Parana Copper Corporation

(formerly AAN Ventures Inc.)

Consolidated Financial Statements

For the Years Ended September 30, 2017 and 2016

DMCL

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CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Parana Copper Corporation (formerly AAN Ventures Inc.)

We have audited the accompanying consolidated financial statements of Parana Copper Corporation, which comprise the consolidated statements of financial position as at September 30, 2017 and 2016, and the consolidated statements of net and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Parana Copper Corporation as at September 30, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Parana Copper Corporation's ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
January 29, 2018

Parana Copper Corporation
(formerly AAN Ventures Inc.)
Consolidated statements of financial position
(Expressed in Canadian dollars)

As at	Note	September 30, 2017	September 30, 2016
		$	$
ASSETS			
Current Assets			
Cash		88,954	269,261
Sales tax receivables		2,632	649
TOTAL ASSETS		91,586	269,910
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	4	26,064	9,525
		26,064	9,525
Shareholders' equity			
Share capital	5	23,509,240	23,509,240
Reserves	5	6,372,363	6,380,384
Deficit		(29,816,081)	(29,629,239)
TOTAL SHAREHOLDERS' EQUITY		65,522	260,385
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		91,586	269,910

"Meris Kott"
Director

"Eugene Hodgson "
Director

The accompanying notes are an integral part of these consolidated financial statements.

Parana Copper Corporation
(formerly AAN Ventures Inc.)
Consolidated statements of net and comprehensive loss
(Expressed in Canadian dollars)

		For the years ended September 30,	
	Note	**2017**	**2016**
		$	**$**
EXPENSES			
Foreign exchange		-	238
Management & Consulting fees	6	133,046	52,700
Office and miscellaneous		1,781	990
Professional fees		21,678	12,580
Rent and administration	6	9,000	33,000
Transfer agent and regulatory fees		11,337	15,507
Travel	6	10,000	-
Net loss for the year		**(186,842)**	**(115,015)**
Other Comprehensive loss			
Foreign exchange gain		8,021	-
Comprehensive loss for the year		**(194,863)**	**(115,015)**
Basic and diluted loss per share		(0.02)	(0.01)
Weighted average shares outstanding -basic and diluted		**12,611,789**	**9,981,659**

The accompanying notes are an integral part of these consolidated financial statements.

Parana Copper Corporation
(formerly AAN Ventures Inc.)
Consolidated statement of changes in shareholders' equity
(Expressed in Canadian Dollars)

	Share Capital		**Reserves**			
	Number of shares	**Share capital**	**Stock Based reserve**	**Foreign exchange reserve**	**Deficit**	**TOTAL**
		$	$	$	$	$
Balance as at September 30, 2015	**8,167,345**	**23,109,240**	**6,372,363**	**8,021**	**(29,514,224)**	**(24,600)**
Shares issued for cash (Note 5)	4,444,444	400,000	-	-	-	400,000
Net and Comprehensive loss for the year	-	-	-	-	(115,015)	(115,015)
Balance as at September 30, 2016	12,611,789	23,509,240	6,372,363	8,021	(29,629,239)	260,385
Comprehensive loss						
Net loss for the year	-	-	-	-	(186,842)	(186,842)
Foreign exchange gain	-	-	-	(8,021)	-	(8,021)
Balance as at September 30, 2017	**12,611,789**	**23,509,240**	**6,372,363**	**-**	**(29,816,081)**	**65,522**

The accompanying notes are an integral part of these consolidated financial statements.

Parana Copper Corporation
(formerly AAN Ventures Inc.)
Consolidated statements of cash flows
(Expressed in Canadian Dollars)

For the years ended	**September 30, 2017**	**September 30, 2016**
	$	$
Operating activities		
Net loss	(186,842)	(115,015)
Adjustment for non-cash items		
Foreign exchange gain	(8,021)	-
Changes in non-cash working capital items		
Sales tax receivables	(1,983)	(31)
Accounts payable and accrued liabilities	16,539	(1,438)
Due to related parties	-	(29,260)
Net cash flows used in operating activities	**(180,307)**	**(145,744)**
Financing activities		
Cash share capital received	-	400,000
Net cash flows provided by financing activities	**-**	**400,000**
Change in cash during the year	(180,307)	254,256
Cash, beginning of year	269,261	15,005
Cash, ending of year	**88,954**	**269,261**

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Parana Copper Corporation (formerly AAN Ventures Inc.) (the "Company") 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 AAN Ventures Inc. to Parana Copper Corporation on May 25, 2017. The Company's shares are publicly traded on the Frankfurt Exchange and Canadian Stock Exchange (the "CSE") under the symbol "COPR".

The head office, principal address and records office of the Company are located at 702 – 595 Howe Street, Vancouver, B.C. V6C 2E5.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at September 30, 2017, the Company is not able to finance day to day activities through operations and incurs losses. The continuing operations of the Company are dependent upon its ability to identify a viable business opportunity and to attain profitable operations and generate funds there from. This indicates the existence of a material uncertainty that may 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 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

Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

These consolidated financial statements were reviewed and authorized for issue by the Board of Directors on January 29, 2018.

Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. 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 subsidiaries. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Entity	Incorporation	Status	Functional Currency
Ona Power Oil & Gas Corp (“Ona”)	United States	Inactive*	US Dollar

**Inactive throughout the year ended September 30, 2017.*

Significant estimates and assumptions

The preparation of the consolidated 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 recoverability and measurement of deferred tax assets.

Significant judgments

The preparation of the consolidated 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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation

The functional currency of each entity 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 the parent company's functional and presentational currency. The functional currency of Ona is the US dollar.

Transactions and balances:
Foreign currency transactions are translated into 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.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Foreign operations:
The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:
- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recorded to the Company's foreign currency translation reserve. These differences are recognized in the profit or loss in the period in which the operation is disposed of.

Financial instruments

Cash is classified as loans and receivable. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are 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.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost and include the loan payable and trade payables.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Income *taxes*

Current income tax:
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 countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:
Deferred tax is provided 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 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 tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting standard issued but *not* yet applied

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended September 30, 2017, and have not been applied in preparing these financial statements.

New standard IFRS 9 "Financial Instruments"
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.

Reclassification

Certain prior year amounts have been reclassified to conform to current year's presentation.

4. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	September 30, 2017	September 30, 2016
	$	$
Trade payables	**2,063**	-
Accrued liabilities	**24,000**	9,525
Trade payables and accrued liabilities	**26,064**	9,525

5. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value

Common share consolidation

Effective August 28, 2017, the Company consolidation its issued and outstanding common shares on a 1.5 to 1 basis, which resulted in 37,835,368 shares outstanding post-consolidation. Effective December 11, 2017, the Company further consolidated its issued and outstanding common shares on a 3 to 1 basis, which resulted in 12,611,789 shares outstanding post consolidation. All references to common shares, stock options and warrants in these consolidated financial statements have been adjusted to reflect this change.

Issued share capital

On January 8, 2016, the Company closed a non-brokered private placement, raising $200,000 from the issue of 2,222,222 units at $0.09 per unit. Each unit consists of one common share and one share purchase warrant, exercisable at $0.225 for five years, expiring on January 8, 2021. Each warrant was assigned a residual value of $Nil.

On August 16, 2016, the Company closed a non-brokered private placement, raising $200,000 from the issue of 2,222,222 units at $0.09 per unit. Each unit consists of one common share and one share purchase warrant, exercisable at $0.225 for five years, expiring on August 16, 2021. Each warrant was assigned a residual value of $Nil.

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.

At September 30, 2017 and 2016, there were no stock options outstanding.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

Share Purchase Warrants

The continuity of the Company's outstanding warrants is as follows:

	September 30, 2017		September 30, 2016	
	Weighted Average Exercise Price	**Number of Warrants**	Weighted Average Exercise Price	Number of Warrants
Outstanding at beginning of year	$ 0.225	4,444,444	$ 0.225	592,592
Issued	-	-	0.225	4,444,444
Expired	-	-	(0.225)	(592,592)
Outstanding at end of the year	**$ 0.225**	**4,444,444**	$ 0.225	4,444,444

Warrants outstanding as at September 30, 2017 are as follows:

Exercise price	**Issue date**	**Expiry date**	**Number of Warrants**
$ 0.225	January 8, 2016	January 8, 2021	2,222,222
$ 0.225	August 16, 2016	August 16, 2021	2,222,222
		TOTAL	4,444,444

On September 7, 2017, the Company extended the expiry date for the 2,222,222 warrants issued on January 8, 2016 from January 8, 2018 to January 8, 2021.

Stock based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants 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.

(Expressed in Canadian Dollars)

6. 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:

	September 30, 2017	September 30, 2016
	$	$
Rent and administration	9,000	33,000
Consulting fees	106,250	48,000
Travel	10,000	-
	125,250	81,000

Key management personnel compensation

During the year ended September 30, 2017, $nil management fee (2016 - $5,000) was paid to the former CEO of the Company.

Related parties balance

As at September 30, 2017, the Company owes $12,000 (2016 - $nil) for consulting fees to a company controlled by a director of the Company.

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

(Expressed in Canadian Dollars)

7. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	September 30, 2017	September 30, 2016
	$	$
Net loss	(186,842)	(115,015)
Statutory tax rate	26%	26%
Expected income tax recovery	(48,579)	(29,904)
Adjustments to prior years provision versus tax returns	138,119	1,105
Change in valuation allowance	(89,540)	28,799
Total income tax recovery	-	-

The Company has the following deductible temporary differences for which no deferred tax has been recognized:

	September 30, 2017	September 30, 2016
	$	$
Non-capital losses	1,062,224	1,237,971
Capital losses carry-forward	1,929,556	1,855,342
Mineral properties	131,686	126,622
Cumulative eligible capital	69,457	66,786
Equipment	271	261
Others	110,400	106,154
Less: Valuation allowance	(3,303,595)	(3,393,136)
Net deferred income tax assets	-	-

As at September 30, 2017, the Company has estimated non-capital losses totaling $4,085,477 in Canada that may be carried forward to reduce taxable income derived in future years, from 2017 to 2036.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

8. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Financial risk *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.

8. FINANCIAL INSTRUMENTS (continued)

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**.**

Capital Management
Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements. The Company's management of capital did not change during the year ended September 30, 2017.

Fair Value
The fair value of the Company's financial assets and liabilities approximate the carrying amount wither due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

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 quote 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 Company's financial instruments include cash, accounts payable and accrued liabilities. As at September 30, 2017 and 2016, the carrying value of cash is at fair value. Accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company has no financial instruments subject to Level 2 and Level 3 fair value measurements.