FORM 5

QUARTERLY LISTING STATEMENT

Name of CNSX Issuer: **AAN VENTURES INC.** (the "Issuer").

Trading Symbol: ANN

SCHEDULE A: FINANCIAL STATEMENTS

SCHEDULE B: SUPPLEMENTARY INFORMATION
See Schedule "A"

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated May 30, 2017

Jack Bal
Name of Director or Senior Officer

"Jack Bal"
Signature

CEO
Official Capacity

Issuer Details Name of Issuer AAN Ventures Inc.	For Quarter Ended March 31.2017	Date of Report YY/MM/D 17/05/30
Issuer Address 4770-72nd Street		
City/Province/Postal Code Delta, B.C. V4K 3N3	Issuer Fax No. (604) 592 6882	Issuer Telephone No. (604) 245 5974
Contact Name Laine Trudeau or Jack Bal	Contact Position N/A	Contact Telephone No. (604) 245 5974
Contact Email Address info@aanventures.ca	Web Site Address http://aanventures.ca	

SCHEDULE “A”

	Note	March 31, 2017	September 30, 2016
		$	$
ASSETS			
Current Assets			
Cash		185,345	269,261
Receivables	4	765	649
		186,110	269,910
LIABILITIES AND SHAREHOLDERS’ EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		525	9,525
		525	9,525
Shareholders’ Equity			
Share capital	5	23,509,240	23,509,240
Reserves		6,380,384	6,380,384
Deficit		(29,704,039)	(29,629,239)
Total Equity		185,585	260,385
Total Equity and Liabilities		186,110	269,910

Nature and continuance of operations (Note 1)
Statement of Compliance (Note 2)

APPROVED BY THE DIRECTORS ON May 29, 2017:

“Jatinder Bains
Director

“Jack Bal”
Director

See accompanying notes to the financial statements

AAN Ventures Inc.
Condensed interim consolidated statements of comprehensive loss
For the Three and Six Months ended March 31, 2017 and 2016
(Unaudited - Expressed in Canadian Dollars)

		For the Three Months Ending		For the Six Months Ending	
	Note	**March 31, 2017**	**March 31, 2016**	**March 31, 2017**	**March 31, 2016**
Revenue					
Oil Sales		-	-	-	-
		-	**-**	**-**	**-**
Expenses					
Bank charges and interests		497	290	625	372
Management & Consulting fees		1,500	45,000	58,500	45,000
Foreign exchange		130	(307)	(183)	370
Office and miscellaneous		186	179	186	179
Professional fees		878	280	1,878	280
Rent and administration		1,500	9,000	6,000	18,000
Transfer agent and regulatory fees		5,476	4,206	7,794	8,227
		10,167	**58,648**	**74,800**	**72,428**
Other items					
Other income		-	-	-	-
		-	**-**	-	**-**
Comprehensive loss		**(10,167)**	**(58,648)**	**(74,800)**	**(72,428)**
Basic and diluted loss per share		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average shares outstanding -basic and diluted		**44,917,464**	**45,983,848**	**44,917,464**	**45,983,848**

See accompanying notes to the financial statements

AAN Ventures Inc.
Condensed interim consolidated statement of changes in equity (deficiency)
For the Six Months ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

	Share Capital		Reserves			
	Number of shares	Share capital	Stock Based reserve	Forex reserve	Deficit	TOTAL
	#	$	$	$	$	$
Balance as at September 30, 2015	36,753,079	23,109,240	6,372,363	8,021	(29,514,224)	(24,600)
Shares issued for cash	10,000,000	200,000	-	-		200,000
Comprehensive loss for the period	-	-	-	-	(72,428)	(72,428)
Balance as at March 31, 2016	46,753,079	23,309,240	6,372,363	8,021	(29,586,652)	102,972
Shares issued for cash	10,000,000	200,000	-	-		200,000
Comprehensive loss for the period	-	-	-	-	(42,587)	(42,587)
Balance as at September 30, 2016	56,753,079	23,509,240	6,372,363	8,021	(29,629,239)	260,385
Shares issued for cash	-	-				-
Translation gain						-
Comprehensive loss for the period					(74,800)	(74,800)
Balance as at March 31, 2017	56,753,079	23,509,240	6,372,363	8,021	(29,704,039)	185,585

See accompanying notes to the financial statements

AAN Ventures Inc.
Condensed interim consolidated statements of cash flows
For the Six Months ended March 31, 2017 and 2016
(Unaudited - Expressed in Canadian Dollars)

		For the Six Months Ending	
	Note	**March 31, 2017**	**March 31, 2016**
Operating activities			
Net loss		(74,800)	(72,428)
Changes in non-cash working capital items			
Accounts receivable		(116)	(2,734)
Accounts payable		(9,000)	(28,335)
Due to related party		-	(1,050)
Net cash flows used in operating activities		**(83,916)**	**(104,547)**
Investing activities			
Exploration and evaluation assets			
Net cash flows used in investing activities			**-**
Financing activities			
Increase in share capital			
Cash share capital received		-	200,000
Net cash flows provided by financing activities		**-**	**200,000**
Effect of foreign exchange			
Change in cash		(83,916)	95,453
Cash, begining		269,261	15,005
Cash, ending		**185,345**	**110,458**

See accompanying notes to the financial statements

1. Nature and continuance of operations

AAN Ventures Inc. was incorporated under the Business Corporation Act of Alberta on August 31, 1998 and was continued to British Columbia on January 30, 2006. The Company changed its name from Ona Power Corp. to AAN Ventures Inc. on April 9, 2012. The Company's shares are publicly traded on the Frankfurt Exchange and Canadian Stock Exchange (the "CSE") under the symbol "ANN".

The head office, principal address and records office of the Company are located at 4770 72nd Street, Surrey, British Columbia, Canada, V6K 3N3.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. As at March 31, 2017, the Company was not able to finance day to day activities through operations.

The Company's continuation as a going concern is dependent upon 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 cast significant doubt about the Company's ability to continue as a going concern.

Management intends to finance operating costs with loans from directors and companies controlled by directors and or the private placement of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

2. Statement of compliance and basis of preparation

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on May 29, 2017.

Statement of compliance

These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as were applied in our most recent audited annual financial statements for the year ended September 30, 2016.

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" 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 condensed consolidated interim financial statements do not include all of the information required of a full annual financial report and 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, 2016.

Basis of preparation

The consolidated interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

3. Significant accounting policies

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. Intercompany balances and transactions were eliminated in preparing the consolidated financial statements.

Entity	Incorporation	Status	Functional Currency
Ona Power Oil & Gas Corp	United States	Active	Canadian Dollar

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Share-based payments
The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Foreign currency translation
The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is also the functional currency of the Company and its subsidiary.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statement of loss and comprehensive loss in "other items".

Joint arrangements
The Company conducts many of its petroleum activities through jointly controlled operations and the financial statements reflect only the Company's proportionate interest in such activities.

Joint control exists for contractual arrangements governing the Company's assets whereby the Company has less than 100 percent working interest, all of the partners have control of the arrangement collectively, and spending on

the project requires unanimous consent of all parties that collectively control the arrangement and share the associate risks. The Company does not have any joint arrangements that are structured through joint venture arrangements.

Oil properties
Oil properties are stated at cost, less accumulated depletion and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation and decommissioning costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Where commercial production in an area of interest has commenced, oil properties are depleted on a unit-of-production basis over the proved reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight-line method is applied. Rights and concessions are depleted on the unit-of-production basis over the total proved reserves of the relevant area. The unit-of-production rate for the depletion of field development costs takes into account expenditures incurred to date, together with future development expenditures to develop the proved reserves. Changes in factors such as estimates of proved reserves that affect unit-of-production calculations are dealt with on a prospective basis.

Revenue
Revenue from the sale of oil is recorded when the significant risks and rewards of ownership of the product is transferred to the buyer, which is usually when legal title passes to the external party, sales prices and costs can be reasonably measured, and it is probable that future economic benefits will flow to the entity. For crude oil, this is generally at the time the product reaches a trucking terminal or pipeline. Revenue is measured net of discounts.

Financial instruments
The Company recognizes financial assets and liabilities on the statement of financial position when the Company becomes a party to

the contractual provisions of the instrument. All financial assets recognized on the Company's statement of financial position are classified as loans or receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are initially recognized at fair value and subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

All financial liabilities recognized on the Company's statement of financial position are initially recognized at fair value and subsequently measured at amortized cost.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired.

Cash and cash equivalents
Cash and cash equivalents include demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

Impairment of long lived assets
The carrying amount of the Company's assets is reviewed for impairment when indicators of such impairment exist. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the

asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. If an impairment loss exists, then it is recorded as an expense immediately.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss cannot be reversed to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Income taxes
Income tax is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the jurisdictions where the Company operates and generates taxable income. The tax rate used is the rate that is enacted or substantively enacted.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Decommissioning provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of well sites is capitalized to oil and gas properties along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other oil and gas properties.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to oil and gas properties with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

The restoration provisions are accreted to full value over time through charges to operating expenses on the consolidated statement of loss and comprehensive loss.

3. Significant accounting policies (continued)

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of restoration projects that were included in the provision are recorded against the provision as incurred.

Changes in significant accounting policies

IFRS 9 – Financial Instruments
IFRS 9, *Financial Instruments*, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. Requirements for financial liabilities were added to IFRS 9 in October 2010 and largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. The effective date of IFRS 9 was deferred in November 2013, a new effective date has not yet been published. The Company has not yet completed an assessment of the impact of adopting IFRS 9.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The following areas requires a significant degree of estimation and judgment.

Reserve base
The oil and gas properties are depreciated on a unit of production ("UOP") basis at a rate calculated by reference to prove reserves determined in accordance with National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities" and incorporate the estimated future cost of developing and extracting those reserves. Proved reserves are determined using estimates of oil in place, recovery factors and future prices. Future development costs are estimated using assumptions as to number of wells required to produce the reserves, the cost of such wells and associated production facilities and other capital costs. Proved reserves are estimated using independent reserve engineer reports and represent the estimated quantities of oil which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible. Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable.

Depletion of oil assets
Oil properties are depleted using the UOP method over proved reserves. The calculation of the UOP rate of depletion could be impacted to the extent that actual production in the future is different from current forecast production based on proved reserves. This would generally result from significant changes in any of the factors or assumptions used in estimating reserves (Note 8).

3. Significant accounting policies (continued)

Determination of cash generating units

Oil properties are grouped into cash generating units for purposes of impairment testing. Management has evaluated the oil properties of the Company, and grouped the properties into cash generating units on the basis of their ability to generate independent cash inflows, similar reserve characteristics, geographical location, and shared infrastructure.

Impairment indicators and calculation of impairment

At each reporting date, the Company assesses whether or not there are circumstances that indicate a possibility that the carrying values of oil properties and equipment are not recoverable, or impaired. Such circumstances include incidents of deterioration of commodity prices, changes in the regulatory environment, or a reduction in estimates of proved and probable reserves. When management judges that circumstances clearly indicate impairment, property and equipment are tested for impairment by comparing the carrying values to their recoverable amounts. The recoverable amounts of cash generating units are determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions that are subject to changes as new information becomes available including information on future commodity prices, expected production volumes, quantity of reserves, discount rates, as well as future development and operating costs.

Decommissioning provisions

Restoration costs will be incurred by the Company at the end of the operating life of the Company's oil properties. The ultimate restoration liability is uncertain and can vary in response to many factors including changes to relevant legal requirements, the emergence of new restoration techniques, experience at other production sites, or changes in the risk-free discount rate. The expected timing and amount of expenditure can also change in response to changes in reserves or changes in laws and regulations or their interpretation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

4. Receivables and Loans Receivable

	March 31, 2017	**September 30, 2016**
	$	$
GST receivable	765	649
	$ 765	$ 649

On December 8, 2014, the Company entered into a loan agreement with Keblo whereby the Company advanced US$20,000 to Keblo. Due to the unlikely collectability of the loan, a provision was recorded against the loan receivable as at year ended September 30, 2015.

5. Share capital

Authorized share capital

Unlimited number of common shares without par value

Issuances

On January 8, 2016, the Company closed a non-brokered private placement, raising $200,000 from the issue of $10,000,000 units at $0.02 per unit. Each unit consists of one common share and one share purchase warrant, exercisable at $0.05 for two years. Each warrant was assigned a residual value of $Nil.

5. Share capital (continued)

On August 16, 2016, the Company closed a non-brokered private placement, raising $200,000 from the issue of $10,000,000 units at $0.02 per unit. Each unit consists of one common share and one share purchase warrant, exercisable at $0.05 for five years. Each warrant was assigned a residual value of $Nil.

Issued share capital

On March 31, 2017, there were a total of 56,753,079 common shares issued and outstanding (March 31, 2016 - $46,753,079).

Stock options

The Company has adopted a stock option plan whereby the Company may from time to grant to directors, officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company's common shares issued and outstanding at the time of granting stock options. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position.

The Company did not grant any options during the six months period ended March 31, 2017 or during the year ended December 31, 2016.

There were no options outstanding at March 31, 2017.

Share Purchase Warrants

On January 7, 2016, there were 2,666,666 warrants expired. On January 8, 2016, the Company closed a non-brokered private placement, issue $10,000,000 units and each unit consists of one common share and one share purchase warrant. . On August 16, 2016, the Company closed another non-brokered private placement, issue $10,000,000 units and each unit consists of one common share and one share purchase warrant.

As at March 31, 2017, there were 20,000,000 new warrants outstanding with the exercise price $0.05, and a weighted average remaining life of 2.58 year as at March 31, 2017.

Reserves

Stock option reserve

The stock option reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

Warrant reserve

The warrant reserve records items recognized as warrants until such time that they are exercised, at which time the corresponding amount will be transferred to share capital.

Foreign currency translation reserve

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

6. Related party transactions

Related party transactions

The Company incurred the following transactions for six months ended, with Companies controlled by the CFO or former CEO:

6. Related party transactions (continued)

		March 31, 2017		March 31, 2016
Rent and administration		6,000		18,000
Consulting fees		58,500		45,000
	$	64,500	$	63,000

Related parties balance

As at March 31, 2017, $Nil (March 31, 2016 -$899) was owing to the Company controlled by the former Chief Executive Officer ("CEO).

7. Income Taxes

As at September 30, 2016, the Company's has $4,951,882 non-capital losses which expire as follows:

Year		Amount
2026		610,913
2027		677,234
2028		1,352,301
2029		1,203,313
2030		571,354
2031		73,625
2032		124,322
2033		69,272
2034		76,536
2035		77,998
2036		115,015
Total	$	4,951,882

8. Financial instruments and risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is high credit quality of financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its sales tax receivable, which is due from the Government of Canada. The risk is determined to be low.

8.Financial instruments and risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the

Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of cash and share capital.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

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

		March 31, 2017		September 30, 2016
Cash	$	185,345	$	269,261
Receivable		765		649
		186,110		269,910

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

		March 31, 2017		September 30, 2016
Non-derivative financial liabilities:				
Accounts payable	$	525	$	525
Accrued liabilities		-		9,000
	$	525	$	9,525

8.Financial instruments and risk management (continued)

Fair value

The fair value of the Company's financial assets and liabilities approximates their carrying amount.

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, 2017 and September 30, 2016:

	As at March 31, 2017					
		Level 1		Level 2		Level 3
Cash	$	185,345	$	-	$	-

	As at September 30, 2016					
Cash	$	269,261	$	-	$	-

SCHEDULE “B”

PLEASE REFER TO SCHEDULE “A”

SCHEDULE “C”

Management’s Discussion and Analysis

The following management’s discussion and analysis (the “MD&A”) of the financial condition and results of the operations of AAN Ventures Inc. constitutes management’s review of the factors that affected the Company’s financial and operating performance for the Six Months ended March 31, 2017 and should be read in conjunction with the Company’s consolidated financial statements for the same period ended March 31, 2016 and audited annual financial statements and MD&A for the year ended September 30, 2016. These financial Statements and management discussion have been prepared in Canadian dollars unless otherwise stated, and in accordance with International Financial Reporting Standards (“IFRS”).

Date

This document is dated May 29, 2017.

Readers can find the Company’s financial statements and additional information regarding the company and its operations on the System for Electronic Document Analysis and Retrieval (SEDAR) at *www.sedar.com*.

Business Description

The Company was incorporated under the Business Corporation Act of Alberta on August 31, 1998 and was continued to a British Columbian company on January 30, 2006. The Company changed its name from ONA Energy Inc. to Ona Power Corp. on July 16, 2009 and on April 09, 2012 changed it again to AAN Ventures Inc. The Company’s shares are publicly traded on the Frankfurt Exchange and Canadian Securities Exchange (“CSE”) under the symbol (“ANN”).

The Company is an oil and gas junior company and is currently reviewing new opportunities. It is open to both domestic and international projects.

Overall Performance

On October 09, 2013 the Company incorporated a subsidiary Ona Power Oil and Gas Corp. in the state of Delaware, USA (“Ona”).

During the year ended September 30, 2014, through its subsidiary, the Company entered into a joint venture agreement with Keblo Energy, LLC (“Keblo”) whereby the Company will acquire a 50% working interest and a 42.5% net revenue interest in a permit for an oil and gas well located in Tennessee, USA by paying US$50,169. Based on preliminary drilling results, management has decided not to pursue the project and the cost has been recorded as property investigation costs.

Prior to the current year, the company drilled the Doug Norris Well in Fentress County Tennessee at a cost of US$ 50,000, but it didn’t complete. The company then drilled the Eddie Dean Smith #5 well at a cost of US$35,000 and it did complete but has not been pursued.

Ability to Continue as a Going Concern

The Company incurred a net loss of $74,800 for the six months ended March 31, 2017, has an accumulated deficit of $29,704,039 and has had recurring losses since inception. The Company may have sufficient funds to sustain its operations over the next twelve months. Management is considering all possible financing alternatives, including equity and debt financing to finance the future operations.

The ability to continue operating as a going concern is dependent on raising additional funding to develop successful businesses. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. These circumstances lead to substantial doubt as to the ability of the Company to meet its obligations as they become due and, accordingly, as to the appropriateness of the use of accounting principles applicable to a going concern.

Results of Operations

Selected Annual Information

The following table summarizes selected data for the Company prepared in accordance with International Financial Reporting Standards (IFRS).

[1] – Net loss includes $54,348 property investigation costs.

	September 30 2016	September 30 2015	September 30 2014[1]
	IFRS	IFRS	IFRS
	$	$	$
Expenses	115,015	79,042	129,088
Net income (loss)	(115,015)	(104,991)	(117,568)
Total assets	269,910	15,623	91,435
Net earnings (loss) per share (basic and diluted)	(0.00)	(0.01)	(0.01)

Selected Quarterly Information
The following table summarized the results of operations for the eight most recent quarters

	Q2-17	Q1-17	Q4-16	Q3-16
	IFRS	IFRS	IFRS	IFRS
	$	$	$	$
Revenue				-
Net loss	(10,167)	(64,632)	(26,677)	(15,910)
Basic & Diluted Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)
Weighted Average Shares	44,917,464	44,917,464	44,917,464	46,753,079

	Q2-16	Q1-16	Q4-15	Q3-15
	IFRS	IFRS	IFRS	IFRS
	$	$	$	$
Revenue	-	-	-	-
Net loss	(58,648)	(13,779)	(52,958)	(20,683)
Basic & Diluted Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)

Weighted Average Shares	45,983,848	36,753,079	36,753,079	36,753,079

Weighted averages are consolidated shares. See Disclosure of Outstanding Share Data section.

Results for the three months period ended March 31, 2017

Operating expenses for the three months totaled $10,167 (March 31, 2016 - $58,648). Significant expenses were rent and administration $1,500 (March 31, 2016 - $9,000), regulatory/transfer agent $5,476 (March 31, 2016 - $4,206) and management/consulting fee $1,500 (March 31, 2016 - $45,000).

Results for the six months period ended March 31, 2017

Operating expenses for the six months totaled $74,800 (March 31, 2016 - $72,428). Significant expenses were rent and administration $6,000 (March 31, 2016 - $18,000), regulatory/transfer agent $7,794(March 31, 2016 - $8,227) and management/consulting fee $58,500 (March 31, 2016 - $45,000).

Related parties balance

As at March 31, 2017, $Nil (March 31, 2016 -$899) was owing to the Company controlled by the former Chief Executive Officer ("CEO).

All the related parties balance are unsecured, non-interest bearing and due on demand.

Related party transactions

The Company incurred the following transactions with related parties during six months ended March 31, 2017 with companies controlled by the CFO or former CEO:

		March 31, 20 17		**March 31, 2016**
Rent, administration	$	6,000	$	18,000
Consulting fees		58,500		45,000
	$	64,500	$	63,000

Disclosure of Outstanding Share Data

The Company's share structure as at the date of this MD&A are as follows:

Authorized Share Capital: Unlimited number of voting common shares without par value

Issued and outstanding:

	Number of Shares	Amount
Balance, March 31, 2016	**36,753,079**	**23,109,240**
Private placement , January 8, 2016	10,000,000	200,000
Private placement , August 16, 2016	10,000,000	200,000
Balance, September 30, 2016	**56,753,079**	**23,509,240**
At document date	**56,753,079**	**23,509,240**

<u>Share Purchase Warrants</u>

Expiry Date	Exercise Price	Balance September 30, 2015	Issued (Exercised)	(Expired)	Balance September 30, 2016	Balance at document date
January 7, 2016	$ 0.15	2,666,666	-	2,666,666	-	-
January 8, 2018	$ 0.05	-	10,000,000		10,000,000	10,000,000
August 16, 2021	$ 0.05	-	10,000,000		10,000,000	10,000,000
Total		2,666,666	20,000,000	2,666,666	20,000,000	20,000,000
Weighted Average Exercise Price			$ 0.05			$ 0.05
Weighted Average Exercise Price					3.08 year	2.41 year

No options outstanding on March 31, 2017.

Liquidity and Capital Resources

At March31, 2017, the Company had a working capital of $185,585 and (September 30, 2016–($260,385)

	March 31, 2017 $	September 30, 2016 $
Current assets	186,110	269,910
Current liabilities	(525)	(9,525)
Working capital	185,585	(260,385)

Management believes the Company has adequate liquidity to settle its liabilities when they come due. However, the resources on hand will not be sufficient to enable the Company to acquire and develop successful businesses in the future. Management is actively looking for addition equity and debt financing to address future cash flow needs. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

Accounting Policies

The significant accounting policies of the Company are listed in the Note 3 to the Company's audited financial statements for the year ended September 30, 2016.

New Accounting standards

New standard IFRS 10 "Consolidated Financial Statements"
This new standard will replace IAS 27 "Consolidated and Separate Financial Statements", and SIC-12 "Consolidation – Special Purpose Entities". Concurrent with IFRS 10, the IASB issued IFRS 11 "Joint Ventures"; IFRS 12 "Disclosures of Involvement with

Other Entities"; IAS 27 "Separate Financial Statements", which has been amended for the issuance of IFRS 10 but retains the current guidance for separate financial statements; and IAS 28 "Investments in Associates and Joint Ventures", which has been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11.

IFRS 10 uses control as the single basis for consolidation, irrespective of the nature of the investee, eliminating the risks and rewards approach included in SIC-12, and requires continuous assessment of control over an investee. The above consolidation standards are effective for annual periods beginning on or after January 1, 2013.

New standard IFRS 11 "Joint Arrangements"
This new standard requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes lAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities-Non-monetary Contributions by Venturers.

New standard IFRS 12 "Disclosure of Interests in Other Entities"
This new standard establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, and special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

New standard IFRS 13 "Fair value measurement"
This new standard replaces the fair value measurement guidance currently included in various other IFRS standards with a single definition of fair value and extensive application guidance. IFRS 13 provides guidance on how to measure fair value and does not introduce new requirements for when fair value is required or permitted. It also establishes disclosure requirements to provide users of the financial statements with more information about fair value measurements. IFRS 13 is effect for annual periods beginning on or after January 1, 2013.

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 are certifying officers to design and implement on a cost effective basis.

Financial Instruments and Risks Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is high credit quality of financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its sales tax receivable, which is due from the Government of Canada. The risk is determined to be low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of cash and share capital.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

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

		March 31, 2017		**September 30, 2016**
Cash	$	185,345	$	269,261
Receivables	$	765	$	649
Total	$	186,110	$	269,910

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

		March 31, 2017		**September 30,2016**
Non-derivative financial liabilities:				
Accounts payable	$	525	$	525
Accrued liabilities		-		9,000
	$	525	$	9,525

Fair value

The fair value of the Company's financial assets and liabilities approximates their carrying amount.

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, 2017 and September 30, 2016:

	As at March 31, 2017			As at September 30, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3

Cash	$ 185,345	$ -	$ -	$ 269,261	$ -	$ -

Forward-Looking Statements

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 usually preceded by, followed by or include the words 'believes', 'expects', 'anticipates', 'estimates', 'intends', 'plans', 'forecasts', 'may', 'will', or similar expressions, although not all forward-looking statements contain these words. These forward-looking statements are based on management's current expectations and involve numerous risks and uncertainties. Such uncertainties may include general economic, political or market uncertainties in Canada or elsewhere, changes to regulatory or compliance requirements, changes in government policies, the risks inherent in a development stage business, the possible future impact of tax exposures, currency and exchange rate fluctuations, changes in interest rate, all of which are difficult or impossible to predict accurately. While we believe the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. Forward-looking statements are not guarantees of future performance. Actual results may be differ materially from those implied be the forward-looking statements. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. AAN Ventures Inc. has no intention and undertakes no obligation to update or revise any forward-looking statements, whether written or oral that may be made by or on the Company's behalf.

Directors and Officers

Jack Bal, President, CEO and Director
Jared Scharf – CFO
Parmjeet Johal – Director
Jatinder Bains – Director

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