Acana Capital Corp.

Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended June 30, 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	June 30, 2014	September 30, 2013
		$	$
Assets			
Current assets			
Cash		100,995	1,363,153
Marketable securities	6	1,785,825	698,539
Other receivable	9	224,889	548,790
Prepaid		106,600	1,250
		2,218,309	2,611,732
Non-current			
Property for sale	7	2,472,260	2,127,556
Properties	8	9,432,743	8,707,832
Total assets		**14,123,312**	**13,447,120**
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	11	133,285	467,358
Due to related party	12	8,826,431	20,984
		8,959,716	488,342
Non-current liabilities			
Retractable preferred shares	12	-	8,500,000
Note payable	10	175,890	169,950
Total liabilities		9,135,606	9,158,292
Shareholders' equity			
Share capital	5	2,808,250	2,808,250
Reserves		4,042,149	3,763,990
Deficit		(3,681,184)	(3,979,521)
Equity attributed to shareholders		3,169,215	2,592,719
Non-controlling interests		1,818,491	1,696,109
Total Equity		4,987,706	4,288,828
Total liabilities and shareholders' equity		**14,123,312**	**13,447,120**

Nature of operations and going concern (Note 1)

See accompanying notes to the consolidated financial statements

Approved and authorized for issuance by the Board of Directors on August 28, 2014

"Sonny Janda"
Director

"Lucky Janda"
Director

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

	Note	Three months ended June 30, 2014	Three months ended June 30, 2013	Nine months ended June 30, 2014	Nine months ended June 30, 2013
		$	$	$	$
Rental income	8	37,220	18,320	73,861	51,730
Rental expenses		7,274	5,572	16,976	10,137
Net Rental income		29,946	12,748	56,885	41,593
Expenses					
Amortization		–	11,660	–	34,980
Office and administration		30,313	17,284	123,629	28,379
Professional fees		11,428	11,703	25,526	34,224
Trust and filing fees		11,974	4,983	22,245	14,847
Total operating expenses		53,715	45,630	171,400	112,430
Lose before other items		(23,769)	(32,882)	(114,515)	(70,837)
Dividends on retractable preferred shares		(127,015)	–	(339,515)	–
Gain on preferred share redemption		436,775	–	436,775	–
Gain (losses) on marketable securities	6	(25,488)	(290,283)	316,543	(779,376)
Foreign exchange gain (loss) and interest expenses		(1,175)	61,850	(4,729)	(3,913)
Net income (loss)		259,328	(261,315)	294,559	(854,126)
Other comprehensive loss:					
Translation gain (loss)		(443,738)	152,845	324,519	217,640
Comprehensive loss		(184,410)	(108,470)	619,078	(636,486)
Net income (loss) attributable to:					
Equity holders of the Company		248,440	(261,315)	298,337	(854,126)
Non-controlling interests		10,888	–	(3,778)	–
		259,328	(261,315)	294,559	(854,126)
Other comprehensive income attributable to:					
Equity holders of the Company		(392,391)	152,845	278,159	217,640
Non-controlling interests		(51,347)	–	46,360	–
		(443,738)	152,845	324,519	217,640
Comprehensive income (loss) attributable to:					
Equity holders of the Company		576,496	(108,470)	576,496	(636,486)
Non-controlling interests		42,582	–	42,582	–
		619,078	(108,470)	619,078	(636,486)
Loss per share attributable to the equity holders of the Company					
Loss per share, basic and diluted		0.01	(0.01)	0.01	(0.04)
Weighted average number of outstanding shares,		30,646,670	30,646,670	30,646,670	21,282,934

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)

	Note	Nine months ended June 30, 2014	2013
Cash (used in) provided by:		$	$
Operating activities			
Income (loss) for the period		298,337	(854,126)
Items not involving cash :			
Amortization		-	34,980
Loss (gain) on marketable securities		(316,543)	779,376
Share of loss of non-controlling shareholders		(3,778)	-
Gain on preferred shares redemption		(436,775)	-
Changes in non-cash operating working capital			
Due to related party		305,447	
Other receivables and prepaid		218,551	(1,287)
Accounts payable and accrued liabilities		102,702	14,372
Cash provided by (used in) operating activities		167,941	(26,685)
Financing activities			
Common shares issued for cash		-	1,125,000
Issuance of convertible debentures		-	5,300,000
Issuance of promissory notes		-	1,665,885
Cash provided by financing activities		-	8,090,885
Investing activities			
Acquisition of marketable securities	6	(845,879)	(648,004)
Disposition of marketable securities	6	75,136	34,990
Increase of property for sale		(293,284)	(2,305,122)
Addition of properties and defered cost		(471,034)	(5,255,865)
Cash used in investing activities		(1,535,061)	(8,174,001)
Effect of holding cash in foreign currency		104,962	-
Decrease of cash		(1,262,158)	(109,801)
Cash, beginning of period		1,363,153	154,012
Cash, end of period		100,995	44,211
Supplementary information:			
Cash paid for interest		4,729	-
Cash paid for income taxes		-	-
Non-cash transaction:			
Redemption of preferred shares with face value of $8,500,000 in exchange of related party loan		$ 8,500,000	

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
Issuance	-	-	8,000,000	–	–	–	–	–	–	–	–
Translation loss							217,640		217,640	–	217,640
Net loss	–	–	–	–	–	–	–	(854,126)	(854,126)	–	(854,126)
Balance, June 30, 2013	30,646,670	2,808,250	8,000,000	–	918,000	–	217,640	(1,067,841)	2,876,049	–	2,876,049

	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	–	–	–	–	–	–	–	–	–	79,800	79,800
Redemption	–	–	(10,250,000)	–	–	–	–	–	–	–	–
Translation from subsidiaries	–	–	–	–	–	–	278,159	–	278,159	46,360	324,519
Net loss	–	–	–	–	–	–	–	298,337	298,337	(3,778)	294,559
Balance, June 30, 2014	30,646,670	2,808,250	-	–	918,000	2,664,963	459,186	(3,681,184)	3,169,215	1,818,491	4,987,706

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 June 30, 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 (in the form of related party loan) of the Chief Executive Officer ("CEO") who is also, along with companies he controls and other related parties, a key shareholder. 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 nine months ended June 30, 2014 ("2014 Nine Months"), 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 June 30, 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 June 30, 2014 and September 30, 2013, the number of outstanding Class B preferred shares was Nil and 8,000,000 (with retractable value of $4,000,000) respectively; and the number of outstanding Class B Series A preferred shares was Nil and 2,250,000 (with retractable value of $4,500,000) respectively.

On June 18, 2014, the Company redeemed these 8,000,000 Class B preferred shares and $2,250,000 Class B Series A preferred shares, including accrued dividend of $436,775 by a payment of $8,500,000 in the form of the issuance of a debenture with the principal of $8,500,000 (the "$8.5M Debenture") and recorded a gain of redemption of $436,775 (Note 12)

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 June 30, 2014, $Nil (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 Nine Months.

(Unaudited - expressed in Canadian dollars)

5. SHARE CAPITAL (Continued)

Share warrants

The Company did not have outstanding share warrants as at June 30, 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 June 30, 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

June 30, 2014	Cost	Gain (loss)	Fair value
	$	$	$
Common shares	2,335,277	(573,731)	1,761,546
Warrants	34,500	(8,221)	26,279
	2,369,777	(581,952)	1,787,825

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

	June 30, 2014	**September 30, 2013**
Expected life of warrants (years)	0.05 - 4.02	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 2014 Nine Months, the Company acquired common shares for a cost of $845,879 (2013 Nine Months - $648,004). The proceeds from disposition of marketable securities during 2014 Nine Months was $75,136 (2013 Nine Months - $34,900).

7. 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 2014 Nine Months. The Company incurred $254,884 to repair the Tuscon Building during 2014 Nine Months. Continuity is as follows:

	September 30, 2013	Addition	Effect of foreign exchange	June 30, 2014
	$	$	$	$
Tuscon building	1,954,130	-	68,299	2,022,429
Major repair and renovation	173,426	254,884	21,521	449,831
Total	2,127,556	254,884	89,820	2,472,260

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

8. PROPERTIES

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

	September 30, 2013	*Acquisition*	*Deferred development cost*	*Change of exchange rate*	*June 30,2014*
	$	*$*	*$*	*$*	*$*
Shangri La Unit	*1,166,062*	-	-	-	*1,166,062*
Crocker Drive Property	*232,857*	-	-	*7,605*	*240,462*
106 Glenn	*629,437*	-	*23,522*	*22,660*	*675,619*
860 Corning	*2,744,580*	-	*21,303*	*98,805*	*2,864,688*
Vineyard Plaza	*2,641,259*	-	*101,311*	*95,085*	*2,837,655*
River Road Property	*414,616*	*16,076*	*278,470*	*14,926*	*724,088*
Pershing-Churchill Property	*37,444*	-	-	*1,308*	*38,752*
Bradshaw Residential	*556,925*	-	*30,352*	*3,539*	*590,816*
Bader Road Lot	*284,652*	-	-	*9,949*	*294,601*
Total	***8,707,832***	***16,076***	***454,958***	***253,877***	***9,432,743***

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 is currently leasing the property for $6,017/month to a company that has a director common with the on a month-to-month basis. This lease may be terminated by either party with a 30-day 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 has started to set the area ready for farming 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 has started to set the area ready for farming 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 June 30, 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 has started to set the area ready for farming in the near future.

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 June 30, 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

	June 30, 2014	September 30, 2013
	$	$
Sale taxes receivable	28	5,752
Receivable from JDLP's 50% partner	224,861	141,163
Insurance proceeds receivable (Note 7)	-	401,875
	224,889	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 June 30, 2014 was $175,890 (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

	June 30, 2014	September 30, 2013
	$	$
Trade payables	82,603	320,166
Accrued liabilities	15,750	15,000
Accrued interest	34,932	-
Dividends payable	-	132,192
	133,285	467,358

12. RELATED PARTY TRANSACTIONS

Transactions with related parties not disclosed elsewhere are as follows:

During 2014 Nine 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 $358,900 (2013 Nine Months-$418,983).

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.

During 2014 Nine Months, the Company incurred rent expense of $22,500 (2013 Nine Months-$22,500) to a company related to a director of the Company.

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

(Unaudited - expressed in Canadian dollars)

12. RELATED PARTY TRANSACTIONS (Continued)

As at June 30, 2014, the Company owed $8,826,431 (September 30, 2013-$20,984) to the spouse of the Company's CEO. Breakdown as follows:

Principal	Term	Interest	Collateral
$8,500,000	Due on June 18, 2015	10% per annum	The $8.5M Debenture is secured by all the outstanding shares of the Company's wholly company, Acana Capital USA Inc. (Note 4)
$326,431	Payable on demand	Nil	Nil
$8,826,431			

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 June 30 , 2014		
	Canada	United States of America	Total
Property for sale	-	2,472,260	2,472,260
Properties	1,166,062	8,266,681	9,432,743
	1,166,062	10,738,941	11,905,003

	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

(Unaudited - expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS

Classification of financial instruments

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

	June 30, 2014	September 30, 2013
	$	$
Cash	100,995	1,363,152
Financial assets held at fair value through profit and loss:		
Marketable securities	1,785,825	698,539
Loans and receivable		
Receivable from JDLP's 50% partner	224,861	141,163
Insurance proceeds receivable	-	401,875
	2,111,681	2,604,729

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

	June 30, 2014	September 30, 2013
	$	$
Non-derivative financial liabilities:		
Trade payables	82,603	320,166
Due to related party	8,826,431	20,894
Note payable	175,890	169,950
Other financial liabilities		
Retractable preferred shares	-	8,500,000
	9,084,924	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 June 30, 2014 and September 30, 2013:

(Unaudited - expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS (Continued)

	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 June 30, 2014		
	Level 1	Level 2	Level 3
	$	$	$
Cash	100,995	-	-
Marketable securities	1,759,546	26,279	-
	1,860,541	26,279	-

15. SUBSEQUENT EVENT-PLAN OF ARRANGEMETN

On August 15, 2014, the Company and its two wholly owned subsidiaries entered into a plan of arrangement in order to proceed with a corporate restructuring (the "Arrangement") by the way of a statutory plan of arrangement. In accordance with the Arrangement, there are two transfers of assets to the Company's two wholly owned subsidiaries as follows:

i) The Company will transfer its marketable securities (Note 6) and Shangri La Unit (Note 8) to its wholly owned subsidiary, JG Wealth Management Corp. ("JG") in exchange for common shares issued by JG ("JG Shares"). The Company will then distribute JG Shares to the shareholders of the Company pro-rata based on their relative shareholdings of the Company. JG will seek to list its common shares on CSE concurrently. Upon the completion of the Arrangement, JG will be spun out from the Company and will be no longer a subsidiary of the Company.

ii) the Company will transfer all of its properties excluding the Shangri La Unit (Note 8) and property for sale (Note 7) to its wholly owned subsidiary, Acana Capital USA Inc. ("Acana USA") in exchange for common shares issued by Acana USA Inc. ("Acana USA Shares"). The Company will then distribute Acana USA Shares to the shareholders of the Company pro-rata based on their relative shareholdings of the Company. Acana USA will seek to list its common shares on CSE concurrently. Upon the completion of the Arrangement, Acana USA will be spun out from the Company and will be no longer a subsidiary of the Company.

This Arrangement requires the approval from the court, the CSE, and the Company's shareholders.