

## **SYD FINANCIAL INC.**

**Condensed Interim Financial Statements**  
**June 30, 2015**  
**(Unaudited - Expressed in Canadian Dollars)**

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## **NOTICE OF NO AUDITOR REVIEW OF 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 interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

August 25, 2015

**SYD FINANCIAL INC.**  
**Condensed Interim Statements of Financial Position**  
**(Unaudited - Expressed in Canadian Dollars)**

	June 30, 2015	March 31, 2015
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 1	\$ 1
GST receivable	545	-
	<b>\$ 546</b>	<b>\$ 1</b>
<b>Liabilities</b>		
<b>Current</b>		
Due to related party (note 5)	\$ 12,598	\$ -
	<b>12,598</b>	<b>-</b>
<b>Equity</b>		
<b>Capital Stock</b> (note 6)	1	1
<b>Deficit</b>	(12,053)	-
	<b>(12,052)</b>	<b>-</b>
	<b>\$ 546</b>	<b>\$ 1</b>

Approved on behalf of the Board:

Keith Anderson (signed)  
Keith Anderson, Director

Blair Naughty, (signed)  
Blair Naughty, Director

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

**SYD FINANCIAL INC.****Condensed Interim Statement of Operations and Comprehensive Loss****Three Months Ended June 30****(Unaudited - Expressed in Canadian Dollars)**

	2015
<b>Expenses</b>	
Legal	\$ 12,053
<b>Net Loss and Comprehensive Loss for the Period</b>	<b>\$ 12,053</b>
<b>Basic and Diluted Loss Per Share</b>	<b>\$ (12,053.00)</b>
<b>Weighted Average Number of Common Shares Outstanding - Basic and Diluted</b>	<b>1</b>

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

**SYD FINANCIAL INC.****Condensed Interim Statements of Changes in Equity  
(Unaudited - Expressed in Canadian Dollars)**

	<b>Number of Shares</b>	<b>Capital Stock</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance, February 18, 2015</b>	-	\$ -	\$ -	\$ -
Share issued for cash on incorporation	1	1	-	1
<b>Balance, March 31, 2015</b>	1	\$ 1	\$ -	\$ 1
Net loss and comprehensive loss for the period	-	-	(12,053)	(12,053)
<b>Balance, June 30, 2015</b>	1	\$ 1	\$ (12,053)	\$ (12,052)

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

**SYD FINANCIAL INC.**  
**Condensed Interim Statement of Cash Flows**  
**Three Months Ended June 30**  
**(Unaudited - Expressed in Canadian Dollars)**

	<b>2015</b>
<b>Operating Activities</b>	
Net loss	\$ (12,053)
Changes in non-cash working capital	
GST receivable	(545)
<b>Cash Used in Operating Activities</b>	<b>(12,598)</b>
<b>Financing Activity</b>	
Expenses paid by related party	12,598
<b>Cash Provided by Financing Activity</b>	<b>12,598</b>
<b>Outflow of Cash</b>	<b>-</b>
<b>Cash, Beginning of Period</b>	<b>1</b>
<b>Cash, End of Period</b>	<b>\$ 1</b>

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

## **SYD FINANCIAL INC.**

### **Notes to the Condensed Interim Financial Statements For the Three Months Ended June 30, 2015 (Unaudited - Expressed in Canadian Dollars)**

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#### **1. NATURE AND CONTINUANCE OF OPERATIONS**

SYD Financial Inc. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on February 18, 2015. The principal business of the Company is to identify, evaluate and then acquire an interest in a business or assets. The address of its head office is located at 1288 Steeple Drive, Coquitlam, British Columbia, Canada V3E 1K2. The Company is a wholly-owned subsidiary of Alchemist Mining Inc. ("Alchemist") at June 30, 2015. Subsequent to June 30, 2015, a plan of arrangement was completed and the Company is no longer a subsidiary of Alchemist (note 8).

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses.

These conditions represent a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

#### **2. BASIS OF PRESENTATION**

(a) Statement of compliance

The condensed interim financial statements ("financial statements") of the Company have been prepared in accordance with IAS 34 Interim Financial Reporting.

The condensed interim financial statements of the Company should be read in conjunction with the Company's March 31, 2015 financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Approval of the financial statements

The financial statements of the Company for the three months ended June 30, 2015, were reviewed by the Audit Committee and approved and authorized for issue on August 25, 2015 by the Board of Directors of the Company.

(c) Basis of presentation

The financial statements are presented in Canadian dollars, which is also the Company's functional currency. The financial statements of the Company have been prepared on an accrual basis except for cash flow information, and are based on historical costs, except for certain financial instruments, which are stated at their fair values.

## **SYD FINANCIAL INC.**

### **Notes to the Condensed Interim Financial Statements For the Three Months Ended June 30, 2015 (Unaudited - Expressed in Canadian Dollars)**

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#### **3. SIGNIFICANT ACCOUNTING POLICIES**

The condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 3 to the audited financial statements for the period ended March 31, 2015.

#### **4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company classifies its financial instruments as follows:

- Cash is classified as a financial asset at FVTPL; and
- Due to related party is classified as other financial liabilities.

The carrying values of these financial assets approximate their fair values.

The Company's risk exposure and the impact on the Company's financial instruments is summarized below:

- Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. At June 30, 2015, the Company has cash of \$1 available to apply against short-term business requirements and current liabilities of \$12,598. All of the liabilities are due within 90 days.

#### **5. RELATED PARTY TRANSACTIONS**

At June 30, 2015, the Company has \$12,598 due to Alchemist. The balance relates to legal fees paid on the Company's behalf by Alchemist prior to completion of the plan of arrangement (note 8).

#### **6. CAPITAL STOCK**

- (a) Authorized

Unlimited number of common shares and preferred shares without par value

- (b) Issued and outstanding

##### Period ended March 31, 2015

On February 18, 2015, the date of incorporation, the Company issued one common share at a price of \$0.01.



**SYD FINANCIAL INC.****Notes to the Condensed Interim Financial Statements****For the Three Months Ended June 30, 2015****(Unaudited - Expressed in Canadian Dollars)**

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**7. CAPITAL MANAGEMENT**

The Company is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

**8. SUBSEQUENT EVENT**

Effective July 16, 2015, the Company with Alchemist, Chichi Financial Inc. ("Chichi") and Alexis Financial Inc. ("Alexis"), completed a statutory plan of arrangement (the "Arrangement"). As a result, the Company became a reporting issuer in the provinces of British Columbia, Alberta and Ontario.

Pursuant to the Arrangement, the Company issued 2,200,000 common shares of the Company to holders of Class 3 reorganization shares of Alchemist on a pro rata basis. Alchemist then redeemed all Class 3 reorganization shares held by the Company in consideration of the transfer of \$15,000 in working capital (\$12,598 of which had been advanced prior to June 30, 2015) and a promissory note in the principal amount of \$29,000 to the Company under the Arrangement. Upon completion of the Arrangement, all of the Company's common shares were held by the shareholders of Alchemist.