

Introduction

This Management's Discussion and Analysis ("MD&A") is a review of the operations, current financial position and outlook for SYD Financial Inc. (the "Company"). This discussion should be read in conjunction with the Company's condensed interim financial statements and accompanying notes for the nine month period ended December 31, 2016, available through the SEDAR website at www.sedar.com.

The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's functional and reporting currency is the Canadian Dollar, unless otherwise stated. This Management Discussion and Analysis is dated February 22, 2017.

Description of Business

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. On July 16, 2015, the Company entered into a Plan of Arrangement with Alchemist Mining Inc. ("Alchemist") and became a reporting issuer in the provinces of British Columbia, Alberta and Ontario.

The principal business office of the Company is located at 1288 Steeple Drive, Coquitlam, British Columbia, V3E 1K2. The Company's main contact is its President, Mr. Keith Anderson. The Company's phone number is (604) 786-7774.

The registered office and records of the Company are located at 800-885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

Overall Performance

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

On July 16, 2015, the Company completed the Arrangement with Alchemist. Pursuant to the Arrangement, the Company issued 2,200,000 common shares to shareholders of Alchemist in exchange for Class 3 reorganization shares of Alchemist. Alchemist subsequently redeemed all of the Class 3 reorganization shares by the transfer to the Company of \$15,000 in cash and a promissory note in the principal amount of \$29,000, and the Company redeemed the initial one common share held by Alchemist for \$1, with the result that the shareholders of Alchemist held all the shares of the Company. The promissory note is due on demand and bears no interest.

Proposed Transactions

At December 31, 2016, and the date of this MD&A, the Company has no proposed transactions.

SYD FINANCIAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Nine Months Ended December 31, 2016

Selected Annual Information

	Year Ended March 31, 2016	42-Day Period Ended March 31, 2015
Continued Operations		
Net and comprehensive loss for the period	\$ (18,512)	\$ -
Basic and diluted loss per share	(0.01)	-
Total Assets	29,924	1
Total Liabilities	4,436	-

Results of Operations

For the three months ended December 31, 2016, the Company incurred accounting, legal and audit fees of \$3,150 (2015 - \$nil) and transfer agent and filing fees of \$1,679 (2015 - \$nil). Costs were higher in 2016 due to more activity. The Company also paid corporate administration fees of \$6,000 to Alchemist (2015 - \$nil) for recovery of costs incurred by Alchemist on behalf of the Company.

For the nine months ended December 31, 2016, the Company incurred accounting, legal and audit fees of \$4,307 (2015 - \$13,972) and transfer agent and filing fees of \$1,679 (2015 - \$2,818). Costs were higher in 2015 due to the closing of the Plan of Arrangement. The Company also paid corporate administration fees of \$6,000 to Alchemist (2015 - \$nil) for recovery of costs incurred by Alchemist on behalf of the Company.

Summary of Quarterly Financial Results

Results for the most recent quarters including the last quarter ended December 31, 2016 are as follows:

For the Quarterly Periods ended:	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Total revenues	\$ -	-	-	-
Net loss for the period	(10,829)	(1,050)	(107)	(1,722)
Net loss per common share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)

For the Quarterly Periods ended:	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015
Total revenues	\$ -	-	-	-
Net loss for the period	-	(4,737)	(12,053)	-
Net loss per common share, basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)

Related Party Transactions

During the nine months ended December 31, 2016, the Company paid \$6,000 (2015 - \$nil) to Alchemist for corporate administration costs.

Commitments

At December 31, 2016, and the date of this MD&A, the Company has no commitments.

Liquidity and Capital Resources

As at December 31, 2016, the Company has working capital of \$13,502 (March 31, 2016 - \$25,488), consisting primarily of a promissory note receivable from Alchemist offset by accounts payable and accrued liabilities.

To address working capital requirements for fiscal 2016, the Company entered into a Plan of Arrangement and received \$15,000 in cash and a promissory note for \$29,000 from Alchemist. The Company will need to pursue additional financing during the March 31, 2017 fiscal year to continue to identify and evaluate businesses and assets for a potential acquisition. Any such acquisition will require a significant financing.

Outstanding Shares

The following table sets forth information concerning the outstanding securities of the Company:

	February 22, 2017	December 31, 2016	March 31, 2016
Common Shares	2,200,000	2,200,000	2,200,000
Fully Diluted Shares	2,200,000	2,200,000	2,200,000

Financial and Other Instruments

The Company classifies its financial instruments as follows:

- Cash is classified as a financial asset at FVTPL;
- Promissory note is classified as loans and receivables; and
- Accounts payable and accrued liabilities is classified as other financial liabilities.

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

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing at major Canadian financial institutions. The Company has minimal credit risk. The Company has credit risk with respect to the promissory note receivable.

(b) 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 December 31, 2016, the Company has cash, in trust of \$56 available to apply against short-term business requirements and current liabilities of \$5,614. All of the liabilities are due within 90 days.

Management's Report on Internal Control over Financial Reporting

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying MD&A.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financing reporting, as defined in MI 52-109.

Accounting Standards, Amendments and Interpretations not yet Effective

For details of the Company's Future Accounting Standards, including accounting standards not yet adopted, new accounting standards adopted, and accounting standards amended but not yet effective, please refer to Note 3 of the Company's audited financial statements for the year ended March 31, 2016.

Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements as at December 31, 2016 or as of the date of this report.

Risks and Uncertainties

The Company believes that the following risks and uncertainties may materially affect its success.

Limited Operating History

The Company is a relatively new company with limited operating history and no history of business operations or revenue generation. The Company was incorporated on February 18, 2015 and has yet to generate a profit from its activities. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its objective of acquiring a business or an asset.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the acquisition of a business or an asset will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities. To meet such funding requirements, the Company will be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all.

Competition

The Company will compete with other companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of assets and businesses, as well as for the recruitment and retention of qualified employees and other personnel.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The British Columbia Business Corporations Act ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

Caution Regarding Forward Looking Statements

This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans; the costs and timing of its developments; its future investments and allocation of capital resources; success of acquiring an asset or business; requirements for additional capital. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, our lack of operating history; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; failure of any asset or business acquired to operate as anticipated; delays in financing or incompleteness of business or asset acquisition, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company's business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of Canada, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

Additional Disclosure for Venture Issuers without Significant Revenue

Detailed listings of general and administrative expenses are provided in the condensed interim financial statements of the Company for the nine-month period ended December 31, 2016.

Officers and Directors

Current Directors of the Company are as follows:

Keith Anderson, President, CEO and Secretary
Joseph Meagher, CFO and Director
Blair Naughty, Director

Approval

The Board of Directors of SYD Financial Inc. has approved the disclosure contained in this MD&A.

Additional information related to the Company is available on SEDAR at www.sedar.com.