

# **DARIEN BUSINESS DEVELOPMENT CORP.**

CONDENSED INTERIM FINANCIAL STATEMENTS  
(Unaudited - expressed in Canadian Dollars)  
For the Three and Nine Months Ended September 30, 2017 and 2016

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED 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 the financial statements have not been reviewed by an auditor.

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

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

**DARIEN BUSINESS DEVELOPMENT CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - expressed in Canadian Dollars)

	Notes	September 30, 2017 \$	December 31, 2016 \$
<b>ASSETS</b>			
Current assets			
Cash		467	2,856
GST recoverable		12,913	9,141
Prepaid expenses		-	1,000
		<u>13,380</u>	<u>12,997</u>
Equipment	3	1,997	2,364
<b>Total assets</b>		<u>15,377</u>	<u>15,361</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	4,7	131,024	78,212
Advances payable	5	169,800	148,800
<b>Total liabilities</b>		<u>300,824</u>	<u>227,012</u>
<b>DEFICIT</b>			
Share capital	6	14,410,726	14,410,726
Contributed surplus		1,236,455	1,236,455
Deficit		(15,932,628)	(15,858,832)
<b>Total deficit</b>		<u>(285,447)</u>	<u>(211,651)</u>
<b>Total liabilities and deficit</b>		<u>15,377</u>	<u>15,361</u>

Organization and nature of operations and going concern (Note 1)  
Subsequent event (Note 8)

**Approved by the Board of Directors**

\_\_\_\_\_  
"Gunther Roehlig" Director

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"Rob McMorran" Director

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

**DARIEN BUSINESS DEVELOPMENT CORP.**  
**CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

For the three and nine months ended September 30, 2017 and 2016

(Unaudited - expressed in Canadian Dollars)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2017 \$	2016 \$	2017 \$	2016 \$
General and administrative expenses					
Accounting and audit	7	1,396	1,340	8,049	7,085
Amortization	3	115	145	367	464
Consulting fees	7	15,000	30,000	45,000	90,000
Legal		66	-	2,167	2,052
Office and miscellaneous		1,775	5,467	18,213	20,253
Loss before other items		(18,352)	(36,952)	(73,796)	(119,854)
Gain on forgiveness of debt		-	-	-	3,735
Foreign exchange (loss) gain		-	(48)	-	304
Comprehensive loss for the period		(18,352)	(37,000)	(73,796)	(115,815)
Basic and diluted loss per share		(0.00)	(0.01)	(0.01)	(0.02)
Weighted average number of shares outstanding		6,455,815	6,455,815	6,455,815	6,455,815

**DARIEN BUSINESS DEVELOPMENT CORP.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

For the nine months ended September 30, 2017 and 2016

(Unaudited - expressed in Canadian Dollars)

	Number of shares	Amount \$	Contributed Surplus \$	Deficit \$	Total \$
Balance, December 31, 2015	6,455,815	14,410,726	1,236,455	(15,713,919)	(66,738)
Net and comprehensive loss for the period	-	-	-	(115,815)	(115,815)
Balance, September 30, 2016	6,455,815	14,410,726	1,236,455	(15,829,734)	(182,553)
Net and comprehensive loss for the period	-	-	-	(29,098)	(29,098)
Balance, December 31, 2016	6,455,815	14,410,726	1,236,455	(15,858,832)	(211,651)
Net and comprehensive loss for the period	-	-	-	(73,796)	(73,796)
Balance, September 30, 2017	6,455,815	14,410,726	1,236,455	(15,932,628)	(285,447)

**DARIEN BUSINESS DEVELOPMENT CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
For the nine months ended September 30, 2017 and 2016  
(Unaudited - expressed in Canadian Dollars)

	2017 \$	2016 \$
Cash flow provided by (used in)		
Operating activities		
Loss for the period	(73,796)	(115,815)
Add non-cash items:		
Amortization	367	464
Gain on forgiveness of debt	-	(3,735)
	(73,429)	(119,086)
Changes in non-cash working capital items		
GST recoverable	(3,772)	51
Prepaid expenses	1,000	(3,500)
Accounts payable and accrued liabilities	52,812	122,368
	(23,389)	(167)
Financing activity		
Proceeds from advances payable	21,000	-
Decrease in cash during the period	(2,389)	(167)
Cash – beginning of the period	2,856	2,353
Cash – end of the period	467	2,186

**DARIEN BUSINESS DEVELOPMENT CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the three and nine months ended September 30, 2017 and 2016  
(Unaudited - expressed in Canadian Dollars)

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**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 to Darien Business Development Corp. and consolidated its common shares on the basis of one new common share for every ten old common shares issued and outstanding. All references to share and per share amounts in these condensed interim financial statements have been retroactively restated to reflect the share consolidation. The Company’s main activities during the nine months ended September 30, 2017 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 410, 1040 West Georgia Street, Vancouver, BC.

These condensed interim 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 September 30, 2017, the Company had a working capital deficiency of \$287,444 and accumulated losses of \$15,932,628 since its inception and expects to incur further losses in the development of its business. For the nine months ended September 30, 2017 the Company used \$23,389 of cash in operations. 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 condensed interim 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. On November 7, 2017 the Company closed a non-brokered private placement for gross proceeds of \$600,000 (Note 8).

**2. BASIS OF PRESENTATION**

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS as issued by IASB.

The Company uses the same accounting policies and methods of computation as in the annual financial statements for the year ended December 31, 2016. These condensed interim financial statements were approved by the board of directors for use on November 29, 2017.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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**3. EQUIPMENT**

	Office Equipment \$	Computer Equipment \$	Total \$
<b>Asset cost</b>			
Balance at December 31, 2016	3,146	1,152	4,298
<b>Accumulated amortization</b>			
Balance at December 31, 2016	1,340	594	1,934
Amortization	253	114	367
Balance at September 30, 2017	1,593	708	2,301
<b>Carrying amounts</b>			
At December 31, 2016	1,806	558	2,364
At September 30, 2017	1,553	444	1,997

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	September 30, 2017 \$	December 31, 2016 \$
Trade payables	63,138	46,933
Amounts due to related parties (Note 7)	67,886	31,279
	131,024	78,212

**5. ADVANCES PAYABLE**

As at September 30, 2017 the Company had \$169,800 (December 31, 2016 - \$148,800) in advances payable outstanding, including \$84,000 (December 31, 2016 – \$68,000) from a director of the Company. The amounts owing are unsecured, non-interest bearing and due on demand. Subsequent to September 30, 2017 the Company repaid the advances payable.

**6. SHARE CAPITAL**

- a) 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. All references to share and per share amounts in these condensed interim financial statements have been retroactively restated to reflect the share consolidation.



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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.

The Company cancelled all of the outstanding stock options effective September 30, 2017.

A summary of the status of the Company's stock option plan as of September 30, 2017 and December 31, 2016 and the changes during the periods then ended is presented below:

	<b>Number of options</b>	<b>Weighted average exercise price \$</b>
Balance outstanding - December 31, 2016	250,000	1.00
Cancelled	(250,000)	
<u>Balance outstanding - September 30, 2017</u>	<u>-</u>	<u>-</u>

**7. 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 and nine months ended September 30, 2017 and 2016:

	<b>Three months ended September 30,</b>		<b>Nine months ended September 30,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accounting fees	1,396	1,340	8,049	7,060
Consulting fees	7,500	15,000	22,500	45,000
	<u>8,896</u>	<u>16,340</u>	<u>30,549</u>	<u>52,060</u>

Included in accounts payable and accrued liabilities as at September 30, 2017 is \$67,886 (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 nine months ended September 30, 2017 the Company received \$16,000 in advances payable from a director of the Company. As at September 30, 2017 the Company had \$84,000

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(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. Subsequent to September 30, 2017 the Company repaid the advances payable of \$84,000 to a director of the Company.

Key management includes the directors of the Company. The compensation paid or payable to key management for services during the three and nine months ended September 30, 2017 and 2016 is identical to the table above.

**8. SUBSEQUENT EVENT**

On November 7, 2017 the Company closed a non-brokered private placement issuing 6,000,000 units at 0.10 per unit, for gross proceeds of \$600,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of \$0.15. The warrants expire on November 7, 2018.