

SYD Financial Inc.

**Consolidated Financial Statements
March 31, 2018
(Expressed in Canadian Dollars)**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SYD Financial Inc.

We have audited the accompanying consolidated financial statements of SYD Financial Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2018 and 2017, the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended March 31, 2018 and the period from incorporation on March 7, 2017 to March 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2018, and its financial performance and its cash flows for the year ended March 31, 2018 and the period from incorporation on March 7, 2017 to March 31, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 of the consolidated financial statements which describe conditions that indicate the existence of a material uncertainty that may cast significant doubt about SYD Financial Inc.'s ability to continue as a going concern.



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
July 30, 2018

An independent firm associated with
Moore Stephens International Limited

MOORE STEPHENS

SYD Financial Inc.
Consolidated Statements of Financial Position
As at March 31, 2018 and 2017
Expressed in Canadian Dollars

	Note	2018	2017
ASSETS			
Current assets			
Cash	\$	194,420	\$ -
Sales tax recoverable		4,512	-
Total current assets		198,932	-
Exploration and evaluation assets	6	83,299	-
Total assets	\$	282,231	\$ -
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7 \$	39,716	9,132
Related party payables	10	14,000	-
Total liabilities		53,716	9,132
SHAREHOLDERS' EQUITY			
Capital stock	8	430,675	-
Deficit		(202,160)	(9,132)
Total shareholders' equity		228,515	(9,132)
Total liabilities and shareholders' equity	\$	282,231	\$ -
Nature and Continuation of Operations (Note 1)			

Approved on behalf of the Board:

Keith Anderson (signed)
Keith Anderson, Director

Spencer Smyl, (signed)
Spencer Smyl, Director

SYD Financial Inc.**Consolidated Statements of Loss and Comprehensive Loss**

Expressed in Canadian Dollars

		Year ended March 31, 2018	From incorporation on March 7, 2017 to March 31, 2017
	Note		
OPERATING EXPENSES			
Consulting		\$ 3,338	\$ 2,500
Corporate administration		1,200	-
Management fees	10	16,500	-
Office and miscellaneous		664	-
Professional fees		45,702	6,632
Shareholder relations		450	-
Transfer agent and filing fees		6,424	-
		74,278	9,132
OPERATING LOSS BEFORE OTHER ITEMS		(74,278)	(9,132)
Other Items			
Listing expense	5	(118,750)	-
NET LOSS AND COMPREHENSIVE LOSS		\$ (193,028)	\$ (9,132)
Loss per share			
Basic and diluted	9	\$ (0.01)	\$ (9,132)
Weighted average number of shares outstanding			
Basic and diluted	9	15,047,408	1

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

SYD Financial Inc.
Consolidated Statements of Cash Flows
For the year ended March 31, 2018
Expressed in Canadian Dollars

	Year ended March 31, 2018	From incorporation on March 7, 2017 to March 31, 2017
OPERATING ACTIVITIES		
Net loss	\$ (193,028)	\$ (9,132)
Items not affecting cash:		
Listing expense - non cash	54,240	-
Changes in non-cash working capital items:		
Increase in sales tax recoverable	(2,884)	-
Increase in accounts payable and accrued liabilities	28,675	9,132
Increase in due to related parties	14,000	-
Cash used in operating activities	(98,997)	-
FINANCING ACTIVITIES		
Proceeds from the issuance of common shares	380,000	-
Share issue costs	(3,284)	-
Cash flows from financing activities	376,716	-
INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets	(83,299)	-
Cash flows relating to investing activities	(83,299)	-
Increase in cash	194,420	-
Cash, beginning	-	-
Cash, ending	\$ 194,420	\$ -

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

SYD Financial Inc.**Consolidated Statement of Changes in Shareholders' Equity****For the period from Inception to March 31, 2018**

Expressed in Canadian Dollars

	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
Share issue costs	-	(3,284)	-	(3,284)
Recapitalization of SYD Financial Inc.	2,158,365	53,959	-	53,959
Net loss and comprehensive loss	-	-	(193,028)	(193,028)
Balance, March 31, 2018	17,358,366	\$ 430,675	\$ (202,160)	\$ 228,515

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

SYD Financial Inc.

Notes to the Consolidated Financial Statements

March 31, 2018

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

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 303 – 570 Granville Street, Vancouver, British Columbia, Canada V6C 3P1. 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. See Note 5.

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. At March 31, 2018, the Company had not yet achieved profitable operations, and has an accumulated deficit of \$202,160. The Company 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 financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The significant accounting policies set out in Note 3 have been applied consistently to all periods presented.

SYD Financial Inc.

Notes to the Consolidated Financial Statements

March 31, 2018

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION – Continued

(b) Approval of the financial statements

The financial statements of the Company for the year ended March 31, 2018 were reviewed by the Audit Committee and approved and authorized for issue on July 30, 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.

(d) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All intercompany transactions, income and expenses have been eliminated upon consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Financial assets

The Company classifies its financial assets as fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

Fair value through profit or loss

Financial assets are classified as FVTPL when the financial asset is held-for-trading or it is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking; or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets or non-current assets based on their maturity date. Loans and receivables are carried at amortized cost, less any impairment.

SYD Financial Inc.

Notes to the Consolidated Financial Statements

March 31, 2018

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Financial instruments (Continued)

(i) Financial assets (Continued)

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Changes in the fair value of available-for-sale financial assets are recognized as other comprehensive income and classified as a component of equity.

Management assesses the carrying value of available-for-sale financial assets at least annually and any impairment charges are also recognized in profit or loss. When financial assets classified as available-for-sale are sold, the accumulated fair value adjustments recognized in other comprehensive income are included in profit or loss.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investments have been impacted

(ii) Financial liabilities

Financial liabilities are classified into one of two categories.

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.

SYD Financial Inc.

Notes to the Consolidated Financial Statements

March 31, 2018

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Financial instruments (Continued)

(i) Financial assets (Continued)

Other financial liabilities

Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the income statement over the period to maturity using the effective interest method. Other financial liabilities are classified as current or non-current based on their maturity date.

(iii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for assets or liabilities that are not based on observable market data.

(b) Share capital

The Company's common shares, share purchase warrants and stock options are classified as equity instruments. Incremental costs directly attributable to the issuance of equity instruments are recorded as reductions to equity, net of tax. For equity offerings of units consisting of common shares and warrants, when both instruments are classified as equity, the Company does not bifurcate the proceeds between common shares and warrants.

(c) Loss per share

Basic loss per share is calculated by dividing the net loss attributable to the common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is calculated by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding for the effects of all options, warrants and similar instruments outstanding that may add to the total number of common shares.

SYD Financial Inc.

Notes to the Consolidated Financial Statements

March 31, 2018

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Deferred tax

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(e) Exploration and evaluation assets

Pre-exploration costs

Costs incurred prior to acquiring the right to explore an area of interest are expensed as incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, and payments made to contractors during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed as incurred.

SYD Financial Inc.

Notes to the Consolidated Financial Statements

March 31, 2018

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Exploration and evaluation assets (Continued)

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statements of loss and comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction". Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

(f) 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. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability; and ii) share capital.

Upon expenses being renounced and incurred, the Company derecognizes the liability and the premium is recognized as other income.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

SYD Financial Inc.

Notes to the Consolidated Financial Statements

March 31, 2018

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as a warrant reserve.

(h) Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the valuation of the Company's exploration and evaluation assets and whether or not an impairment has occurred;
- The inputs used in accounting for flow through premiums on flow through share financings, and accounting for warrants issued in connection with share capital transactions; and
- the recoverability and measurement of deferred tax assets.

(i) Accounting standards issued but not yet effective

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been early-adopted by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have an impact on the Company's financial statements.

SYD Financial Inc.

Notes to the Consolidated Financial Statements

March 31, 2018

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Accounting standards issued but not yet effective (continued)

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 is not expected to have an impact on the classification and measurement of the Company's financial liabilities.

IFRS 15 Revenue from Contracts with Customers

This new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The adoption of IFRS 15 is not expected to have an impact on the Company's financial statements.

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16 Leases ("IFRS 16") which replaces IAS 17, Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to the current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. The adoption of IFRS 16 is not expected to have an impact on the classification and measurement of the Company's financial liabilities.

SYD Financial Inc.

Notes to the Consolidated Financial Statements

March 31, 2018

(Expressed in Canadian Dollars)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its financial instruments as accounts payable and accrued liabilities, and due to related parties, as other financial liabilities.

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

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

(a) 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 March 31, 2018, the Company has \$194,420 in cash available to apply against short-term business requirements and current liabilities of \$53,716.

5. REVERSE TAKEOVER TRANSACTION

On July 10, 2017, the Company entered into an Acquisition Agreement with Numberco, 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 consolidated interim financial statements. As Numberco was deemed to be the acquirer for accounting purposes, the consolidated financial statements are presented as a continuation of Numberco.

SYD Financial Inc.

Notes to the Consolidated Financial Statements

March 31, 2018

(Expressed in Canadian Dollars)

5. REVERSE TAKEOVER TRANSACTION (Continued)

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

Consideration paid - 2,158,365 shares	\$	53,959
Legal fees in relation to amalgamation		18,890
Net assets acquired		
Cash		8,880
Receivables		1,629
Trade payables and accruals		(1,910)
Due to Numberco		(54,500)
Net liabilities assumed		(45,901)
Listing expense	\$	118,750

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 Consolidated Financial Statements

March 31, 2018

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

The Company has acquired the rights, through staking, to 102 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 \$6,537.

During the year ended March 31, 2018, the Company incurred exploration and acquisition costs on the Pluto Gold and Base Metals Property as follows:

	2018	2017
Balance, beginning of the year	\$ -	\$ -
Acquisition costs		
Staking costs	6,537	-
Total acquisition costs	6,537	-
Exploration expenditures		
Assay	2,626	-
Geological	47,307	-
Tilling and sampling	23,061	-
Travel and field	3,768	-
Total exploration expenditures	76,762	-
Balance, end of the year	\$ 83,299	\$ -

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018	2017
Trade payables	\$ 10,986	\$ -
Accrued liabilities	28,730	9,132
Total accounts payable and accrued liabilities	\$ 39,716	\$ 9,132

SYD Financial Inc.

Notes to the Consolidated Financial Statements

March 31, 2018

(Expressed in Canadian Dollars)

8. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

Period ended March 31, 2017

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

Year ended March 31, 2018

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, March 31, 2018	15,200,000	\$0.05

At March 31, 2018, 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.

Notes to the Consolidated Financial Statements

March 31, 2018

(Expressed in Canadian Dollars)

9. LOSS PER SHARE

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

	2018	2017
Net loss	\$ (193,028)	\$ (9,132)
Weighted average number of common shares outstanding – basic and diluted	15,047,408	1

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.

10. RELATED PARTY TRANSACTIONS

The Company considers key management personnel to be the directors and officers of the Company. During the year ended March 31, 2018, the Company incurred \$6,000 (2017: \$Nil) in management fees to 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 March 31, 2018, there was \$14,000 (2017: \$Nil) owed to a director for unpaid management fees.

11. CAPITAL MANAGEMENT

The Company is actively looking to acquire an interest in exploration and evaluation 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. There have been no changes to the Company's approach to capital management during the period ended March 31, 2018.

SYD Financial Inc.

Notes to the Consolidated Financial Statements

March 31, 2018

(Expressed in Canadian Dollars)

12. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	2018	2017
Net loss for the period	\$ (193,028)	\$ (9,132)
Statutory income tax rate	26%	26%
Income tax benefit computed at statutory tax rate	(50,187)	(2,374)
Permanent differences	25,964	-
Effect of renunciation of flow through expenditures	26,000	-
Acquisition of Syd Financial Inc.	(23,374)	-
Temporary differences related to share issue costs	(5,766)	-
Change in valuation allowance	27,363	2,374
Income tax recovery	\$ -	\$ -

Significant components of the Company's unrecognized deferred tax assets are as follows:

	2018	2017
Non-capital losses	\$ 50,486	\$ 2,374
Exploration and evaluation assets	(26,000)	-
Share issue costs	683	-
Recapitalization costs	4,567	-
	29,736	2,374
Valuation allowance	(29,736)	(2,374)
Net deferred tax assets	\$ -	\$ -

No net deferred tax asset has been recognized in respect of the above because the amount of future taxable profit that will be available to realize such assets is not probable.

The Company has non-capital losses of \$194,180 (2017: \$9,132) available for carry-forward to reduce future years' income for income tax purposes. These losses expire beginning in 2036.