DARIEN BUSINESS DEVELOPMENT CORP.

(Formerly Dynamic Oil and Gas Exploration Inc.)

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
December 31, 2016 and 2015

Independent Auditors' Report

To the Shareholders of Darien Business Development Corp. (formerly Dynamic Oil & Gas Exploration Inc.):

We have audited the accompanying financial statements of Darien Business Development Corp. (formerly Dynamic Oil & Gas Exploration Inc.), which comprise the statement of financial position as at December 31, 2016 and, December 31, 2015, and the statements of loss and other comprehensive loss, changes in equity and cash flows for the years ended December 31, 2016 and December 31, 2015, and a summary of significant accounting policies and other explanatory information.

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

Auditors' Responsibility
Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of Darien Business Development Corp. (formerly Dynamic Oil & Gas Exploration Inc.) as at December 31, 2016, December 31, 2015 and its financial performance and its cash flows for the years ended December 31, 2016 and December 31, 2015 in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 of these financial statements, which states that Darien Business Development Corp. (formerly Dynamic Oil & Gas Exploration Inc.) incurred significant losses from operations, negative cash flows from operating activities and has an accumulated deficit. This, along with other matters described in Note 1, indicates the existence of a material uncertainty which may cast significant doubt about the ability of Darien Business Development Corp.(formerly Dynamic Oil & Gas Exploration Inc). to continue as a going concern.

MNP LLP

Vancouver, British Columbia
April 21, 2017

Chartered Professional Accountants

DARIEN BUSINESS DEVELOPMENT CORP.
(Formerly, Dynamic Oil and Gas Exploration Inc.)
STATEMENTS OF FINANCIAL POSITION
As at December 31, 2016 and 2015
(Expressed in Canadian Dollars)

	Notes	December 31, 2016 $	December 31, 2015 $
ASSETS			
Current assets			
Cash		2,856	2,353
GST recoverable		9,141	3,014
Prepaid expenses		1,000	-
		12,997	5,367
Equipment	6	2,364	2,966
Total assets		15,361	8,333
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7,11	78,212	75,071
Advances payable	8	148,800	-
Total liabilities		227,012	75,071
DEFICIT			
Share capital	9	14,410,726	14,410,726
Contributed surplus		1,236,455	1,236,455
Deficit		(15,858,832)	(15,713,919)
Total (deficit)		(211,651)	(66,738)
Total liabilities and (deficit)		15,361	8,333

Organization and nature of operations and going concern (Note 1)
Subsequent events (Note 13)

Approved by the Board of Directors

“Gunther Roehlig” Director   “Rob McMorran” Director

DARIEN BUSINESS DEVELOPMENT CORP.
(Formerly, Dynamic Oil and Gas Exploration Inc.)
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the years ended December 31, 2016 and 2015
(Expressed in Canadian Dollars)

	Notes	**2016 $**	**2015 $**
General and administrative expenses			
Accounting and audit	11	16,566	21,555
Amortization	6	602	762
Consulting fees	11	120,000	20,000
Legal		2,052	-
Office and miscellaneous		22,407	38,827
Loss before other items		(161,627)	(81,144)
Gain on write-down of accounts payable	7	16,539	-
Foreign exchange gain (loss)		175	(949)
Comprehensive loss for the year		(144,913)	(82,093)
Basic and diluted loss per share		(0.02)	(0.01)
Weighted average number of shares outstanding[1]		6,455,815	6,455,815

[1]Post 10:1 share consolidation (Note 13)

The accompanying notes are an integral part of these financial statements

DARIEN BUSINESS DEVELOPMENT CORP.
(Formerly, Dynamic Oil and Gas Exploration Inc.)
STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2016 and 2015
(Expressed in Canadian Dollars)

	Number of shares[1]	**Amount $**	**Contributed Surplus $**	**Deficit $**	**Total $**
Balance, December 31, 2014	6,455,815	14,410,726	1,236,455	(15,631,826)	15,355
Net and comprehensive loss for the year	-	-	-	(82,093)	(82,093)
Balance, December 31, 2015	6,455,815	14,410,726	1,236,455	(15,713,919)	(66,738)
Net and comprehensive loss for the year	-	-	-	(144,913)	(144,913)
Balance, December 31, 2016	6,455,815	14,410,726	1,236,455	(15,858,832)	(211,651)

[1] Post 10:1 share consolidation (Note 13)

The accompanying notes are an integral part of these financial statements

DARIEN BUSINESS DEVELOPMENT CORP.
(Formerly, Dynamic Oil and Gas Exploration Inc.)
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2016 and 2015
(Expressed in Canadian Dollars)

	2016 $	**2015 $**
Cash flow provided by (used in)		
Operating activities		
Loss for the year	(144,913)	(82,093)
Add non-cash items:		
Amortization	602	762
Gain on write-down of accounts payable	(16,539)	-
	(160,850)	(81,331)
Changes in non-cash working capital items		
GST recoverable	(6,127)	2,775
Prepaid expenses	(1,000)	1,591
Accounts payable and accrued liabilities	19,680	32,733
	(148,297)	(44,232)
Financing activities		
Proceeds from advances payable	148,800	-
Increase (Decrease) in cash during the year	503	(44,232)
Cash – beginning of the year	2,353	46,585
Cash – end of the year	2,856	2,353

The accompanying notes are an integral part of these financial statements

1. ORGANIZATION AND NATURE OF OPERATIONS AND GOING CONCERN

Darien Business Development Corp. ("Darien" or the "Company") was incorporated under the Alberta Business Corporations Act on November 23, 2004. Effective March 14, 2017, the Company changed its name from Dynamic Oil & Gas Exploration Inc. to Darien Business Development Corp. and the Company consolidated its common shares on the basis of one new common share for every ten old common shares issued and outstanding at that time (Note 13). All references to share and per share amounts in these financial statements have been retroactively restated to reflect the share consolidation. The Company's main activities during the year ended December 31, 2016 were maintaining its public listing and pursuing potential business opportunities as they arise. The Company is listed on the TSX Venture Exchange's NEX board under the trading symbol "DBD.H". The Company's head office is located at Suite 200, 550 Denman Street, Vancouver, BC.

These financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At December 31, 2016, the Company had accumulated losses of $15,858,832 since its inception and expects to incur further losses in the development of its business. For the year ended December 31, 2016 the Company experienced a loss of $144,913 and used $160,850 of cash in operations before non-cash working capital items. These factors indicate a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to discharge its liabilities in the normal course of business.

Management has determined that the Company will not have enough cash on hand to continue operations for the next twelve months. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing levels of corporate overhead.

While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that financing will be available on terms which are acceptable to the Company. These financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

2. BASIS OF PRESENTATION

Statement of Compliance

The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were approved by the board of directors for use on April 21, 2017.

The significant accounting policies used in the preparation of these financial statements are as follows:

Basis of measurement

The financial statements have been prepared under the historical cost convention, except for certain financial instruments which may be measured at fair value.

Impairment of non-financial assets

Equipment and intangible assets with finite useful lives are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with finite useful lives are tested for impairment annually. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGUs"). Recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU, as determined by management).

The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration and accordingly, goodwill is assessed for impairment together with the assets and liabilities of the related segment.

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss.

Financial assets classified as loans and receivables and held-to-maturity are initially recognized at fair value less directly attributable transaction costs. After initial recognition these financial assets are subsequently measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost.

Transaction costs associated with FVTPL and available-for-sale financial assets are expensed as incurred while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives are also classified as FVTPL unless they are designated as effective hedging instruments. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income (loss).

De-recognition of financial assets and liabilities

Financial assets are de-recognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Financial liabilities are de-recognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in profit or loss.

Earnings per share

Basic earnings or loss per share represents the income or loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted earnings or loss per share represents the income or loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive.

Foreign currencies

The financial statements for the Company are prepared using its functional currency. Functional currency is the currency of the primary economic environment in which an entity operates. The functional and presentation currency of the Company is Canadian dollars.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to the statement of operations.

Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity.

Share-based payments

The fair value of all stock options granted is recorded as a charge to the statement of operations and a credit to contributed surplus under the graded attribution method. The fair value of stock options which vest immediately is recorded at the date of grant. The fair value of options which vest in the future is recognized over the vesting period, as adjusted for the expected level of vesting of the options. Stock options granted to non-employees are measured at their fair value on the vesting date. Prior to the vesting date, the then-current fair value of stock options granted to consultants is recognized as share-based payment expense from the date of grant to the reporting date and credited to contributed surplus.

Any consideration received on the exercise of stock options together with the related portion of contributed surplus is credited to share capital. The fair value of stock options is estimated using the Black-Scholes option pricing model.

3. CHANGES IN ACCOUNTING POLICIES

There were no pronouncements issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning before or on January 1, 2016 that are expected to have a material impact on the Company.

4. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following new standards have been issued but are not yet effective:

IFRS 9 Financial Instruments

The IASB has issued a new standard, IFRS 9, Financial Instruments ("IFRS 9"), which will ultimately replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). The replacement of IAS 39 is a multi-phase project with the objective of improving and simplifying the reporting for financial instruments and the issuance of IFRS 9 is part of the first phase of this project. IFRS 9 uses a single approach to determine whether a financial asset or liability is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. For financial assets, the approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. IFRS 9 requires a single impairment method to be used, replacing multiple impairment methods in IAS 39. For financial liabilities measured at fair value, fair value changes due to changes in an entity's credit risk are presented in other comprehensive income. The Company will be required to adopt IFRS 9 in the annual period beginning January 1, 2018. The Company does not expect the implementation to have a significant impact on the Company's results of operations, financial position and disclosures.

5. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS, AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimates and assumptions based on current available information that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results could differ from those estimated. By their very nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of future periods could be material. In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgments which have a significant effect on the amounts recognized in the financial statements:

(i) *Going concern* – The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Factors considered by management are disclosed in Note 1.

(ii) *Equipment* – Equipment is carried at acquisition cost less accumulated depreciation. Depreciation is determined at rates which will reduce original cost to estimated residual value over the expected useful life of each asset. The annual rate used to compute depreciation is as follows:

Computer hardware	declining-balance basis	30%
Office equipment	declining-balance basis	20%

The depreciation method, useful and residual values are assessed annually.

(Expressed in Canadian Dollars)

The cost of replacing part of an item within property, plant and equipment is recognized when the cost is incurred if it is probable that the future economic benefits will flow to the Company and the cost of the item can be measured reliably. All other costs are recognized as an expense as incurred.

(iii) *Share-based payments* – The Company has an equity-settled share-based scheme for directors, officers, employees, and consultants. Services received, and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments at the date of the grant, excluding the impact of any non-market vesting conditions. The fair value of share options are estimated by using the Black-Scholes model on the date of the grant based on certain assumptions. Those assumptions are described in Note 9 and include, among others, expected volatility, expected life of the options and number of options expected to vest.

6. EQUIPMENT

	Office Equipment $	Computer Equipment $	Total $
Asset cost			
Balance at December 31, 2015 and 2016	3,146	1,152	4,298
Accumulated amortization			
Balance at December 31, 2015	936	396	1,332
Amortization	404	198	602
Balance at December 31, 2016	1,340	594	1,934
Carrying amounts			
At December 31, 2015	2,210	756	2,966
At December 31, 2016	1,806	558	2,364

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2016 $	December 31, 2015 $
Trade payables	46,933	59,205
Amounts due to related parties (Note 11)	31,279	15,866
	78,212	75,071

During the year ended December 31, 2016 the Company recorded a gain of $16,539 relating to the write-off of trade payables.

(Expressed in Canadian Dollars)

8. ADVANCES PAYABLE

As at December 31, 2016 the Company had $148,800 (2015 - $nil) in advances payable outstanding, including $68,000 from a director of the Company. The amounts owing are unsecured, non-interest bearing and due on demand.

9. SHARE CAPITAL

a) Authorized: Unlimited common shares without par value.
Unlimited preferred shares issuable in series.

b) Options:

The Company established a stock option plan in accordance with the policies of the TSX Venture Exchange under which it was authorized to grant share purchase options up to 10% of its outstanding shares. During the year ended December 31, 2014 the Company discontinued its stock option plan. Such discontinuance did not adversely affect the rights of any Optionee under the options granted pursuant to the stock option plan. The exercise price of options granted is greater than or equal to the market price of the Company's shares on the date of the grant. The options are for a maximum term of five years. All options vest on the date of grant, unless otherwise indicated.

A summary of the status of the Company's stock option plan as of December 31, 2016 and December 31, 2015 and the changes during the years then ended is presented below:

	Number of options	Weighted average exercise price $
Balance outstanding – December 31, 2016 and December 31, 2015	250,000	1.00

Details of the options outstanding as at December 31, 2016, is as follows:

Expiry date	Exercise price $	Options outstanding
February 21, 2019	1.00	250,000

(Expressed in Canadian Dollars)

10. INCOME TAXES

The following table reconciles the expected income tax expenses (recovery) at the Canadian statutory income tax rate to the amounts recognized in the statements of operations and comprehensive loss for the years ended December 31, 2016 and 2015:

	2016	**2015**
Statutory tax rate	26.00%	26.00%
	$	**$**
Loss for the year before income taxes	(144,913)	(82,093)
Expected income tax recovery	(37,677)	(21,343)
Non-deductible items	19	-
Change in deferred tax assets not recognized	37,658	21,343
Total income taxes expense (recovery)	-	-

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their corresponding values for tax purposes. The unrecognized deductible temporary differences as at December 31, 2016 and 2015 are as follows:

	2016 **$**	**2015** **$**
Non-capital loss carry forwards	2,425,789	2,278,718
Eligible capital property	781,858	781,858
Net capital losses carry forwards	3,429,940	3,429,940
Property and equipment	1,934	473
Financing costs	1,727	3,454
Total unrecognized deductible temporary differences	6,641,248	6,494,443

(Expressed in Canadian Dollars)

As at December 31, 2016, the Company has not recognized a deferred tax asset in respect of non-capital loss carry-forwards of $2,425,789 (2015 - $2,278,718) which may be carried forward to apply against future year's income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

	$
2026	15,839
2027	60,938
2028	441,699
2029	229,075
2030	180,533
2031	488,693
2032	234,811
2033	243,293
2034	270,765
2035	114,180
2036	145,963
Total	2,425,789

As at December 31, 2016, the Company has not recognized a deferred tax asset in respect of net capital loss carry-forwards of $3,429,940 (2015 - $3,429,940) which may be carried forward indefinitely to apply against future capital gains for Canadian income tax purposes, subject to the final determination by taxation authorities.

11. RELATED PARTY TRANSACTIONS

The Company incurred the following charges with directors and officers of the Company and/or companies controlled by them during the years ended December 31, 2016 and 2015:

	2016 **$**	**2015** **$**
Accounting fees	8,541	12,580
Consulting fees	60,000	10,000
	68,541	22,580

Included in accounts payable and accrued liabilities as at December 31, 2016 is $31,279 (2015 - $15,866) due to current directors and officers of the Company and/or companies controlled by them. The amounts owing are unsecured, non-interest bearing and due on demand.

During the year ended December 31, 2016 the Company received $68,000 (2015 - $nil) in advances payable from a director of the Company (Note 8).

Key management includes the directors of the Company. The compensation paid or payable to key management for services during the years ended December 31, 2016 and 2015 is identical to the table above.

12. FINANCIAL INSTRUMENTS

Management of Capital

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of equity attributable to shareholders as well as cash.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by its ability to compete for investor.

The Company is not subject to any capital requirements imposed by a regulator, other than continued listing requirements of the TSX Venture Exchange's NEX board.

During the year ended December 31, 2016, the Company made no changes to its strategy in managing capital.

Classification of Financial Instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and advances payable. The Company designated its cash as loans and receivables, which are measured at amortized cost. The accounts payable and accrued liabilities and advances payable are classified as other financial liabilities, which are measured at amortized cost.

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit Risk

Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is primarily held with the Bank of Montreal.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss is limited because at present the Company's liabilities are non-interest bearing or have fixed interest rates.

Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows, as well as anticipated investing and financing activities. At December 31, 2016 the Company had a working capital deficit of $214,015 compared to a working capital deficit of $69,704 for the year ended December 31, 2015.

13. SUBSEQUENT EVENTS

Effective March 14, 2017, the Company consolidated its common shares on the basis of one new common share for every ten old common shares issued and outstanding at the time. All references to share and per share amounts in these financial statements have been retroactively restated to reflect the share consolidation.