

# **DARIEN BUSINESS DEVELOPMENT CORP.**

CONDENSED INTERIM FINANCIAL STATEMENTS  
(Unaudited - expressed in Canadian Dollars)  
For the Three and Nine Months ended September 30, 2018 and 2017

**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 Chartered Professional Accountants of Canada for a review of condensed 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, 2018 \$	December 31, 2017 \$
<b>ASSETS</b>			
Current assets			
Cash		194,927	286,868
Prepaid		15,000	-
GST recoverable		18,053	14,281
		<u>227,980</u>	<u>301,149</u>
Equipment	5	1,597	1,888
<b>Total assets</b>		<u>229,577</u>	<u>303,037</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	6,8	3,316	23,160
<b>Total liabilities</b>		<u>3,316</u>	<u>23,160</u>
<b>EQUITY</b>			
Share capital	7	15,007,851	15,007,851
Contributed surplus		1,236,455	1,236,455
Deficit		(16,018,045)	(15,964,429)
<b>Total equity</b>		<u>226,261</u>	<u>279,877</u>
<b>Total liabilities and equity</b>		<u>229,577</u>	<u>303,037</u>

Organization and nature of operations and going concern (Note 1)

**Approved by the Board of Directors**

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"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, 2018 and 2017

(Unaudited - expressed in Canadian Dollars)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2018 \$	2017 \$	2018 \$	2017 \$
General and administrative expenses					
Accounting and audit	8	521	1,396	6,403	8,049
Amortization	5	91	115	291	367
Consulting fees		30,000	15,000	30,000	45,000
Filing and regulatory fees		1,984	1,240	9,521	8,985
Legal		142	66	6,982	2,167
Office and miscellaneous		38	535	419	9,228
Loss and comprehensive loss for the period		(32,776)	(18,352)	(53,616)	(73,796)
Basic and diluted loss per share		(0.00)	(0.00)	(0.00)	(0.01)
Weighted average number of shares outstanding		12,455,815	6,455,815	12,455,815	6,455,815

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

For the nine months ended September 30, 2018 and 2017

(Unaudited - expressed in Canadian Dollars)

	Number of shares	Amount \$	Contributed Surplus \$	Deficit \$	Total \$
<b>Balance, December 31, 2016</b>	<b>6,455,815</b>	<b>14,410,726</b>	<b>1,236,455</b>	<b>(15,858,832)</b>	<b>(211,651)</b>
Net and comprehensive loss for the period	-	-	-	(73,796)	(73,796)
<b>Balance, September 30, 2017</b>	<b>6,455,815</b>	<b>14,410,726</b>	<b>1,236,455</b>	<b>(15,932,628)</b>	<b>(285,447)</b>
Shares issued during the period	6,000,000	600,000	-	-	600,000
Issue costs	-	(2,875)	-	-	(2,875)
Net and comprehensive loss for the period	-	-	-	(31,801)	(31,801)
<b>Balance, December 31, 2017</b>	<b>12,455,815</b>	<b>15,007,851</b>	<b>1,236,455</b>	<b>(15,964,429)</b>	<b>279,877</b>
Net and comprehensive loss for the period	-	-	-	(53,616)	(53,616)
<b>Balance, September 30, 2018</b>	<b>12,455,815</b>	<b>15,007,851</b>	<b>1,236,455</b>	<b>(16,018,045)</b>	<b>226,261</b>

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

**DARIEN BUSINESS DEVELOPMENT CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
For the nine months ended September 30, 2018 and 2017  
(Unaudited - expressed in Canadian Dollars)

	2018	2017
	\$	\$
Cash flow provided by (used in)		
Operating activities		
Loss for the period	(53,616)	(73,796)
Add non-cash item:		
Amortization	291	367
	(53,325)	(73,429)
Changes in non-cash working capital items		
GST recoverable	(3,772)	(3,772)
Prepaid	(15,000)	1,000
Accounts payable and accrued liabilities	(19,844)	52,812
	(91,941)	(23,389)
Financing activity		
Advances received	-	21,000
Change in cash during the period	(91,941)	(2,389)
Cash – beginning of the period	286,868	2,856
Cash – end of the period	194,927	467

**DARIEN BUSINESS DEVELOPMENT CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2018 and 2017  
(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 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. 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 nine months ended September 30, 2018 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 V6E 4H1.

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, 2018, the Company had accumulated losses of \$16,018,045 (2017 - \$15,964,429) since its inception and expects to incur further losses in the development of its business. For the nine months ended September 30, 2018 the Company experienced a loss of \$53,616 (2017 -73,796) and used \$53,325 (2017 - \$73,429) 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.

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.

**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, 2017, 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 consolidated financial statements for the year ended December 31, 2017. These condensed interim financial statements were approved by the board of directors for use on November 29, 2018.

**DARIEN BUSINESS DEVELOPMENT CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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**3. ACCOUNTING STANDARDS**

The following standard was adopted by the Company during the period:

**IFRS 9 Financial Instruments**

The IASB has issued a new standard, IFRS 9, Financial Instruments (“IFRS 9”), which replaces IAS 39, “Financial Instruments: Recognition and Measurement” (“IAS 39”). 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 adoption of this standard did not have a material measurement or disclosure impact on the Company’s financial statements.

**4. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS**

For full details on the critical accounting estimates, judgements and assumptions affecting the Company, please refer to the Company’s annual financial statements and notes for the year ended December 31, 2017.

**5. EQUIPMENT**

	Office Equipment \$	Computer Equipment \$	Total \$
<b>Asset cost</b>			
Balance at December 31, 2017 and September 30, 2018	3,146	1,152	4,298
<b>Accumulated amortization</b>			
Balance at December 31, 2017	1,670	740	2,410
Amortization	207	84	291
Balance at September 30, 2018	1,877	824	2,701
<b>Carrying amounts</b>			
At December 31, 2017	1,476	412	1,888
At September 30, 2018	1,269	328	1,597



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**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>September 30, 2018</b>	<b>December 31, 2017</b>
	<b>\$</b>	<b>\$</b>
Trade payables	3,316	19,330
Amounts due to related parties (Note 8)	-	3,830
	<b>3,316</b>	<b>23,160</b>

**7. 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 at that time. All references to share and per share amounts in these condensed interim financial statements have been retroactively restated to reflect the share consolidation.

- b) Warrants:

A summary of the status of the Company's share purchase warrants as at September 30, 2018 and December 31, 2017 and the changes for the periods then ended is presented below:

	<b>Number of warrants</b>	<b>Weighted average exercise price \$</b>
Balance outstanding – December 31, 2016	-	-
Issued	6,000,000	0.15
Balance outstanding – December 31, 2017	6,000,000	0.15
Expired	(6,000,000)	0.15
Balance, September 30, 2018	<b>-</b>	<b>-</b>

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**8. 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, 2018 and 2017:

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accounting fees	521	1,396	5,738	8,049
Consulting fees	15,000	7,500	15,000	22,500
	<b>15,521</b>	<b>8,896</b>	<b>20,738</b>	<b>30,549</b>

Included in accounts payable and accrued liabilities as at September 30, 2018 is \$nil (2017 - \$3,830) 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. The amounts were non-interest bearing repaid during the year ended December 31, 2017.

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, 2018 and 2017 is identical to the table above.