

**Redfund Capital Corp.**  
**(formerly Parana Copper Corporation.)**  
**Condensed Interim Consolidated Financial Statements**  
**For the Nine Months Ended June 30, 2018**

**NOTICE OF NO AUDITOR REVIEW OF  
INTERIM FINANCIAL STATEMENTS**

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 accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

**Redfund Capital Corp.**

(formerly Parana Capital Corporation.)

Condensed interim consolidated statements of financial position

(Expressed in Canadian dollars)

As at	Note	June 30, 2018	September 30, 2017
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		601	88,954
Sales tax receivables		2,632	2,632
Prepaid and advances		12,000	-
<b>TOTAL ASSETS</b>		<b>15,233</b>	<b>91,586</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	4	32,064	26,064
		<b>32,064</b>	<b>26,064</b>
<b>Shareholders' equity</b>			
Share capital	5	23,509,240	23,509,240
Reserves	5	6,372,363	6,372,363
Deficit		(29,898,434)	(29,816,081)
<b>TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		<b>(16,831)</b>	<b>65,522</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>15,233</b>	<b>91,586</b>

Approved on behalf of the Board of Directors:

“Meris Kott”

Director

“Eugene Hodgson”

Director

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

**Refund Capital Corp.**

(formerly Parana Capital Corporation)

Condensed interim consolidated statements of net and comprehensive loss

(Expressed in Canadian dollars)

		For the three months ended June 30,		For the nine months ended June 30,	
	Note	2018	2017	2018	2017
		\$	\$	\$	\$
<b>EXPENSES</b>					
Foreign exchange		-	-	-	(183)
Consulting fees	6	-	21,000	42,250	79,500
Office and administrative		537	29	5,832	6,838
Investor relations and marketing		-	-	7,875	-
Professional fees		-	1,800	3,675	3,678
Transfer agent and regulatory fees		2,047	-	22,721	9,439
<b>Net loss for the period</b>		<b>(2,585)</b>	<b>(24,474)</b>	<b>(82,353)</b>	<b>(99,272)</b>
<b>Other Comprehensive loss</b>					
Foreign exchange gain		-	-	-	-
<b>Comprehensive loss for the period</b>		<b>(2,585)</b>	<b>(24,474)</b>	<b>(82,353)</b>	<b>(99,272)</b>
<b>Basic and diluted loss per share</b>		<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.01)</b>
<b>Weighted average shares outstanding</b>					
<b>-basic and diluted</b>		<b>20,178,863</b>	20,178,863	<b>20,178,863</b>	20,178,863

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

**Redfund Capital Corp.**

(formerly Parana Copper Corporation)

Condensed interim consolidated statement of changes in shareholders' deficiency

(Expressed in Canadian Dollars)

	Share Capital		Reserves			TOTAL
	Number of shares	Share capital	Stock Based reserve	Foreign exchange reserve	Deficit	
		\$	\$	\$	\$	\$
Balance as at September 30, 2016	20,178,8639	23,509,240	6,380,384	-	(29,629,239)	260,385
Comprehensive loss for the period	-	-	-	-	(99,272)	(99,272)
Balance as at June 30, 2017	20,178,863	23,509,240	6,372,363	-	(29,728,511)	161,113
<b>Balance as at September 30, 2017</b>	<b>20,178,863</b>	<b>23,509,240</b>	<b>6,372,363</b>	-	<b>(29,816,081)</b>	<b>65,522</b>
<b>Net and Comprehensive loss for the year</b>	-	-	-	-	<b>(82,353)</b>	<b>(82,353)</b>
<b>Balance as at June 30, 2018</b>	<b>20,178,863</b>	<b>23,509,240</b>	<b>6,372,363</b>	-	<b>(29,898,434)</b>	<b>(16,831)</b>

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**Redfund Capital Corp.**  
(formerly Parana Copper Corporation)  
Condensed interim consolidated statements of cash flows  
(Expressed in Canadian Dollars)

	<b>For the nine months ended June 30, 2018</b>	For the nine months ended June 30, 2017
	\$	\$
<b>Operating activities</b>		
Net loss	(82,353)	(99,272)
Adjustment for non-cash items		
Foreign exchange gain	-	-
Changes in non-cash working capital items		
Prepaid expenses	(12,000)	-
Sales tax receivable	-	(1,339)
Accounts payable and accrued liabilities	6,000	(7,680)
Due to related parties	-	-
<b>Net cash flows used in operating activities</b>	<b>(88,353)</b>	<b>(108,291)</b>
<b>Financing activities</b>		
Cash share capital received	-	-
<b>Net cash flows provided by financing activities</b>	<b>-</b>	<b>-</b>
Change in cash during the year	(88,353)	(108,291)
Cash, beginning of year	88,954	269,261
<b>Cash, ending of year</b>	<b>601</b>	<b>160,970</b>

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

## **Redfund Capital Corp.**

(formerly Parana Copper Corporation)

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended June 30, 2018 and 2017

(Expressed in Canadian Dollars)

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Redund Capital Corp. (formerly Parana Copper Corporation) (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. On August 2, 2018, the Company completed a change of business and corporate name change to become a merchant bank focused on medical cannabis and hemp in both Canada and the United States. Previously, 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 “LOAN”.

The Company provides 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 in the medical cannabis, hemp and CBD markets.

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 June 30, 2018, 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 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 equity financings, 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***

The Company applies International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of August 29, 2018, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended September 30 2017, except as noted below. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending September 30, 2018 could result in restatement of these unaudited condensed consolidated interim financial statements.

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(Expressed in Canadian Dollars)

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### ***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. NEW ACCOUNTANT STANDARDS**

#### **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

### **3. SHARE CAPITAL**

#### ***Authorized share capital***

Unlimited number of common shares without par value

#### ***Common share consolidation***

Effective August 28, 2017, the Company consolidated 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. On August 2, 2018, the Company announced a 1.6 forward stock split. 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 August 2, 2018, the Company closed its first tranche of a \$5,000,000 non-brokered private placement, issuing a total of 10,713,227 units at \$0.188 for total proceeds of \$2,008,730. Each unit consists of one common share and one warrant entitling the holder to subscribe for one additional common share for \$0.21 for two years from closing, subject to the Company having the right to accelerate the expiry date if the shares trade at \$0.75 for a period of 14 consecutive days which can include days where no shares trade. All securities issued pursuant to this private placement will be subject to trading restrictions until December 2, 2018.

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The Company has also issued 10,304,000 common shares to the shareholders of Ultra Invest Canada Inc. (Ultra), to acquire all of the currently issued and outstanding shares of Ultra, a non-arms-length private company controlled by the Company's Chief Executive Officer at a deemed price of \$0.094 per share.

***Stock options***

The Company has adopted a stock option plan whereby the Company may from time to time 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.

***Share Purchase Warrants***

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

	<b>June 30, 2018</b>		<b>September 30, 2017</b>	
	<b>Weighted Average Exercise Price</b>	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>	<b>Number of Warrants</b>
Outstanding at beginning of period	\$ 0.14	7,111,110	\$ 0.14	7,111,110
Issued	-	-	-	-
Expired	-	-	-	-
<b>Outstanding at end of the period</b>	<b>\$ 0.14</b>	<b>4,444,444</b>	<b>\$ 0.14</b>	<b>4,444,444</b>

Warrants outstanding as at June 30, 2018 are as follows:

<b>Exercise price</b>	<b>Issue date</b>	<b>Expiry date</b>	<b>Number of Warrants</b>
\$ 0.14	January 8, 2016	January 8, 2021	3,555,555
\$ 0.14	August 16, 2016	August 16, 2021	3,555,555
		<b>TOTAL</b>	<b>7,111,110</b>

On September 7, 2017, the Company extended the expiry date for the 3,555,555 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***

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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.

#### **4. 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 June 30, 2018, \$30,000 was paid to a private company controlled by a director of the Company.

During the period ended June 30, 2018, \$8,925 was paid to a private company controlled by the Chief Financial Officer of the Company.

##### *Related parties balance*

As at June 30, 2018, the Company owes \$12,000 (2017 - \$12,000) for consulting fees to a company controlled by a director of the Company.

As at June 30, 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.

#### **5. 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.

##### *Foreign exchange risk*

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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 period ended March 31, 2018.

### **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 March 31, 2018 and 2017, 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.