
DARIEN RESOURCE DEVELOPMENT CORP.

FINANCIAL STATEMENTS

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017
AND PERIOD FROM MARCH 13, 2017 (INCEPTION)
TO JUNE 30, 2017**

(EXPRESSED IN CANADIAN DOLLARS)

**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 RESOURCE DEVELOPMENT CORP.**STATEMENT OF FINANCIAL POSITION****AS AT SEPTEMBER 30, 2017 AND JUNE 30, 2017****(Expressed in Canadian dollars)**

	September 30, 2017	June 30, 2017
	\$	\$
ASSETS		
CURRENT		
Cash	342,906	389,802
	342,906	389,802
EXPLORATION AND EVALUATION ASSET (Note 6)	117,100	117,100
	460,006	506,902
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	20,000	25,000
	20,000	25,000
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	507,001	507,001
Deficit	(66,995)	(25,099)
	440,006	481,902
	460,006	506,902

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
SUBSEQUENT EVENT (Note 12)

Approved on behalf of the Board:

"Signed"

Charles Hethey, Director

"Signed"

Greg Crowe, Director

The accompanying notes are an integral part of these financial statements.

DARIEN RESOURCE DEVELOPMENT CORP.**STATEMENT OF COMPREHENSIVE LOSS****FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017 AND PERIOD FROM MARCH 13, 2017
(INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

	For the three months ended September 30, 2017	For the period from March 13, 2017 (inception) to June 30, 2017
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EXPENSES		
Bank charges	\$ 76	\$ 99
Professional fees (note 7)	7,824	25,000
Listing expense	20,000	-
Transfer agent and filing fees	13,996	-
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NET AND COMPREHENSIVE LOSS FOR THE PERIOD	(41,896)	(25,099)
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LOSS PER SHARE, basic and diluted	\$ (0.00)	\$ (0.00)
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WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	12,100,001	7,837,616
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The accompanying notes are an integral part of these financial statements.

DARIEN RESOURCE DEVELOPMENT CORP.**STATEMENT OF CASH FLOWS****FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017 AND PERIOD FROM MARCH 13, 2017
(INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

	For the three months ended September 30, 2017	For the period from March 13, 2017 (inception) to June 30, 2017
	\$	\$
OPERATING ACTIVITIES		
Net loss for the period	(41,896)	(25,099)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	(5,000)	25,000
	(46,896)	(99)
INVESTING ACTIVITY		
Exploration and evaluation assets	-	(117,100)
	-	(117,100)
FINANCING ACTIVITY		
Shares issued for private placement	-	507,001
	-	507,001
CHANGE IN CASH	(46,896)	389,802
CASH, BEGINNING OF PERIOD	389,802	-
CASH, END OF PERIOD	342,906	389,802

The accompanying notes are an integral part of these financial statements.

DARIEN RESOURCE DEVELOPMENT CORP.**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY****FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017 AND PERIOD FROM MARCH 13, 2017
(INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

	Number of shares	Amount	Deficit	Total
		\$	\$	\$
Balance, March 13, 2017 (inception)	-	-	-	-
Shares issued on inception (Note 8)	2,000,001	2,001	-	2,001
Shares issued for private placement (Note 8)	10,100,000	505,000	-	505,000
Total comprehensive loss for the period	-	-	(25,099)	(25,099)
Balance, June 30, 2017	12,100,001	507,001	(25,099)	481,902
Total comprehensive loss for the period	-	-	(41,896)	(41,896)
Balance, September 30, 2017	12,100,001	507,001	(66,995)	440,006

The accompanying notes are an integral part of these financial statements.

DARIEN RESOURCE DEVELOPMENT CORP.**NOTES TO FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017 AND PERIOD FROM MARCH 13, 2017
(INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Darien Resource Development Corp. (the "Company") was incorporated on March 13, 2017 under the laws of British Columbia. The head office is located at Suite 410, 1040 West Georgia Street, Vancouver, B.C. V6E 4H1 and its registered office is located at Suite 704, 595 Howe Street, Vancouver B.C. V6C 2T5.

Since incorporation on March 13, 2017, the Company's activities have focused on the acquisition of the Exxeter Property and commencing the initial phase of its exploration program on the Exxeter Property. The Company has a working capital surplus of \$322,906 (June 30, 2017 - \$364,802) and an accumulated deficit of \$66,995 (June 30, 2017 - \$25,099) as at September 30, 2017. Management estimates that the Company has sufficient working capital for the next 12 months.

These financial statements were authorized for issue in accordance with a resolution from the Board of Directors on November 29, 2017.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), in particular IAS 34, interim reporting, and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

3. BASIS OF PRESENTATION

The financial statements have been prepared on a historical cost, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. The financial statements are presented in Canadian dollars, which is also the Company's functional currency. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a) Exploration and evaluation assets****i. Pre-license expenditures**

Pre-license expenditures are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred as exploration and evaluation expense.

DARIEN RESOURCE DEVELOPMENT CORP.**NOTES TO FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017 AND PERIOD FROM MARCH 13, 2017
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**a) Exploration and evaluation assets (*continued*)****ii. Exploration and evaluation expenditures**

Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation ("E&E") assets according to the nature of the asset acquired. Such E&E costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the exploratory activity. When this is no longer the case, impairment costs are charged to exploration and evaluation expense. Upon determination of mineral reserves, E&E assets attributed to those reserves are first tested for impairment and then reclassified to development and production assets within property, plant and equipment, net of any impairment. Expired land costs are also expensed to exploration and evaluation expense as they occur.

The Company has not established any NI 43-101 compliant proven or probable reserves on any of its mineral properties which have been determined to be economically viable.

iii. Impairment

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

DARIEN RESOURCE DEVELOPMENT CORP.**NOTES TO FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017 AND PERIOD FROM MARCH 13, 2017
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**b) Restoration, rehabilitation, and environmental obligations**

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arise from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss. The Company has no restoration, rehabilitation and environmental obligations as at September 30, 2017.

c) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enactive or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

d) Share capital

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

The proceeds from the issue of units is allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

DARIEN RESOURCE DEVELOPMENT CORP.**NOTES TO FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017 AND PERIOD FROM MARCH 13, 2017
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**e) Share based payments**

Options and warrants granted are accounted for using the fair value method. Under this method, the fair value of stock options and warrants granted are measured at estimated fair value at the grant date and recognized over the vesting period. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus on options granted is transferred to share capital.

The Company uses the Black-Scholes option pricing model to determine the fair value of these incentives taking into consideration terms and conditions upon which the options were granted. At each financial reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

f) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

g) Financial instruments**Financial assets**

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available-for-sale

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in accumulated other comprehensive (income) loss. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**g) Financial instruments (*continued*)***Financial assets (continued)**Available-for-sale (continued)*

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities

This category comprises liabilities initially recognized at fair value less directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method.

The Company has classified its cash as fair value through profit and loss. The Company's accounts payable and accrued liabilities are classified as other financial liabilities. Refer to Note 11 for additional details.

h) Flow-through shares

The Company will from time to time issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors.

Proceeds from flow-through shares issuances are allocated between the offering of shares and the sale of tax benefits based on the difference between the amount the investor pays for the shares and the fair value of the Company's common shares. A liability is recognized for any premium and is reduced on a pro-rata basis as expenditures are incurred.

i) Critical accounting estimates and judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

DARIEN RESOURCE DEVELOPMENT CORP.

NOTES TO FINANCIAL STATEMENTS

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017 AND PERIOD FROM MARCH 13, 2017
(INCEPTION) TO JUNE 30, 2017**

(Expressed in Canadian dollars)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

i) Critical accounting estimates and judgements (*continued*)

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Judgements

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1.

Estimates

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Carrying value and recoverability of exploration and evaluation assets

Management assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of any such assets may exceed their recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company shall measure, present and disclose any resulting impairment.

DARIEN RESOURCE DEVELOPMENT CORP.

NOTES TO FINANCIAL STATEMENTS

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017 AND PERIOD FROM MARCH 13, 2017
(INCEPTION) TO JUNE 30, 2017**

(Expressed in Canadian dollars)

5. CHANGES IN ACCOUNTING POLICIES

The following have not yet been adopted and are being evaluated to determine their impact on the Company's financial statements:

IFRS 9 Financial Instruments - IFRS 9 was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. 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. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is required to be applied for annual periods beginning on or after January 1, 2013. IFRS 9 has a tentative effective date of January 1, 2018 with early adoption permitted.

IFRS 7 Financial Instruments: Disclosures - amended to require additional disclosure on transition from IAS 39 to IFRS 9. The Company does not expect any effect on its financial statements from the adoption of this standard.

IFRS 16 Leases - IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. This standard is effective for annual periods beginning on or after January 1, 2019. The Company is in the process of assessing the impact of this pronouncement.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

Based on its review of the above, management is of the opinion that the Company's current accounting policies and disclosures in its financial statements comply in all material respects with the requirements so far as they are applicable to its present operations.

DARIEN RESOURCE DEVELOPMENT CORP.**NOTES TO FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017 AND PERIOD FROM MARCH 13, 2017
(INCEPTION) TO JUNE 30, 2017****(Expressed in Canadian dollars)**

6. EXPLORATION AND EVALUATION ASSETS**Exxeter Property**

	September 30, 2017	June 30, 2017
	\$	\$
Acquisition costs, beginning	10,000	-
Additions	-	10,000
Total acquisition costs	10,000	10,000
Exploration costs, beginning	107,100	-
Geophysics	-	107,100
Total exploration costs	107,100	107,100
TOTAL	117,100	117,100

On March 27, 2017 (the "Effective Date"), the Company entered into an option agreement (the "Exxeter Option Agreement") to acquire a 100% interest in the Exxeter Property. In order for the Company to exercise its option, it will be required to:

(a) pay the Optionor an aggregate of \$335,000 as follows:

- (i) \$10,000 on the Effective Date (paid);
- (ii) a further \$25,000 on or before the first anniversary of the Effective Date;
- (iii) a further \$50,000 on or before the second anniversary of the Effective Date; and
- (iv) a further \$250,000 on or before the third anniversary of the Effective Date.

(b) issue an aggregate of 300,000 Common Shares on the date the Company's Shares list on the TSX Venture Exchange (the "Listing Date").

(c) incur exploration expenditures of \$600,000 on the Exxeter Property as follows:

- (i) \$100,000 on or before the first anniversary of the Effective Date (incurred);
- (ii) a further \$200,000 on or before the second anniversary of the Effective Date; and
- (iii) a further \$300,000 on or before the third anniversary of the Effective Date.

The Company will also be responsible to make all government payments in order to maintain the mineral claims in good standing. The optionor will also retain a 1% net smelter return royalty (the "Royalty") on the Exxeter Property. The Company may purchase, at any time, 1% of the Royalty by paying the optionor a total of \$1,000,000.

DARIEN RESOURCE DEVELOPMENT CORP.**NOTES TO FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017 AND PERIOD FROM MARCH 13, 2017
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7. RELATED PARTY

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

During the three months ended September 30, 2017, \$7,824 (period from inception on March 13, 2017 to June 30, 2017 - \$5,000) was paid for legal services provided by a related party. As of September 30, 2017, \$20,000 (June 30, 2017 - \$5,000) are due to related parties and have been included in accounts payable and accrued liabilities.

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

During the period from inception on March 13, 2017 to September 30, 2017, there was no compensation of key management personnel.

8. SHARE CAPITAL**a) Authorized**

Unlimited common shares without par value.
Unlimited preferred shares without par value.

b) Issued and outstanding

As at September 30, 2017, the issued share capital comprised of 12,100,001 common shares.

On March 13, 2017, the Company issued one Common Share at a price of \$1.00 per share.

On March 13, 2017, the Company issued 2,000,000 Common Shares at a price of \$0.001 per share for total proceeds of \$2,000.

On April 28, 2017, the Company issued 8,100,000 units at a price of \$0.05 per share for total gross proceeds of \$405,000. Each Unit consisted of one common share and one non-transferable share purchase warrant with each Warrant entitling the holder to purchase an additional common share of the Company at any time for a period of three years from the date of issuance at a price of \$0.05 per common share.

Also on April 28, 2017, the Company issued 2,000,000 "flow-through" units (the "FT Units") at a price of \$0.05 per FT Unit for total gross proceeds of \$100,000. Each FT Unit consists of one common share and one common Share Warrant with each Warrant entitling the holder to purchase an additional common share of the Company at any time for a period of three years from the date of issue at a price of \$0.05 per Common Share.

DARIEN RESOURCE DEVELOPMENT CORP.**NOTES TO FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017 AND PERIOD FROM MARCH 13, 2017
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8. SHARE CAPITAL (*continued*)

c) Stock options

The directors of the Company adopted a stock option plan on July 20, 2017. The purpose of the Stock Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees, management company employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs. The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Company's Common Shares issued and outstanding from time to time. The Stock Option Plan will be administered by the Company's board of directors, which will have full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the board of directors may from time to time designate. The exercise price of option grants will be determined by the board of directors, but after listing on the Exchange will not be less than the closing market price of the Common Shares on the Exchange less allowable discounts at the time of grant. The Stock Option Plan provides that the number of Common Shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued Common Shares, if the individual is a director or officer unless disinterested shareholder approval is obtained or the Common Shares are listed on the Exchange, or 2% of the issued Common Shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

No stock options were issued or expired during the period from inception on March 13, 2017 to September 30, 2017 and the Company had no stock options outstanding as at September 30, 2017.

d) Warrants

As at September 30, 2017, 10,100,000 warrants were issued at the price of \$0.05 per common share.

Share purchase warrant transactions are summarized as follows:

	Warrants Outstanding	Weighted- Average Exercise Price	Weighted-Average Remaining Contractual Life (years)
Balance, March 13, 2017	-	\$ -	-
Warrants issued	10,100,000	0.05	2.58
Balance, June 30, 2017 and September 30, 2017	10,100,000	\$ 0.05	2.58

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8. SHARE CAPITAL (*continued*)d) Warrants (*continued*)

Details of share purchase warrants outstanding as of September 30, 2017 are as follows:

Number of Warrants	Exercise Price	Weighted-Average Remaining Contractual Life (years)	Expiry Date
8,100,000	\$ 0.05	2.58	April 28, 2020
2,000,000	0.05	2.58	April 28, 2020
10,100,000	\$ 0.05		

e) Shares in escrow

In accordance with National Policy 46-201 - Escrow for Initial Public Offerings (previously defined as "NP 46-201"), all shares of an issuer owned or controlled by its principals are required to be placed in escrow at the time of the issuer's initial public offering, unless the shares held by the principal or issuable to the principal upon conversion of convertible securities held by the principal collectively represent less than 1% of the voting rights attaching to the total issued and outstanding securities of the issuer after giving effect to the initial public offering. Upon completion of the Offering, the Company anticipates being an "emerging issuer" as defined in NP 46-201.

The following securities of the Company are held by, and are subject to the terms of an escrow agreement dated September 7, 2017.

Designation of Class	Number of Securities	Percentage of Issued Shares Prior to Completion of the Offering	Percentage of Issued Shares on Completion of the Offering
Common Shares	2,000,001	16.5%	11.7%

As the Company anticipates being an "emerging issuer" as defined in NP 46-201, the following automatic timed releases will apply to the Common Shares held by its principals who are subject to escrow:

On the Listing Date	1/10 of the escrow securities
6 months after the Listing Date	1/6 of the remaining escrow securities
12 months after the Listing Date	1/5 of the remaining escrow securities
18 months after the Listing Date	1/4 of the remaining escrow securities
24 months after the Listing Date	1/3 of the remaining escrow securities
30 months after the Listing Date	1/2 of the remaining escrow securities
36 months after the Listing Date	the remaining escrow securities

DARIEN RESOURCE DEVELOPMENT CORP.**NOTES TO FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017 AND PERIOD FROM MARCH 13, 2017
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9. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months ended September 30, 2017 was based on the loss attributable to common shareholders of \$41,896 and the weighted average number of common shares outstanding of 12,100,001 (period from inception on March 13, 2017 to June 30, 2017 - \$ 25,099 and 7,837,616 respectively).

10. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of mineral properties. The Company does not have any externally imposed capital requirements to which it is subject.

As at September 30, 2017, the Company considers capital to be all components of shareholders' equity. 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.

11. FINANCIAL INSTRUMENTS

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk of potential loss to the Group if a counter-party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. With respect to financial assets, the Company's practice is to invest cash in cash equivalents in order to maintain liquidity. Fluctuations in interest rates affect the fair value of cash equivalents.

The Company is not exposed to significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as described in Note 10.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits. Management estimates that the Company has sufficient working capital for the next 12 months.

DARIEN RESOURCE DEVELOPMENT CORP.**NOTES TO FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017 AND PERIOD FROM MARCH 13, 2017
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11. FINANCIAL INSTRUMENTS (*continued*)

Commodity Price Risk

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

Fair Value Measurements

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of cash is determined based on Level 1 inputs, which consist of quoted prices in active markets for identical assets. As at September 30, 2017, the Company believes that the carrying values of accounts payable approximate their fair value because of their nature and relatively short maturity dates or durations.

12. SUBSEQUENT EVENT

On November 3, 2017, the Company filed a prospectus dated November 1, 2017 (the "Prospectus") with the British Columbia Commission in respect of an Initial Public Offering (the "Offering"). The Company has agreed to offer 5,000,000 common shares of the Company at a price of \$0.10 per share for gross proceeds of \$500,000. In connection with the financing the Company entered in an Agency Agreement with Mackie Research Capital Corporation (the "Agent"). The Company will pay the Agent a cash commission of 8% of the gross proceeds of the Offering and will pay a work fee costs of \$15,000 + GST along with reasonable out-of-pocket costs. In addition, the Company has also agreed to grant a non-transferable option to the Agent entitling the Agent to purchase 8% of the number of common shares sold under the Offering at a price of \$0.10 for a period of 24 months from the date of closing the Offering.