fair value of warrants is determined using a Black–Scholes pricing model. Details are as follows:

September 30, 2013	Cost	Gain (loss)	Fair value
	$	$	$
Common shares	1,533,725	(940,302)	593,423
Warrants	34,500	70,616	105,116
	1,568,225	(869,686)	698,539

March 31, 2014	Cost	Gain (loss)	Fair value
	$	$	$
Common shares	2,257,519	(539,406)	1,718,113
Warrants	34,500	11,751	46,251
	2,292,019	(527,655)	1,764,364

The fair value of the warrants was determined using the Black-Scholes option pricing model using the following assumptions:

	March 31, 2014	**September 30, 2013**
Expected life of warrants (years)	0.30 - 4.27	0.21 - 4.77
Annualized volatility	34% - 173%	34% - 173%
Risk-free interest rate	1.19% - 1.69%	1.19% - 1.69%
Dividend rate	0%	0%

(Unaudited - expressed in Canadian dollars)

6. MARKETABLE SECURITIES (Continued)

During six months ended March 31, 2014 ("2014 Six Months"), the Company acquired common shares for a cost of $798,749 (2013 Six Months - $382,779). The proceeds from disposition of marketable securities during was $74,955 (2013 Six Months - $Nil).

6. PROPERTY HELD FOR SALE

On February 11, 2013, the Company acquired a warehouse building located in Tuscon, Arizona (the "Tuscon Building") from a company controlled by a director of the Company.

In August 2013, the Tuscon Building was vandalized. As at September 30, 2013, the Company has accrued an insurance receivable of $417,248 in connection with the claim made, which has been fully received in the second quarter of fiscal 2014. The Company incurred $254,884 to repair the Tuscon Building during 2014 Six Months. Continuity is as follows:

	September 30, 2013	Addition	Effect of foreign exchange	March 31, 2014
	$	$	$	$
Tuscon building	1,954,130	-	144,188	2,098,318
Major repair and renovation	173,426	254,884	38,400	466,710
Total	2,127,556	254,884	182,588	2,565,028

The Company is actively listing the building for sale. Management expects to sell the building in the next 12 months.

7. PROPERTIES

The following table summarizes the properties held by the Company as at March 31, 2014 and September 30, 2013:

	September 30, 2013	Acquisition	Deferred development cost	Change of exchange rate	March 31, 2014
	$	$	$	$	$
Shangri La Unit	1,166,062	-	-	-	1,166,062
Crocker Drive Property	232,857	-	-	16,628	249,485
106 Glenn	629,437	-	-	46,444	675,881
860 Corning	2,744,580	-	-	202,512	2,947,092
Vineyard Plaza	2,641,259	-	92,271	170,228	2,903,758
River Road Property	414,616	16,076	46,452	33,952	511,096
Pershing-Churchill Property	37,444	-	-	2,760	40,204
Bradshaw Residential	556,925	-	30,352	24,645	611,922
Bader Road Lot	284,652	-	-	21,003	305,655
Total	**8,707,832**	**16,076**	**169,075**	**518,172**	**9,411,155**

8. PROPERTIES (Continued)

Shangri La Unit

Shangri La Unit is a residential unit located in University Avenue of Toronto, Canada. On October 1, 2012, the Company entered into a 1 year agreement with a company that has a director common with the Company to lease the Shangri La Unit for $6,107 per month commencing November 1, 2012 (Note 12). Beginning December 1, 2013, the lease changed to a month-to-month basis and may be terminated by either party with 30 days notice.

Crocker Drive Property

On July 31, 2012, the Company acquired a parcel of land for residential purposes in El Corado Hills, California, USA. The Company is in the process of building a plan to develop this property.

106 Glenn

On December 7, 2012, the Company acquired 106 acres of land in Corning, California through its 50% owned limited liability partnership JDLP. The Company's wholly owned subsidiary, Corning 106 LLC, is the general partner of JDLP. The Company intends to begin farming operations on the property in the near future.

860 Corning

On December 26, 2012, the Company acquired 860 acres of land in Corning, California through its 50% owned limited liability partnership JDLP. The Company intends to begin farming operations on the property in the near future.

Vineyard Plaza

On January 25, 2013, the Company completed the acquisition of a parcel of vacant land located in Sacramento, California, USA. Pre-construction costs toward the construction of a gas station and the planning cost of the site are included in the deferred development cost during the period ended March, 2014.

River Road Property

On January 18, 2013, the Company acquired 74 acres of land located in Sacramento, California, USA from a company controlled by a director of the Company. On November 2013, the Company acquired a parcel of land adjacent to the River Road Property for $16,076. The Company is preparing the land for future farming purpose.

Pershing-Churchill Property

On February 25, 2013, the Company acquired various parcels of land and related mineral rights in the Pershing County and Churchill County, Nevada, USA from a company controlled by a director of the Company. The mineral rights consist of net smelter return royalties over various mineral claims.

Bradshaw Residential

In April 2013, the Company acquired an approximately 10 acre parcel of land located in Sacramento, California, USA. The Company is in the process of getting a plan to develop this property. Expenditures toward the application of development are included in the deferred development cost during the period ended March 31, 2014.

Bader Road Lot

In June 2013, the Company acquired a parcel of land located in Elk Grove, California, USA. The Company is in the process of getting a plan to develop this residential property.

(Unaudited - expressed in Canadian dollars)

9. OTHER RECEIVABLES

	March 31, 2014	September 30, 2013
	$	$
Sale taxes receivable	-	5,752
Receivable from JDLP’s 50% partner	207,211	141,163
Insurance proceeds receivable (Note 7)	-	401,875
	207,211	548,790

10. NOTE PAYABLE

The Company had a promissory note payable in connection with the acquisition of the Bader Road Lot (Note 8). The outstanding balance as at March 31, 2014 was $182,490 (or US$165,000) (September 30, 2013 - $169,950 (or US$165,000)). The note bears interest at 4% per annum, due on June 26, 2016, and is secured by the Bader Road Lot property. Interest payments are due every quarter subsequent to the issuance of the note.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2014	September 30, 2013
	$	$
Trade payables	32,766	320,166
Accrued liabilities	6,000	15,000
Dividends payable	344,692	132,192
	383,458	467,358

12. RELATED PARTY TRANSACTIONS

Transactions with related parties not disclosed elsewhere are as follows:

During 2014 Six Months, the Company acquired common shares and warrants of Canadian public companies that have directors or officers in common with the Company with purchase proceeds totaling of $346,880 (2013 Six Months-$40,010).

During 2014 Six Months, the Company incurred rent expense of $15,000 (2013 Six Months-$15,000) to a company controlled by a director of the Company.

The Company has an agreement with a company with a director in common to lease the Shangri La Unit (Note 8) for $6,107 per month.

As at September, 2013, the Company owed $5,636 (September 30, 2013-$20,984) to the spouse of a Company’s director. The amount owing does not bear any interest, is unsecured and is due on demand.

During 2014 Six Months, the amount of remuneration charged by the Company’s key management personnel was $Nil (2013 Six Months - $Nil).

(Unaudited - expressed in Canadian dollars)

13. SEGMENTS

Operating segments

The Company operates in a single reportable operating segment which is the acquisition and development of investment properties.

Geographic segments

The Company's non-current assets are located in the following countries:

	As at March 31, 2014		
	Canada	United States of America	Total
Property for sale	-	2,565,028	2,565,028
Properties	1,166,062	8,245,095	9,411,157
	1,166,062	10,810,123	11,976,185

	As at September 30, 2013		
	Canada	United States of America	Total
Property for sale	-	2,127,556	2,127,556
Properties	1,166,062	7,541,770	8,707,832
	1,166,062	9,669,326	10,835,388

14. FINANCIAL INSTRUMENTS

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	March 31, 2014	September 30, 2013
	$	$
Cash	159,615	1,363,152
Financial assets held at fair value through profit and loss:		
Marketable securities	1,764,364	698,539
Loans and receivable		
Receivable from JDLP's 50% partner	207,211	141,163
Insurance proceeds receivable	-	401,875
	2,131,190	2,604,729

(Unaudited - expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS (Continued)

Financial liabilities included in the statement of financial position are as follows:

	March 31, 2014	September 30, 2013
	$	$
Non-derivative financial liabilities:		
Trade payables	32,766	320,166
Due to related party	5,636	20,894
Note payable	182,490	169,950
Other financial liabilities		
Retractable preferred shares	8,500,000	8,500,000
	8,720,892	9,011,010

Fair value

The fair values of the Company's financial assets and liabilities approximates the carrying amounts either due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at March 31, 2014 and September 30, 2013:

	As at September 30, 2013		
	Level 1	Level 2	Level 3
	$	$	$
Cash	1,363,152	-	-
Marketable securities	593,423	105,116	-
	1,956,575	105,116	-
	As March 31, 2014		
	Level 1	Level 2	Level 3
	$	$	$
Cash	159,615	-	-
Marketable securities	1,718,113	46,251	-
	1,877,728	46,251	-