ANCHOR CAPITAL CORPORATION

Management Discussion and Analysis

This Management Discussion and Analysis (MD&A) for Anchor Capital Corporation is for the period February 20, 2014 to June 30, 2014 and should be read in conjunction with the unaudited condensed interim financial statements for the period from incorporation on February 20, 2014 to June 30, 2014 and the notes thereto. The condensed interim financial statements are the responsibility of the management of the Corporation and have been approved by its Board of Directors. This MD&A relates to all events up to August 26, 2014.

The Corporation's financial position, results of operations and cash flows have been prepared in accordance with 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").

The Corporation's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars.

DESCRIPTION OF BUSINESS

Anchor Capital Corporation ("Anchor" or the "Corporation") was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on February 20, 2014. The Corporation is a Capital Pool Company ("CPC") as defined pursuant to Policy 2.4 of TSX Venture Exchange Inc. ("TSX Venture"). The Corporation's business is to identify and evaluate corporations, businesses or assets for acquisition and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval.

The Corporation filed its Prospectus on June 30, 2014 with the Alberta Securities Commission, British Columbia Securities Commission and Ontario Securities Commission to issue 4,000,000 common shares at a price of $0.10 per share. Pursuant to an agency agreement between the Corporation and Richardson GMP Limited (the "Agent"), the Corporation will agree to issue 4,000,000 common shares at a price of $0.10 per share (the "Offering") and the Corporation will appoint the Agent as its agent for the Offering. The Corporation has agreed to pay the Agent a commission of 10% of the gross proceeds of the Offering; a corporate finance fee of $15,000; and will reimburse the Agent for its legal fees estimated to be $17,000 plus disbursements and applicable taxes. The Agent, and any sub-agents as the Agent may direct, will also be granted non transferable options to purchase up to 10% of the common shares sold under the Offering at a price of $0.10 per common share, which will expire 24 months from the date the common shares are listed for trading on TSX Venture.

The Corporation intends to enter into stock option agreements at the closing of the Offering granting stock options to officers and directors to collectively acquire 10% of the outstanding common shares of the Corporation, at a price of $0.10 per share and expiring ten years from the date of grant.

OPERATIONAL REVIEW

General and Administrative

There were no General and Administrative expenses for the period February 20, 2014 to June 30, 2014.

Net Income and Cash Flow from Operations

The Corporation has not yet conducted any operations, and as such there was no income for the period February 20, 2014 to June 30, 2014.

Financial Resources and Liquidity

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2014 the Corporation had a cash balance of $63,697 to settle current liabilities of $16,319. All of the Corporation's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

SHARE CAPITAL

(a) Issued

As at June 30, 2014 and August 26, 2014 the issued and outstanding Common Shares were 2,000,000 shares issued at a price of $0.05 per share for gross proceeds to the Corporation of $100,000.

(b) Outstanding Stock Options

No stock options were issued, exercised or cancelled during the period.

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSX Venture (the "Stock Option Plan") which provides that the Board of Directors of the Corporation may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation non transferable options to purchase common shares, provided that the number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares. The options are exercisable for the period of up to ten (10) years. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding Common Shares. The Board of Directors determines the price per Common Share and the number of Common Shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX Venture.

(c) Escrow

Pursuant to an escrow agreement dated as of March 15, 2014 among the Corporation, Alliance Trust Corporation and certain shareholders of the Corporation, 2,000,000 common shares being all of the issued and outstanding common shares prior to the completion of the Offering have been deposited in escrow. Upon the Corporation completing a Qualifying Transaction, as defined in Policy 2.4 of the TSX Venture, the Common Shares held pursuant to the escrow agreement shall be released as to 10% immediately following the issuance of the bulletin of TSX Venture announcing final acceptance of the Qualifying Transaction (the "Initial Release") and an additional 15% every six months following the Initial Release. As at June 30, 2014 no Common Shares have been released from escrow.

RELATED PARTY TRANSACTIONS

There were no related party transactions during the period ended June 30, 2014.

SELECTED QUARTERLY INFORMATION

	Three months ended June 30, 2014	For the period from incorporation Feb 20, 2014 to March 31,2014
Net revenue	$ -	$ -
Net loss	$ -	$ -
Net loss per share - basic & diluted	$ -	$ -

The Corporation has not yet conducted any operations.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

Anchor is not a party to any industry contracts or obligations and there are no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

There are no critical or material accounting estimates.

BUSINESS RISKS

The Corporation is a Capital Pool Company under the policies of the TSX Venture. If the Corporation fails to complete a Qualifying Transactions within 24 months of listing, which has not yet occurred, the TSX Venture could suspend or delist the common shares of the Corporation. The Alberta Securities Commission may issue an interim cease trade order against the Corporation's securities and the common shares if the common shares of the Corporation are suspended from trading on the TSX Venture. In addition, certain of the currently issued and outstanding securities of the Corporation held by insiders may be cancelled.

Although management of the Corporation will work diligently to identify a Qualifying Transaction, there is no assurance that a Qualifying Transaction will be entered into or be completed.

The Corporation believes it has no significant credit risk.

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2014 the Corporation had cash on hand in excess of its liabilities. All of the Corporation's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

The Corporation has cash balances and no interest-bearing debt.

The Corporation does not have assets or liabilities in foreign currency.

NEW ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Policies

These condensed interim financial statements are unaudited and have been prepared in accordance with 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").

These unaudited condensed interim financial statements have been prepared following the same accounting policies used in the preparation of the audited financial statements of the Corporation for the period February 20, 2014 to April 4, 2014.

Estimates

Certain accounting policies are identified as critical accounting policies because they require management to make judgments and estimates based on conditions and assumptions that are inherently uncertain. These accounting policies could result in materially different results should the underlying assumptions or conditions change. Management assumptions are based on factors that, in management's opinion are relevant and appropriate at the time such assumptions are made, and may change over time as operating conditions change. There are no critical accounting estimates at this time.

FUTURE ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning after January 1, 2014 or later periods. The Corporation has not applied these within these financial statements.

International Financial Reporting Standard 9, Financial Instruments ("IFRS 9") was issued in November, 2009 and is the first step to replace 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 IASB recently suspended the originally planned effective date of this new standard of January 1, 2018 and at present the effective date has not been determined. The Corporation is currently assessing the financial impact of this new standard.

CORPORATE INFORMATION

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Forward Looking Statements

Except for historical financial information contained herein, certain of the matters discussed in this document may be considered forward- looking statements. Such statements include declarations regarding management's intent, belief or current expectations. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties; actual results could differ materially from those indicated by such forward-looking statements. Some of the important factors, but certainly not all, that could cause actual results to differ materially from those indicated by such forward-looking statements are: (i) that the information is of a preliminary nature and may be subject to further adjustment, (ii) the possible unavailability of financing, (iii) start-up risks, (iv) general operating risks, (v) dependence on third parties, (vi) changes in government regulation, (vii) the effects of competition, (viii) dependence on senior management, (ix), impact of the Canadian economic conditions, (x) fluctuations in currency exchange rates and interest rates.