

SYD Financial Inc.

**Condensed Consolidated Interim Financial Statements
December 31, 2017
(Expressed in Canadian Dollars)**

NOTE TO READER

Under National Instrument 51-102, if an auditor has not performed a review of interim financial statements they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated 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 interim financial statements.

SYD Financial Inc.
Consolidated Statements of Financial Position
As at December 31, 2017 and March 31, 2017
Expressed in Canadian Dollars

	Note	December 31, 2017	March 31, 2017
		(Unaudited)	
ASSETS			
Current assets			
Cash		\$ 230,674	\$ -
Sales tax recoverable		6,774	-
Total current assets		237,448	-
Exploration and evaluation assets	5	82,018	-
Total assets		\$ 319,466	\$ -
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	40,530	9,132
Related party payables		5,255	-
Total liabilities		45,785	9,132
SHAREHOLDERS' EQUITY			
Capital stock	7	411,786	-
Deficit		(138,105)	(9,132)
Total shareholders' equity		273,681	(9,132)
Total liabilities and shareholders' equity		\$ 319,466	\$ -

Nature and Continuance of Operations (Note 1)

Approved on behalf of the Board:

Keith Anderson (signed)
Keith Anderson, Director

Spencer Smyl, (signed)
Spencer Smyl, Director

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

SYD Financial Inc.**Interim Consolidated Statement of Loss and Comprehensive Loss****For the three and nine months ended December 31, 2017**

Expressed in Canadian Dollars

(Unaudited)

	Note	Three months ended December 31, 2017	Nine months ended December 31, 2017
OPERATING EXPENSES			
Consulting	9	\$ 4,425	\$ 14,925
Corporate administration		300	300
Office and miscellaneous		46	320
Professional fees		3,791	12,301
Transfer agent and filing fees		1,267	1,267
		9,829	29,113
OPERATING LOSS BEFORE OTHER ITEMS		(9,829)	(29,113)
Other Items			
Listing expense	4	(99,860)	(99,860)
NET LOSS AND COMPREHENSIVE LOSS		\$ (109,689)	\$ (128,973)
Loss per share			
Basic and diluted	8	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding			
Basic and diluted	8	15,622,290	14,291,094

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

SYD Financial Inc.
Interim Consolidated Statements of Cash Flows
For the nine months ended December 31, 2017
Expressed in Canadian Dollars
(Unaudited)

OPERATING ACTIVITIES	
Net loss	\$ (128,973)
Items not affecting cash:	
Listing expense	99,860
Changes in non-cash working capital items:	
Increase in sales tax recoverable	(5,630)
Increase in accounts payable and accrued liabilities	11,084
Cash used in operating activities	(23,659)
FINANCING ACTIVITIES	
Related party advances	5,255
Acquisition of SYD Financial Inc.	8,880
Advances to SYD Financial Inc. prior to RTO	(54,500)
Proceeds from the issuance of common shares	380,000
Share issue costs	(3,284)
Cash flows relating to financing activities	336,351
INVESTING ACTIVITIES	
Expenditures on exploration and evaluation assets	(82,018)
Cash flows relating to investing activities	(82,018)
Increase in cash during the period	230,674
Cash, beginning of period	-
Cash, end of period	\$ 230,674

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

SYD Financial Inc.
Interim Consolidated Statements of Changes in Shareholders' Equity
For the period from Inception to December 31, 2017
Expressed in Canadian Dollars
(Unaudited)

	Number	Share Capital	Deficit	Total Shareholders' Equity
Balance, date of incorporation on March 3, 2017	1	\$ -	\$ -	\$ -
Net loss and comprehensive loss	-	-	(9,132)	(9,132)
Balance, March 31, 2017	1	\$ -	\$ (9,132)	\$ (9,132)
Issued for cash				
Pursuant to a private placement - at \$0.025	11,200,000	280,000	-	280,000
Pursuant to a flow through private placement - at \$0.025	4,000,000	100,000	-	100,000
less; share issue costs	-	(3,284)	-	(3,284)
Recapitalization of SYD Financial Inc.	2,158,365	53,959	-	53,959
Recapitalization costs	-	(18,889)	-	(18,889)
Net loss and comprehensive loss	-	-	(128,973)	(128,973)
Balance, December 31, 2017	17,358,366	\$ 411,786	\$ (138,105)	\$ 273,681

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

SYD Financial Inc.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

SYD Financial Inc. ("SYD" or the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on February 18, 2015. 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 address of its head office is located at 1470 – 701 West Georgia Street, Vancouver, British Columbia, Canada V7Y 1C6. The address of its registered office is 800-885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3H1.

On December 13, 2017, the Company closed an Acquisition Agreement with 1109692 B.C. Ltd. ("Numberco") pursuant to which SYD purchased the shares and warrants of Numberco in exchange for shares and warrants of SYD on a one for one basis. Each warrant can be exercised into one common share of SYD at an exercise price of \$0.05 per share until April 19, 2027.

Upon closing of the agreement, Numberco became a wholly-owned subsidiary of SYD. Numberco was incorporated under the *Business Corporations Act* (British Columbia) on March 3, 2017. The principal business of Numberco is the acquisition, exploration and evaluation of mineral properties in Canada.

These consolidated interim financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. At December 31, 2017, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business and its continued operations 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. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these financial statements.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim financial statements 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 financial statements for the year ended March 31, 2017, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

SYD Financial Inc.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

2. BASIS OF PRESENTATION – Continued

(b) Approval of the financial statements

The financial statements of the Company for the nine months ended December 31, 2017 were reviewed by the Audit Committee and approved and authorized for issue on March 1, 2018 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.

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 year ended March 31, 2017.

4. REVERSE TAKEOVER TRANSACTION

On July 10, 2017, the Company entered into an Acquisition Agreement with Numberco (see Note 1) and on December 13, 2017, the Company and Numberco closed the Acquisition Agreement whereby SYD purchased all of the shares of Numberco in exchange for common shares of SYD on the basis of one common share of SYD for each one share of Numberco. As well, SYD purchased all of the issued and outstanding warrants of Numberco in exchange for warrants of SYD (the "Replacement Warrants"). Each Replacement Warrant is exercisable into one common share of SYD at an exercise price of \$0.05 per share until April 19, 2027.

Upon closing of the Acquisition Agreement, Numberco became a wholly-owned subsidiary of SYD.

As of the date of the Acquisition Agreement, Numberco had advanced \$54,500 to SYD to pay for expenses associated with public company reporting obligations prior to the consummation of the transaction. All amounts advanced were eliminated upon consolidation upon completion of the Acquisition Agreement.

The Acquisition Agreement was accounted for as a reverse takeover transaction that was not a business combination and effectively a capital transaction of Numberco. Numberco has been treated as the accounting acquirer (legal subsidiary) and SYD has been treated as the accounting acquire (legal parent) in these condensed consolidated interim financial statements. As Numberco was deemed to be the acquirer for accounting purposes, the condensed consolidated interim financial statements are presented as a continuation of Numberco.

SYD Financial Inc.

Notes to the Condensed Consolidated Interim Financial Statements

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(Expressed in Canadian Dollars)

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4. REVERSE TAKEOVER TRANSACTION – Continued

Details of the purchase price consideration and allocation are shown below:

Consideration paid	\$	53,959
Net assets acquired		
Cash		8,880
Receivables		1,144
Trade payables and accruals		(1,425)
Due to Numberco		(54,500)
<u>Net assets (liabilities) acquired</u>		<u>(45,901)</u>
<u>Listing expense</u>	<u>\$</u>	<u>99,860</u>

The fair value of Consideration paid was calculated based on the number of common shares of SYD outstanding as of the date of the consummation of the transaction with a fair value per share of \$0.025, which is the price at which Numberco common shares were issued in a recent private placement transaction prior to the consummation of the Acquisition Agreement.

The fair value of SYD's net assets and liabilities is estimated to be consistent with their carrying value due to their short-term nature.

SYD Financial Inc.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2017

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(Unaudited)

5. EXPLORATION AND EVALUATION ASSETS

The Company has acquired the rights, through staking, to 82 mineral claims covering approximately 4,550 hectares located in the Chapais Township, Quebec, collectively known as the Pluto Gold and Base Metals Property, at a cost of \$5,255.

During the nine months ended December 31, 2017, the Company incurred exploration and acquisition costs on the Pluto Gold and Base Metals Property as follows:

Balance, March 31, 2017	\$	-
Acquisition costs		
Staking costs		5,255
<u>Total acquisition costs</u>		<u>5,255</u>
Exploration expenditures		
Assay		2,626
Geological		47,308
Tilling and sampling		23,060
Travel and field		3,769
<u>Total exploration expenditures</u>		<u>76,763</u>
Balance, December 31, 2017	\$	82,018

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2017	March 31, 2017
Trade payables	28,055	\$ -
Accrued liabilities	12,475	9,132
<u>Total accounts payable and accrued liabilities</u>	<u>\$ 40,530</u>	<u>\$ 9,132</u>

SYD Financial Inc.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

7. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

At incorporation, the Company issued 1 common share of the Company for consideration of \$0.01.

Nine months ended December 31, 2017

On April 19, 2017, the Company issued 11,200,000 non flow-through units at \$0.025 for gross proceeds of \$280,000 and 4,000,000 flow through units at \$0.025 per share for gross proceeds of \$100,000 pursuant to a private placement. Each non flow-through unit consisted of one common share of the Company and one share purchase warrant exercisable into one additional common share of the Company at an exercise price of \$0.05 per share for a period of ten years. Each flow through unit of the Company consisted of one flow through common share of the Company and one share purchase warrant exercisable into one additional non flow-through share of the Company at an exercise price of \$0.05 per share for a period of ten years.

In connection with the private placement, the Company paid legal fees of \$3,284 which were recorded as share issue costs.

(c) Share purchase warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2017	-	-
Issued	15,200,000	\$0.05
Balance, December 31, 2017	15,200,000	\$0.05

At December 31, 2017, the Company had 15,200,000 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share at a price of \$0.05 per share until April 19, 2027.

SYD Financial Inc.

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8. LOSS PER SHARE

The calculation of basic and diluted loss per share was based on the following data:

	Three months ended December 31, 2017	Nine months ended December 31, 2017
Net loss	\$ (109,689)	\$ (128,973)
Weighted average number of common shares outstanding – basic and diluted	15,622,290	14,291,094

The basic loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All share purchase warrants issued and outstanding were excluded from the calculation of diluted loss per share because their effect was anti-dilutive.

9. RELATED PARTY TRANSACTIONS

The Company considers key management personnel to be the directors and officers of the Company. During the three and nine months ended December 31, 2017, the Company accrued \$3,000 and \$13,500, respectively, in consulting fees to Spencer Smyl, a director of the Company, for services rendered. These transactions were measured at the exchange amount, which is the amount agreed upon by the parties.

At December 31, 2017 there was \$9,000 (March 31, 2017: \$Nil) owed to Spencer Smyl for unpaid consulting fees.