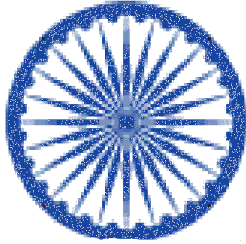


AAN Ventures Inc.

Management's Discussion and Analysis

**For the Three and Nine Month Period Ended
June 30, 2014**



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 three and nine months ended June 30, 2014 and should be read in conjunction with the Company's condensed consolidated interim financial statements for the three and nine month period ended June 30, 2014 and audited annual financial statements and MD&A for the year ended September 30, 2013. 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 August XX, 2014.

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

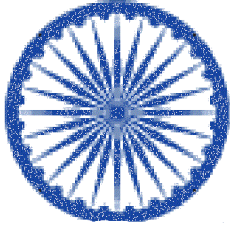
The Company was incorporated under the Business Corporation Act of Alberta on August 31, 1998 and was continued to a British Columbian company on January 30, 2006. The Company changed its name from ONA Energy Inc. to Ona Power Corp. on July 16, 2009 and on April 09, 2012 changed it again to AAN Ventures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

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

Subsequent Events

On July 23, 2014 the Company announced that its wholly owned subsidiary, Ona Power Oil & Gas Corp. has entered into a joint venture agreement to drill up to ten (10) oil and/gas wells in the State of Tennessee upon various leases that have been located and have existing wells on them. The leases have been secured by Keblo Energy, LLC, the joint venture partner.

Ona will have a Working Interest of 75% of the drilling and completion costs and will earn 64% of the Net Revenue Interest until it has recovered and been paid out all such costs. Once Ona has been paid out as aforesaid it will receive 47% Net Revenue Interest. (See "Transactions during the Year" below)



Events not reported Elsewhere.

The Company held its Annual General Meeting on May 30, 2014 at which time Lucky Janda, who has previously been on the board of the Company, was elected by the Shareholders as a director for the ensuing year. The Shareholders also elected the following individuals as directors: Tom Kennedy, Lewis Dillman and Eugene Beukman.

Mr. Janda has accepted the position of Chief Executive Officer and President and Mr. Jamie Lewin will continue as CFO.

Overall Performance

Exploration and evaluation assets

On October 09, 2013 the Company incorporated a subsidiary Ona Power Oil and Gas Corp. in the state of Delaware, USA (“Ona”). 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. Ona entered into a joint venture agreement with Keblo Energy, LLC whereby Ona acquired a 50% working interest and a 42.5% net revenue interest in a permit for Eddie Dean Smith #5 Well by paying \$50,000.

Keblo Energy, the operator, arranged to complete a sand frac on Eddie Dean Smith #5 Oil Well in Pickett County Tennessee. On May 8, 2014 Keblo reported that the Well tested at 4,800 lbs. of pressure and was placed on a pump. The frac job was completed at a cost of US\$ 50,000. On June 6th the operator reported that the well has now settled and is producing about 15 bbls per day.

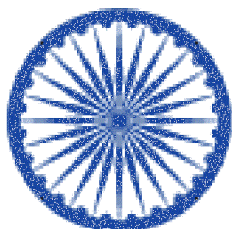
The Company earns 100% of the net revenue until payout of its expenditures of US\$ 135,000. Upon payout, the Company will earn 50% of the net cash flow, which is estimated at \$38,000 per month.

Ability to Continue as a Going Concern

The Company incurred a net loss of \$ 43,322 for the nine month period ended June 30, 2014, has an accumulated deficit of \$ 29,334,986 and has had recurring losses since inception. The Company may not 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.

Selected Annual Information



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

	September 30 2013 ¹	September 30 2012 ²	September 30 2011 ³
	IFRS	IFRS	IFRS
	\$	\$	\$
Expenses	69,272	126,661	136,378
Impairment of mineral properties	-	-	169,713
Net income (loss)	(69,272)	(124,322)	(279,415)
Total assets	197,828	56,687	118,439
Net earnings (loss) per share (basic and diluted)	(0.00)	(0.00)	(0.02)

Results of Operations

- 1 – Net loss includes \$30,000 rent to a related party, Lucky Janda.
- 2 – Net loss includes \$60,000 of consulting and management fees to a related party, Lucky Janda.
- 3 - The net loss included \$35,000 of stock based compensation and was reduced by \$26,676 gain on debt settlement.

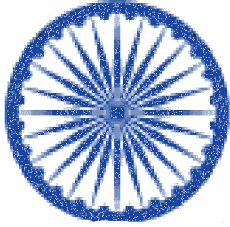
Selected Quarterly Information

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

	Q3-14	Q2-14	Q1-14	Q4-13
	IFRS	IFRS	IFRS	IFRS
	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil
Net loss	(18,763)	(10,384)	(14,175)	(23,488)
Basic & Diluted Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)
Weighted Average Shares	28,753,079	28,753,079	22,506,504	18,616,094

	Q3-13	Q2-13	Q1-13	Q4-12
	IFRS	IFRS	IFRS	IFRS
	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil
Net loss	(18,733)	(12,237)	(14,814)	(64,940)
Basic & Diluted Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)
Weighted Average Shares	16,753,080	16,753,080	16,753,080	16,753,080

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



Results for the three month period ended June 30, 2014

Operating expenses for the third quarter totaled \$28,763 (June 30, 2013 - \$18,733). Significant expenses were consulting \$10,000 (June 30, 2013 - \$nil) rent \$7,500 (June 30, 2013 - \$7,500) and regulatory/transfer agent \$3,423 (June 30, 2013 - \$3,277).

Results for the nine month period ended March 31, 2014

Operating expenses for the nine month period ended June 30, 2014 totaled \$53,322 (June 30, 2013 - \$45,784). Significant expenses were consulting \$10,000 (June 30, 2013 - \$nil), rent \$22,500 (June 30, 2013- \$22,500) and regulatory/transfer agent \$10,462 (June 30, 2013 - \$11,547).

Related Party Balances

As at June 30, 2014, \$10,500 (September 30, 2013 - \$27,200) was owing to the CEO of the Company, Lucky Janda. The 2013 balance was paid prior to December 31, 2013.

Related Party Transactions

The Company incurred rent payments of \$22,500 during the nine months ended June 30, 2014 with a Company controlled by the former CEO of the Company (June 30, 2013 - \$22,500).

During the nine months ended June 30, 2014 the Company incurred \$nil in stock based compensation (June 30, 2013 - \$nil).

During the nine months ended June 30, 2014 the Company incurred \$1,950 in accounting fees to a company owned by the CFO, Jamie Lewin. (June 30, 2013 - \$1,769).

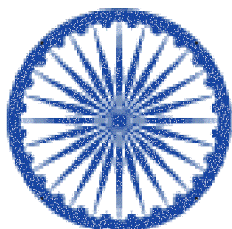
Disclosure of Outstanding Share Data

On April 25, 2012, the Company received CSE approval 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.

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
Unlimited number of preferred shares without par value

Issued and outstanding:



	No. of Shares		Amount
Balance, September 30, 2011	16,753,079	\$	22,809,240
Balance, September 30, 2012	16,753,079		22,809,240
Private placement	20,000,000		300,000
Balance, September 30, 2013	36,753,079		23,109,240
Balance, June 30, 2014	36,753,079		23,109,240
At document date	36,753,079	\$	23,109,240

Share Purchase Warrants

Expiry Date	Exercise Price	Balance June 30, 2014	Issued (Exercised)	(Expired)	Balance at document date
January 7, 2016	\$0.15	2,666,666	-	-	2,666,666
Total		2,666,666	-	-	2,666,666
Weighted Average Exercise Price		\$ 0.05			\$ 0.05
Weighted Average Life Remaining		1.5 years			1.45 years

Share Purchase Options

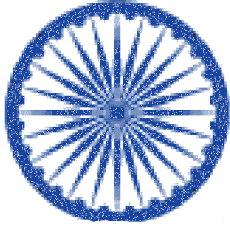
Options Expiry Date	Exercise Price \$	June 30, 2014	Granted	Balance at document date
March 1, 2016	0.30	241,666	-	241,666

On the document date, the weighted average exercise price and weighted average remaining life of the Company's outstanding stock options are \$0.30 and 1.75 years respectively.

Liquidity and Capital Resources

At June 30, 2014, the Company had a working capital surplus of \$84,065 and a deficit of (September 30, 2013 - \$159,938).

	June 30, 2014	September 30, 2013
	\$	\$
Current assets	102,565	197,828
Current Liabilities	(18,500)	(37,890)
Working capital	84,065	159,938



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.

Transactions during the Year

On July 23 , 2014 the Company's wholly owned subsidiary, Ona Power Oil & Gas Corp. entered into a joint venture agreement to drill up to ten (10) oil and/gas wells in the State of Tennessee upon various leases that have been located and have existing wells on them. The leases have been secured by Keblo Energy, LLC, the joint venture partner.

Ona will have a Working Interest of 75% of the drilling and completion costs and will earn 64% of the Net Revenue until it has recovered and been paid out all such costs. Once Ona has been paid out as aforesaid it will receive 47% Net Revenue Interest.

The wells contemplated for drilling are the following:

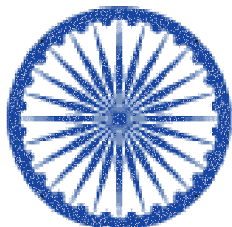
- i) Lucky-Newberry #1K and #2K
- ii) Lucky-Allred #1K and #2K
- iii) Lucky-Green #1K and #2K
- iv) Lucky-Smith #1K and #2K
- v) Lucky-Moon #1K and #2K

Ona is agreeable to drilling a minimum of five holes and costs shall be in accordance with the AFE for each well. Ona will be the operator of the wells. The Joint Venture Agreement is available on Sedar.

Accounting Policies

The significant accounting policies of the Company are listed in the Note 2 to the Company's audited financial statements for the year ended September 30, 2013.

Accounting standards issued but not yet effective



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 IAS 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”

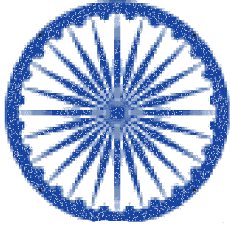
This new standard establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements 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 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.

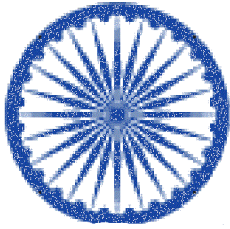
Liquidity risk

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:

		June 30, 2014		September 30, 2013
Cash	\$	101,157	\$	197,083

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

		June 30, 2014		September 30, 2013
Non-derivative financial liabilities:				
Accounts payable	\$	10,500	\$	2,690
Accrued liabilities		8,000		8,000
Due to related parties		-		27,200
	\$	18,500	\$	37,890

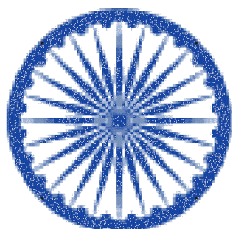
Fair value

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 June 30, 2014 and September 30, 2013:



	As at June 30, 2014		
	Level 1	Level 2	Level 3
Cash	\$ 101,157	\$ -	\$ -

	As at September 30, 2013		
Cash	\$ 197,083	\$ -	\$ -

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.

Directors and Officers

Lucky Janda, President, CEO and Director
Jamie Lewin – CFO
Eugene Beukman – Director
Tom Kennedy - Director
J. Lewis Dillman – Director

Contact:
8338 – 120th St., Surrey, BC V3W 3N4
Laine Trudeau : 604-592-6881