

# **DARIEN BUSINESS DEVELOPMENT CORP.**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following information, prepared as of May 29, 2017 should be read in conjunction with the unaudited condensed interim financial statements of Darien Business Development Corp. ("the Company" or "Darien") for the three months ended March 31, 2017, together with the audited financial statements of the Company for the year ended December 31, 2016 and the accompanying Management's Discussion and Analysis ("MDA") for that fiscal year. The referenced financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. All amounts are expressed in Canadian dollars unless otherwise indicated.

Additional information relating to the Company and its operations is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **FORWARD-LOOKING STATEMENTS**

The Company's condensed interim financial statements for the three months ended March 31, 2017, and this accompanying MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators.

It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of May 29, 2017.

Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions.

Forward-looking statements in this MD&A include statements regarding the Company's future plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading "RISKS AND UNCERTAINTIES" in this MD&A.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

### **COMPANY DESCRIPTION**

Darien Business Development Corp. was incorporated under the Alberta Business Corporations Act on November 23, 2004. The Company's main activities during the three months ended March 31, 2017 have been maintaining its public listing and pursuing potential business opportunities as they arise. 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

## Darien Business Development Corp.

MD&A

March 31, 2017

share amounts have been retroactively restated to reflect the share consolidation. The Company is listed on the TSX Venture Exchange's NEX board under the trading symbol "DBD.H".

### RESULTS OF OPERATIONS

The Company recorded a loss of \$25,892 (\$0.00 per share) for the three months ended March 31, 2017 as compared to a loss of \$20,419 (\$0.00 per share) for the three months ended March 31, 2016. The table below details certain non-cash or unusual transactions that for the purposes of this discussion have been adjusted out of the reported loss for the three months ended March 31, 2017 and 2016 to produce an adjusted loss that forms a better basis for comparing the period over period operating results of the Company.

	2017 \$	2016 \$
Loss for the period as reported	(25,892)	(20,419)
Add (deduct):		
Amortization	129	164
Foreign exchange (gain) loss	-	(368)
Adjusted loss for the period <sup>(1)</sup>	(25,763)	(20,623)

<sup>(1)</sup> Adjusted loss for the period is not a term recognized under IFRS.

Comments regarding certain of these items are as follows:

- Foreign exchange loss is based on fluctuations in the exchange rate between the Canadian dollar and the US dollar. Certain liabilities are denominated in US dollars.

### SELECTED QUARTERLY FINANCIAL INFORMATION

The following table sets out financial information for the past eight quarters:

	Three Months Ended (\$)			
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
Total Revenues	-	-	-	-
Loss	(25,892)	(29,098)	(37,000)	(58,396)
Loss Per Share (basic and diluted) <sup>(1)</sup>	(0.00)	(0.00)	(0.01)	(0.01)

	Three Months Ended (\$)			
	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Total Revenues	-	-	-	-
Loss	(20,419)	(17,198)	(11,291)	(23,978)
Loss Per Share (basic and diluted) <sup>(1)</sup>	(0.00)	(0.00)	(0.00)	(0.00)

<sup>(1)</sup> The basic and diluted loss per share calculations result in the same amount.

The increase in loss for the quarters ended March 31, 2017, December 31, 2016, September 30, 2016 and June 30, 2016 was due to increased consulting fees.

## Darien Business Development Corp.

MD&A

March 31, 2017

### LIQUIDITY AND CAPITAL RESOURCES

The Company's operations consumed \$16,152 of cash for the three months ended March 31, 2017. The Company's aggregate operating, investing, and financing activities during the three months ended March 31, 2017 resulted in an increase in its cash balance from \$2,856 at December 31, 2016 to \$3,704 at March 31, 2017. The Company's working capital deficiency at March 31, 2017 was \$239,778 compared to a working capital deficit of \$214,015 at December 31, 2016. 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.

The Company has no long-term debt.

### FINANCING ACTIVITIES AND CAPITAL EXPENDITURES

During the three months ended March 31, 2017 the Company received \$17,000 in advances payable, including \$12,000 from a director of the Company. The amounts are unsecured, non-interest bearing and due on demand.

The Company had no financing activities or capital expenditures during the three months ended March 31, 2016.

### RELATED PARTY TRANSACTIONS

The Company incurred the following charges with directors and officers of the Company and/or companies controlled by them during the three months ended March 31, 2017 and 2016:

	2017	2016
	\$	\$
Accounting fees <sup>(1)</sup>	3,257	1,160
Consulting fees <sup>(2)</sup>	7,500	7,500
	10,757	8,660

<sup>(1)</sup> Includes fees billed by a company owned by a director, Rob McMorrان.

<sup>(2)</sup> Includes fees billed by the CEO, Gunther Roehlig.

Included in accounts payable and accrued liabilities as at March 31, 2017 is \$43,664 (December 31, 2016 - \$31,279) 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 three months ended March 31, 2017 the Company received \$12,000 in advances payable from a director of the Company. As at March 31, 2017 the Company had \$80,000 (December 31, 2016 - \$68,000) in advances payable owing to a director of the Company, the amounts are unsecured, non-interest bearing and due on demand (Note 5).

Key management includes the directors of the Company. The compensation paid or payable to key management for services during the three months ended March 31, 2017 and 2016 is identical to the table above.

## Darien Business Development Corp.

MD&A

March 31, 2017

### FINANCIAL INSTRUMENTS

#### Classification of Financial Instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities 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 designated 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 March 31, 2017 the Company had a working capital deficiency of \$239,778.

### OUTSTANDING SHARE DATA

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

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.

All share information is reported as of May 29, 2017 in the following table:

Type of Security	Number	Exercise Price (\$)	Expiry Date
Issued and outstanding common shares	6,455,815	N/A	N/A
Stock options	250,000	1.00	February 21, 2019
Total	6,705,815		

### RISKS AND UNCERTAINTIES

The Company has incurred significant losses since inception. The continued operations of the Company are dependent on its ability to generate future cash flow and obtain additional financing. The Company has traditionally financed its cash requirements through the issuance of common shares. If the Company is unable to generate cash from operations or obtain additional financing its ability to continue as a going concern could be impaired.

## **Darien Business Development Corp.**

MD&A

March 31, 2017

### **DISCLOSURE CONTROLS AND PROCEDURES**

In connection with National Instrument 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim financial statements for the three months ended March 31, 2017 and this accompanying MD&A (together the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

### **OUTLOOK**

The Company is focusing on pursuing potential opportunities as they arise.