AAN Ventures Inc.

(Formerly ONA Power Corp)

Condensed Interim Financial Statements

For the Three and Six Month Periods Ended March 31, 2013

Unaudited and Expressed in Canadian Dollars

NOTICE TO READERS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accomplished by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Stands for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

AAN Ventures Inc. (Formerly ONA Power Corp.)
Condensed interim statements of financial position
(Unaudited and Expressed in Canadian Dollars)

		March 31, 2013		September 30, 2012
ASSETS				
Current assets				
Cash and cash equivalents	$	22,771	$	46,605
Other receivables		2,362		10,082
Prepaid items		2,625		-
		27,759		56,687
Non-current assets				
Equipment		-		-
TOTAL ASSETS	$	27,759	$	56,687
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Note 4)	$	-	$	10,277
Due to related party (Note 6)		95,600		87,200
TOTAL LIABILITIES		95,600		97,477
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital (Note 5)		22,809,240		22,809,240
Reserves (Note 5)		6,372,363		6,372,363
Deficit		(29,249,444		(29,222,393)
TOTAL EQUITY		(67,841)		(40,790)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	27,759	$	56,687

APPROVED BY THE DIRECTORS ON May XX, 2013:

"Lewis Dillman"
Director

"Tom Kennedy"
Director

See accompanying notes to the condensed interim financial statements

AAN Ventures Inc. (Formerly ONA Power Corp.)
Condensed interim statements of comprehensive loss
(Unaudited and Expressed in Canadian Dollars)

	For The Three Months Ended		**For The Six Months Ended**	
	March 31, 2013	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**
	$	**$**	**$**	**$**
Expenses				
Amortization	-	-	-	-
Bank charges and interest	60	170	140	425
Office and miscellaneous	-	443	-	711
Professional fees	769	-	769	5,030
Rent (Note 6 & 9)	7,500	7,500	15,000	15,000
Transfer agent/regulatory fees	1,033	6,081	8,267	10,170
	9,362	**14,194**	**24,176**	**31,636**
Other items				
Other income	-	2,038	-	2,339
Debt settlement	2,875	-	2,875	-
Net loss	**$(12,237)**	**(12,156)**	**$(27,051)**	**(29,297)**
Basic and diluted loss per share	**$(0.001)**	**$ (0.001)**	**$(0.002)**	**$ (0.002)**
Weighted average shares outstanding – basic and diluted	**16,753,080**	**16,753,079**	**16,753,080**	**16,753,079**

See accompanying notes to the condensed interim financial statements

AAN Ventures Inc. (Formerly ONA Power Corp.)
Condensed interim statement of changes in equity (deficiency)
(Unaudited and Expressed in Canadian Dollars)

	Share capital			Reserves						
	Number of shares		Amount		Stock option reserve		Warrant reserve		Deficit		Total
Balance, September 30, 2011	**16,753,079**	**$**	**22,809,240**	**$**	**5,425,922**	**$**	**946,441**	**$**	**(29,098,071)**	**$**	**83,532**
Net loss	**-**		**-**		**-**		**-**		**(29,297)**		**(29,297)**
Balance, March 31, 2012	**16,753,079**	**$**	**22,809,240**	**$**	**5,425,922**	**$**	**946,441**	**$**	**(29,127,366)**	**$**	**54,235**
Balance, September 30, 2012	**16,753,079**	**$**	**22,809,240**	**$**	**5,425,922**	**$**	**946,441**	**$**	**(29,222,393)**	**$**	**(40,790)**
Net loss	**-**		**-**		**-**		**-**		**(27,051)**		**(27,051)**
Balance, March 31, 2013	**16,753,079**	**$**	**22,809,240**	**$**	**5,425,922**	**$**	**946,441**	**$**	**(29,249,444)**	**$**	**(67,841)**

See accompanying notes to the condensed interim financial statements

AAN Ventures Inc. (Formerly ONA Power Corp.)
Condensed interim statements of cash flow
(Unaudited and Expressed in Canadian Dollars)

	For The Three Months Ended		For The Six Months Ended	
	March 31, 2013	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**
	$	**$**	**$**	**$**
Operating activities				
Net loss	(12,237)	(12,156)	(27,051)	(29,297)
Non-cash items:				
Amortization	-	-	-	-
Changes in non-cash working capital items:				
Accounts receivable	582	2,237	7,720	689
Prepaid items	(2,625)		(2,625)	
Accounts payable/accrued liabilities	(10,905)	(9,824)	(10,278)	(10,731)
Net cash flows used in operating activities	(25,185)	(19,743)	(32,234)	(39,339)
Investing activities				
Cash used in investing activities	-	-	-	-
Net cash flows used in investing activities	-	-	-	-
Financing activities	**-**		**-**	**-**
Private placement	-	-	-	-
Share issue costs	**-**	-	**-**	-
Related party	7,500	-	8,400	-
Net cash flows provided by financing activities	7,500	-	8,400	-
Change in cash and cash equivalents	(17,685)	(19,743)	(23,834)	(39,339)
Cash and cash equivalents, beginning	40,456	94,795	46,605	114,391
Cash and cash equivalents, ending	$22,771	$ 75,052	$22,771	$ 75,052

See accompanying notes to the condensed interim financial statements

1. Nature and continuance of operations

AAN Ventures Inc. (formerly Ona Power Corp.) 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 on April 9, 2012. The Company's shares are publicly traded on the Frankfurt Exchange and Canadian National Stock Exchange (the "CNSX") under the symbol "ANN".

The head office, principal address and records office of the Company are located at 8338 – 120th Street, Surrey, British Columbia, Canada, V3W 3N4.

These condensed interim 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, 2013, the Company is still in the process of reviewing business opportunities and is 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. As at March 31, 2013, the Company had not yet achieved profitable operations and has accumulated losses of $29,249,444.

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 during 2013 with loans from directors and companies controlled by directors and or private placement of common shares. If 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 Statement of Financial Position.

2. Statement of compliance

These condensed 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, 2012.

These condensed interim financial statements 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").

These condensed 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, 2012.

3. Basis of preparation and new accounting standards

Basis of preparation

The condensed 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.

Significant estimates and assumptions

The preparation of condensed interim financial statements in accordance with IFRS requires the Company to make estimates 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 and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the useful lives of equipment, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, decommissioning, restoration and similar liabilities and contingent liabilities.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements are:

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; and
- the classification of financial instruments.

Determination of functional currency

The functional currency of the Company is measured using the currency of the primary economic environment in which that the Company operates. The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity

Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Significant estimates applied by the Company are as follows:

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified

Accounting standards issued by not yet effective

New standard IFRS 9 "Financial Instruments"
This new standard 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, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015.

Amendments to IAS 32 "Financial Instruments: Presentation"
These amendments address inconsistencies when applying the offsetting requirements, and are effective for annual periods beginning on or after January 1, 2014.

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.

(Unaudited and Expressed in Canadian Dollars)

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, 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 statement presentation
In June 2011, the IASB and the Financial Accounting Standards Board ("FASB") issued amendments to standards to align the presentation requirements for other comprehensive income ("OCI"). The IASB issued amendments to IAS 1 "Presentation of Financial Statements" to require companies preparing financial statements under IFRS to group items within OCI that may be reclassified to the profit or loss. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. The amendments are effective for fiscal years beginning on or after July 1, 2012.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on its consolidated financial statements.

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

4. Payables and accrued liabilities

		March 31, 2013		**September 30, 2012**
Trade payables	$	-	$	7,820
Accrued liabilities		-		2,437
Related party		95,600		87,200
	$	95,600	$	97,477

5. Share capital

Authorized share capital

Unlimited number of common shares without par value

Issued share capital

(Unaudited and Expressed in Canadian Dollars)

On April 25, 2012, the Company received approval from the CNSX to consolidate its shares on a 3 to 1 basis. This resulted in the outstanding shares of the company being consolidated from 50,259,239 to 16,753,080. All references to common shares, share purchase warrants, stock options, and per share amounts for all periods have been adjusted on a retrospective basis to reflect the common share consolidation.

In January 2011, the Company completed a private placement for gross proceeds of $400,000 and issued 2,666,666 units. Each unit consisted of one common share and one warrant of the Company. Each warrant entitles the holder to purchase a common share of the Company at $0.15 for a period of five years. The Company allocated $228,216 to common shares and $171,784 to the value of the warrants.

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

Risk-free interest rate	2.53%
Expected volatility	100%
Expected life	5 years
Dividend yield	0%

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.

On March 1, 2011, 725,000 stock options were granted to various consultants, directors, and officers with an exercise price of $0.10 per share and exercisable for five years. The fair value of the options at the date of grant was $35,033.

The Black-Scholes option pricing model was used using the following assumptions:

Risk-free interest rate	2.6%
Expected volatility	200%
Expected life	5 years
Dividend yield	0%

There were 241,667 options outstanding at the six month period ended March 31, 2013 and September 30, 2012 with an exercise price of $0.10 and a weighted average remaining life of 3 years.

Share Purchase Warrants

As at March 31, 2013 and at the year ended September 30, 2012 there remained 2,666,666 warrants outstanding. On March 31, 2013, the weighted average exercise price and the weighted average remaining life of the outstanding warrants are $0.05 and 2.41 years respectively.

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. If the options expire unexercised, the amount recorded remains in the account.

	March 31, 2013	September 30, 2012
Balance at beginning of year	$5,425,922	$5,425,922
Value of options granted	-	-
Exercise of options	-	-
Expiry of options	-	
Expiry of warrants	-	
	$5,425,922	$5,425,922

(Unaudited and Expressed in Canadian Dollars)

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. If they expire, without being exercised, their value is transferred to the option reserve.

	March 31, 2013	September 30, 2012
Balance at beginning of year	$946,441	$946,441
Value of warrants granted	-	-
Exercise of warrants	-	-
Expiry of warrants	-	-
	$946,441	$946,441

6. Related party transactions

Related party balances

As at March 31, 2013, $95,600 (September 30, 2012-$87,200) was owing to a company controlled by the former CEO of the Company. The amount is unsecured, non-interest bearing and due on demand.

Related party transactions

The Company incurred the following transactions with a Company controlled by the former CEO of the Company:

		March 31, 2013		**September 30, 2012**
Management fees	$	-	$	60,000
Rent		15,000		30,000
	$	15,000	$	90,000

Key management personnel compensation

During the six month period ended March 31, 2013 the Company incurred $nil in stock based compensation to its officers and directors (September 30, 2012 - $nil).

7. Income Taxes

As at March 31, 2013, the Company's has $4,936,915 in non-capital losses which expire as follows:

Year		**Amount**
2014	$	178,006
2015		145,848
2026		610,913
2027		677,234
2028		1,352,301
2029		1,203,313
2030		571,354
2031		73,625
2032		124,322
Total	$	4,936,915

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, 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:

(Unaudited and Expressed in Canadian Dollars)

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 other receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes.

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 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, 2013		**September 30, 2012**
Cash	$	22,771	$	46,605
Loans and receivables:				
Other receivables		2,362		10,082
	$	25,133	$	56,687

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

		March 31, 2013		**September 30, 2012**
Non-derivative financial liabilities:				
Trade payables	$	-	$	10,277
Due to related parties		95,600		87,200
	$	95,600	$	97,477

(Unaudited and Expressed in Canadian Dollars)

Fair value

The fair value of the Company's financial assets and liabilities approximates the 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, 2013 and September 30, 2012:

	As at March 31, 2013		
	Level 1	Level 2	Level 3
Cash	$ 22,771	$ -	$ -

	As at September 30, 2012		
Cash and cash equivalents	$ 46,605	$ -	$ -

9. Commitments

The Company has a lease for its office, which automatically renews year to year, unless written notice is given. The Company is committed for six months or $15,000 on virtue of this lease.