



Parana Copper Corporation

(formerly AAN Ventures Inc.)

Management's Discussion and Analysis

For the Six Months Ended March 31, 2018

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 Parana Copper Corporation (formerly AAN Ventures Inc.) constitutes management's review of the factors that affected the Company's financial and operating performance for the period ended March 31, 2018 and should be read in conjunction with the Company's condensed interim consolidated financial statements for the period ended March 31, 2018, and also the audited annual financial statements and MD&A for the year ended September 30, 2017. 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 24, 2018.

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. On June 7, 2017, the Company changed its name to Parana Copper Corporation. The Company's shares are publicly traded on the Frankfurt Exchange and Canadian Securities Exchange ("CSE") under the symbol ("COPR").

Overall Performance

The Company has been informed that following the CSE's review of the Company's application in respect to its previously announced name change to Redfund Capital Corp. ("Redfund") in conjunction with a change of business, the CSE has approved the Company's proposed change of business. A date for the resumption of trading will be determined upon confirmation of the completion of a private placement, as well as completion of the usual application documentation and fees pursuant to CSE policies.

Redfund will provide debt and equity funding in the mid to late stages of a target company's development, or in technologies that are developed and validated but may be in the early stage of commercialization

April 20, 2018, the Company amended the terms of their previously announced private placement of up to \$35,000,000 by the repricing of units to \$0.35 per unit (the "Private Placement") Each unit will now consist of one common share and one warrant entitling the holder to subscribe for one common share for \$0.60 for 2 years, subject to Redfund having the right to accelerate the expiry date if the shares trade at \$0.90 for a period of 14 consecutive days which can include days where no shares trade.



Ability to Continue as a Going Concern

The Company incurred a net loss of \$79,768 for the period ended March 31, 2018, has an accumulated deficit of \$29,895,849 and has had recurring losses since inception. The Company has 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).

	September 30 2017	September 30 2016	September 30 2015
	\$	\$	\$
Expenses	194,863	115,015	79,042
Net loss	(186,842)	(115,015)	(104,991)
Comprehensive loss	(194,863)	(115,015)	(104,991)
Total assets	91,586	269,910	15,623
Net earnings (loss) per share (basic and diluted)	(0.02)	(0.00)	(0.01)

Selected Quarterly Information

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

	Q2-18	Q1-18	Q4-17	Q3-17
	\$	\$	\$	\$
Net loss	(16,880)	(62,888)	(87,570)	(24,474)
Basic & Diluted Loss per Share	(0.00)	(0.01)	(0.01)	(0.00)
Weighted Average Shares	12,611,789	12,611,789	12,611,789	12,611,789



	Q2-17	Q1-17	Q1-17	Q4-16
	\$	\$	\$	\$
Net loss	(10,167)	(64,631)	(64,631)	(26,677)
Basic & Diluted Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)
Weighted Average Shares	12,611,789	12,611,789	12,611,789	10,389,573

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

Results for the three months period ended March 31, 2018

Operating expenses for the three months totaled \$16,880 (March 31, 2017 - \$10,167). The net loss for the period is increased due to additional professional fees incurred related to new business opportunity exploration.

Results for the six months period ended March 31, 2018

Operating expenses for the three months totaled \$79,768 (March 31, 2017 - \$74,800). The net loss for the period is comparable with a corresponding drop in consulting fees and increased activity in the areas of investor relations and marketing, regulatory and professional fees.

Related Party Transactions

Transactions with key management and directors

The Company incurred the following transactions for the year ended, companies controlled by current and former directors and officers of the Company:

Key management personnel compensation

During the period ended March 31, 2018, \$30,000 was paid to a private company controlled by a director of the Company.

During the period ended March 31, 2018, \$8,925 was paid to a private company controlled by the Chief Financial Officer of the Company.

Related parties balance

As at March 31, 2018, the Company owes \$12,000 (2017 - \$12,000) for consulting fees to a company controlled by a director of the Company.

As at March 31, 2018, the Company owes \$5,250 (2017 - \$NIL) for consulting fees to a company controlled by the Chief Financial Officer of the Company.



Amounts due to related parties are non-interest bearing, unsecured, with no terms of repayment.

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: As at the date of this document, there were 12,611,795 common shares issued and outstanding and 4,444,444 share purchase warrants outstanding at the date of this document.

On August 25, 2017, the Company consolidated the shares of the Company on a 1.5 to 1 basis. On December 13, 2017, the shares of the Company were further consolidated on a 3 to 1 basis.

No options outstanding as at the date of this document.

Liquidity and Capital Resources

At March 31, 2018, the Company had a working capital deficit of \$14,246 and (September 30, 2017—(\$65,522))

	March 31, 2018	September 30, 2017
	\$	\$
Current assets	17,068	91,586
Current liabilities	31,314	26,064

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, 2017.

New Accounting standards

This new standard is a partial replacement of IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Company intends to adopt the standards when they become effective. The Company has not yet determined the impact of these standards on its financial statements, but does not anticipate that the impact will be significant.

Other accounting standards and amendments to existing accounting standards that have been issued and have future effective dates are not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

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.

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 bank account. All of its cash is deposited in a bank account held with a major bank in Canada. 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 a high credit quality financial institution as determined by rating agencies. The maximum exposure to credit risk is the carrying amount of the Company's financial instruments.

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.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

Historically, the Company's main 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.

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 differ materially from those implied by 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.