Redfund Capital Corp.

(formerly Parana Copper Corporation)

Management's Discussion and Analysis

For the Three Months Ended December 31, 2018 and 2017

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 Redfund Capital Corp. (formerly Parana Copper Corporation constitutes management's review of the factors that affected the Company's financial and operating performance for the period ended December 31, 2018 and should be read in conjunction with the Company's consolidated financial statements for the period ended December 31, 2018, and the audited consolidated financial statements for the year ended September 30, 2018. 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 February 28, 2019.

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

Redfund 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, Canada.

Overall Performance

The Company completed a change of business and corporate name change to become a merchant bank focused on medical cannabis, hemp and CBD markets 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 made several secured loans to cannabis companies during the period ended December 31, 2018.

Convertible Loan Portfolio

Biolog, Inc.,

On August 21, 2018 ("Effective Date"), the Company subscribed for a convertible secured promissory note with Biolog, Inc. ("Bioglog"), a private company incorporated in the State of Utah. The Company has agreed to advance up to USD$800,000 in tranches. Advances are secured by the assets of Biolog and bear interest at 14%, payable monthly; and the promissory note is due on September 1, 2020. On the Effective Date, the Company advanced $194,000 under the note. The note may be converted into common shares of Biolog at a price equal to a 10% discount to the valuation of Biolog immediately from any financing immediately prior to the date of conversion.

In addition, Biolog issued warrants equivalent to 20% of the amount of the note based upon its valuation as of the Effective Date which is stipulated to be USD $10,000,000. The option to settle the convertible note and warrants in common shares of Biolog represents an embedded derivative in the form of a call option to the Company. Biolog is a private company and its shares cannot be reliably valued using any market-derived indicators. Accordingly, the derivative asset was initially recognized by the Company at $nil value. As at September 30, 2018, the fair value of the derivative asset remained the same.

Furthermore, as at September 30, 2018, the Company has not received repayment of such note and management has assessed the high likelihood of uncollectability. Thus, the entire balance of convertible note receivable has been impaired. As such time the loan is repaid in full, the Company will recognize a recovery of the impairment amount. This loan continues to be secured by the borrowers' assets.

Biominerales Pharma Corp.

On August 27, 2018 ("Effective Date"), the Company subscribed for a convertible secured promissory note with Biominerales Pharma Corp. ("Biopharma"), a private company incorporated under the laws of the Province of Quebec. The Company has agreed to advance up to USD$196,184. Advances are secured by the assets of Biopharma and bears interest at 14% annually, payable monthly; and the promissory note is due on October 1, 2020. On the Effective Date, the Company advanced $255,000 under the note. The note may be converted into common shares of Biopharma at a price equal to a 10% discount to the price assigned to the common shares of Biopharma from any financing immediately prior to the date of conversion. The Company is not able to exert significant influence over the operations of Biopharma.

In addition, Biopharma issued 18,684 warrants, exercisable at a price of $2.10 per warrant to acquire one Class A common share in the capital of Biopharma for a period of 24 months. The option to settle the convertible note and the stock warrants in Class A common shares of Biopharma represents an embedded derivative in the form of a call option to the Company. Biopharma is a private company and its shares cannot be reliably valued using any market-derived indicators. Accordingly, the derivative asset was initially recognized by the Company at $nil value. As at September 30, 2018, the fair value of the derivative asset remained the same. Furthermore, as at September 30, 2018, the Company has not received repayment of such note and management has assessed the high likelihood of uncollectability. Thus, the entire balance of convertible note receivable has been impaired. As such time the loan is repaid in full, the Company will recognize a recovery of the impairment amount.

On October 1, 2018, a further $250,000 was loaned to Biopharma under the same terms as the previously loaned $255,000. This loan continues to be secured by the borrowers' assets.

RxMM Health

On October 1, 2018, the Company entered into a US$500,000 promissory note with RxMM Health ("RxMM"). The loan is secured by a general security agreement on assets of RxMM. The loan bears an interest at 14% compounded monthly and is repayable within 24 months. Furthermore, RxMM granted additional consideration to the Company providing an option to purchase common shares of RxMM equal to 20% of the amount of the loan based on a valuation agreed upon between RxMM and the Company. On October 9, 2018, the Company made a first tranche loan of $220,740 CDN to RxMM. This loan continues to be secured by the borrowers' assets.

Mary's Wellness Ltd.

On October 15, 2018, the Company entered into a $1,000,000 promissory note with Mary's Wellness Ltd. ("MWL"). The loan is secured by a general security agreement on assets of MWL. The loan bears an interest rate of 12.5% per annum compounded monthly and is repayable by November 1, 2020. Furthermore, MWL granted additional consideration to the Company providing an option to purchase common shares of MWL equal to 20% of the amount of the loan based on a valuation agreed upon between MWL and the Company. On October 19, 2018, the Company made a first tranche loan of $100,000 CDN to MWL. This loan continues to be secured by the borrowers' assets.

Winterlife Inc.

On November 1, 2018, the Company entered into a USD$1,000,000 promissory note with Winterlife Inc. ("Winterlife"). The loan is secured by a general security agreement on assets of Winterlife made effective on November 1, 2018. The loan bears an interest rate of 14% per annum compounded monthly and is repayable by November 1, 2020. Furthermore, Winterlife granted additional consideration to the Company providing an option to purchase common shares of Winterlife equal to 20% of the amount of the loan based on a valuation agreed upon between Winterlife and the Company. On November 6, 2018, the Company made a first tranche loan of $100,080 CDN to Winterlife. This loan continues to be secured by the borrowers' assets.

Ability to Continue as a Going Concern

The Company incurred a net loss of $1,133,238 for the period ended December 31, 2018, has an accumulated deficit of $34,701,535 and has had recurring losses since inception. The Company has sufficient funds to sustain its operations over the next twelve months. Management is considering all possible financing alternatives, including equity and debt financing to finance the future operations.

The ability to continue operating as a going concern is dependent on raising additional funding to develop successful businesses. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. These circumstances lead to substantial doubt as to the ability of the Company to meet its obligations as they become due and, accordingly, as to the appropriateness of the use of accounting principles applicable to a going concern.

Results of Operations

Selected Annual Information

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

	September 30 2018	September 30 2017	September 30 2016
	$	$	$
Expenses	(3,303,216)	(186,842)	(115,015)
Net loss	(3,752,216)	(194,683)	(115,015)
Comprehensive loss	(3,752,216)	(194,683)	(115,015)
Total assets	1,092,832	91,586	269,910
Net earnings (loss) per share (basic and diluted)	(0.10)	(0.02)	(0.00)

Selected Quarterly Information

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

	Q1-19	Q4-18	Q3-18	Q2-18
	$	$	$	$
Net loss	(1,133,238)	(3,669,863)	(2,585)	(16,880)
Basic & Diluted Loss per Share	(0.02)	(0.10)	(0.00)	(0.00)
Weighted Average Shares	46,174,372	37,798,785	20,178,863	20,178,863

	Q1-18	Q4-17	Q4-17	Q3-17
	$	$	$	$
Net loss	(62,888)	(87,570)	(87,570)	(24,474)
Basic & Diluted Loss per Share	(0.01)	(0.01)	(0.01)	(0.00)
Weighted Average Shares	20,178,863	20,178,863	20,178,863	20,178,863

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

Results for the three months ended December 31, 2018

During the three months ended December 31, 2018, the Company incurred a net loss of $1,133,238 compared to $62,88 for the same comparable period. The primary increase in net loss was due to a ramp up in business operations resulting in an increase in consulting, investor relations and marketing, public relations, travel and regulatory costs. In addition, the Company granted stock options resulting in stock-based compensation expense to be recognized during the period; this did not occur on the comparable prior period.

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:

	December 31, 2018	December 31, 2017
	$	$
Rent and professional fees	5,250	3,675
Consulting fees	136,250	30,000
Travel	36,250	-
	177,750	33,675

Related parties balance

As at December 31, 2018, the Company owes $Nil (2018 - $Nil) for consulting fees to a company controlled by the Chief Executive Officer and director of the Company.

As at December 31, 2018, the Company owes $5,250 (2018 - $5,250) 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 and are included in accounts payable.

Disclosure of Outstanding Share Data

The Company's share structure as at the date of this MD&A are as follows:

Authorized Share Capital:	Unlimited number of voting common shares without par value
Issued and outstanding:	As at the date of this document, there were 47,121,111 common shares issued and outstanding, 24,470,302 share purchase warrants outstanding at the date of this document, and 1,050,000 share purchase options.

Liquidity and Capital Resources

At December 31, 2018, the Company had a working capital of $486,105 and (September 30, 2018 – $743,338 deficit)

	December 31, 2018	September 30, 2018
	$	$
Current assets	1,244,084	1,092,832
Current liabilities	87,159	349,494

On October 11, 2018, the Company closed a private placement for $1,717,500 by issuing 5,724,999 units. Each unit consists of one common share and one warrant entitling the holder to one additional common share for $0.55 for two years from date of grant.

On August 2, 2018, the Company closed a private placement and issued 7,779,894 units at $0.1875 for total proceeds of $1,458,730. Each unit consists of one common share and one warrant entitling the holder to one additional common share for $0.34 for a period of 2 years, subject to the Company having the right to accelerate the expiry date if the shares trade at $0.47 for a period of 14 consecutive days. On August 2, 2018, the Company issued 2,933,333 units to consultants for services rendered at $550,000, recognized as stock based compensation. The warrants issued contain the same exercise terms as the private placement warrants. All securities issued pursuant to this private placement will be subject to trading restrictions until December 2, 2018.

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. At the time of the Acquisition, Ultra Invest did not constitute a business as defined under IFRS 3, as it had neither operations nor assets; therefore, the Acquisition is accounted under IFRS 2, where the difference between the consideration given to acquire the Company is recorded as stock based compensation.

On October 11, 2018, the Company closed a private placement for $1,717,500 by issuing 5,724,999 units. Each unit consists of one common share and one warrant entitling the holder to one additional common share for $0.55.

Management believes the Company has adequate liquidity to settle its liabilities when they come due. However, the resources on hand will not be sufficient to enable the Company to acquire and develop successful businesses in the future. Management is actively looking for addition equity and debt financing to address future cash flow needs. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

Accounting Policies

The significant accounting policies of the Company are listed in the Note 3 to the Company's audited financial statements for the year ended September 30, 2018.

New Accounting 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 is assessing the impact of the standard on its convertible notes receivable and its investments where it holds less than significant influence. The Company is currently completing its assessment of the impact of this new standard. 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.

New standard IFRS 15 "Revenue from Contracts with Customers"

This new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. Overall, the Company does not expect the implementation of IFRS 15 to have a significant impact on its revenue.

New standard IFRS 16 "Leases"

This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. While the Company is currently evaluating the impact this new guidance will have on its consolidated financial statements, the recognition of certain leases is expected to increase the assets and liabilities on the consolidated statements of financial position. As a result, the Company expects IFRS 16 to have a significant change to the consolidated statements of financial position.

Financial and Disclosure Controls and Procedures

Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52- 109"). In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company are certifying officers to design and implement on a cost effective basis.

Financial Instruments and Risks Management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank account. All of its cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The maximum exposure to credit risk is the carrying amount of the Company's financial instruments.

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign exchange risk.

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

Historically, the Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

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 December 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.

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 be differ materially from those implied be 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.*