SYD FINANCIAL INC.
MANAGEMENT DISCUSSION & ANALYSIS
For the year ended March 31, 2018
(Prepared by Management)

This Management's Discussion and Analysis ("MD&A") is a review of the operations, current financial position and outlook for SYD Financial Inc. ("SYD" or the "Company" or the "Corporation"). This discussion should be read in conjunction with the Company's consolidated financial statements and accompanying notes for the year ended March 31, 2018, 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.

All information contained in this MD&A is current as of July 30, 2018, unless otherwise stated.

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 incompletion 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.

Corporate History

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 Company entered into the Acquisition Agreement dated July 10, 2017 with 1109692 B.C. Ltd. ("Numberco") and the Numberco Shareholders. On December 13, 2017 the parties closed the Acquisition Agreement, whereby the Corporation acquired all of the Numberco Shares and the Numberco Warrants held by the Numberco Shareholders and the Numberco Warrantholders in consideration for the issuance of the Consideration Shares and the Consideration Warrants. On the closing thereof, Numberco became a wholly-owned subsidiary of the Corporation and the business of Numberco became the business of the Corporation. Numberco is a mineral exploration company with an exploration and evaluation stage property located in the Chapais Township, Quebec, collectively known as the Pluto Gold and Base Metals Property.

On June 29, 2018, the Company's shares began trading on the Canadian Securities Exchange (the "CSE") under the symbol SYDF.

The principal business office of the Company is located at 303 - 570 Granville Street, Vancouver, British Columbia, Canada V6C 3P1. 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, Canada V6C 3H1.

Business of the Corporation

The Company is engaged in the acquisition, exploration and development of the Pluto Property in Quebec Canada, along with continuing to identify and potentially acquire additional property interests and conduct exploration and evaluation of to assess their potential. To this end, the Company entered into the Acquisition Agreement with Numberco and the Numberco Shareholders, pursuant to which the Company acquired all of the issued and outstanding Numberco Shares in consideration for the issuance of the Consideration Shares. Numberco holds a 100% undivided interest in the Pluto Property, located in the Dolomieu and Daubrée Townships, Quebec, Canada, consisting of one block of 102 claims covering approximately 5,668.77 hectares located in the Chapais Township, Quebec, collectively known as the Pluto Gold and Base Metals Property.

Pluto Property (Quebec, Canada)

The Pluto Property is situated in the Eeyou Istchee / Baie-James territory of Quebec, and is composed of 102 active claims covering an area of 5,668.77 hectares.

Active claims will come to expiry on May 31, 2019 as to 82 claims and January 2020 as to 20 claims. A minimum of $79,560 in exploration expenditures is required for the claim renewal, along with renewal fees of approximately $6,537. To date, exploration work carried out on the Pluto Property is $76,762, therefore the Company is required to carry out approximately $2,798 prior to the expiry date in order to renew the claims for an additional 2 year-period.

Management anticipates that additional funds will need to be raised, through equity financings, shareholder loans, or otherwise, to fund a work program on this property. Although the Company has secured financings in the past, there is no assurance that the Company will be able to do so in the future on terms that are favourable or at all.

Overall Performance

The Company is an exploration stage issuer engaged in the business of acquisition, exploration and, if warranted, development of mineral properties. As such, the Company has not had any revenues in the past two fiscal years. The Company does not expect to generate any revenues in the foreseeable future. The Company expects to continue to incur expenses as work is performed to explore and develop its mineral property.

The Company is in the process of exploring its mineral property and has not yet determined whether the mineral property contain reserves that are economically recoverable. The Company's future performance is largely tied to the outcome of future exploration and the overall financial markets.

The recoverability of minerals from the Company's mineral property is dependent upon, among other things, the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to continue to explore and develop its property, and upon future profitable production. Uncertainty in credit markets has led to increased difficulties in raising and borrowing funds. As a result, the Company may have difficulties raising equity financing for the purposes of exploration and development of the Company's mineral property, without diluting the interests of current shareholders of the Company.

Selected Annual Information

	2018	**Incorporation date March 3, 2017 to March 31, 2017**
Revenues	$Nil	$Nil
Expenses	$74,278	$9,132
Net Loss	$(193,028)	$(9,132)
Basic and diluted loss per share	$(0.01)	$(9,132)
Total Assets	$282,231	$Nil
Total Liabilities	$53,716	$9,132

Results of Operations

The Company's operating expenses for the year ended March 31, 2018 were $74,278, compared to $9,132 for the period from March 7, 2017 to March 31, 2017. During the year ended March 31, 2018, the Company's operating expenditures primarily consist of general corporate management fees and expenses associated with public company reporting obligations, including legal, accounting and transfer agent and filing fees. During the year ended March 31, 2018, the Company incurred accounting, legal and audit fees of $45,702 and management fees of $16,500. During the period March 1, 2017 to March 31, 2017, the Company incurred consulting fees of $2,500 and professional fees of $6,632.

During the year ended March 31, 2018, the Company recorded a listing expense of $118,750 in connection with the Acquisition Agreement, which was recorded as a reverse acquisition.

Summary of Quarterly Financial Results

Results for the most recent quarters including the last quarter ended March 31, 2018 are as follows:

For the Quarterly Period ended:	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Total revenues	$Nil	$Nil	$Nil	$Nil	$Nil
Net loss for the period	(64,055)	(109,689)	(7,046)	(12,238)	(9,132)
Net loss per common share, basic and diluted	$(0.00)	$(0.01)	$(0.00)	$(0.00)	$(9,132)

Liquidity and Capital Resources

As at March 31, 2018, the Company had working capital of $145,216 (March 31, 2017 – working capital deficiency of $9,132), consisting primarily of cash offset by accounts payable and accrued liabilities.

Summary of Results During Prior Five Quarters

The Company's operating expenses consist of primarily consist of general corporate management fees and expenses associated with public company reporting obligations, including legal, accounting and transfer agent and filing fees. The operating expenses during the quarters ended March 31, 2017, June 30, 2017 and September 30, 2017 consist primarily of management fees and expenses associated with accounting and reporting obligations. The increase in net loss during the quarter ended December 31, 2017 is related to a listing expenses recorded in connection with the Acquisition Agreement. The net loss during the quarter ended March 31, 2018 consist largely of professional fees of $33,401 associated with the listing of the Company's shares on the CSE, as well as recurring management fees and expenses associated with public company reporting obligations.

Future Cash Requirements

As the Company currently does not generate cash flows from operations, the Company expects that it will need to raise additional funds through debt or equity financing. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common shares. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company or its shareholders.

Going Concern

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to raise adequate financing on reasonable terms and to commence profitable operations in the future. Due to the uncertainty of the Company's ability to meet its current operating and capital expenses, in their report on the Company's annual financial statements for the period ended March 31, 2018, the Company's independent auditors included an explanatory paragraph regarding concerns about the Company's ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets. The Company's financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

Capital Resources

The Company has the following commitments for capital expenditures with respect to its mineral property as of March 31, 2018. The expenditures are optional and the Company may decide not to incur such payments in the event the Company does not decide to pursue further exploration with respect to these claims:

<u>Pluto Property</u>

The Company, through Numberco, holds a 100% undivided interest in the Pluto Property, located in the Dolomieu and Daubree Townships, Quebec, Canada, consisting of 102 claims covering approximately 5,668.77 hectares, the particulars of which are described above. Active claims will come to expiry on May 31, 2019, January 8, 2020 and January 22, 2020. A minimum of $79,560 in exploration expenditures is required for the claim renewal, along with renewal fees of approximately $6,537. To date, exploration work carried out on the Pluto Property is $76,762, therefore the Company is required to carry out approximately $2,798 prior to the expiry date in order to renew the claims for an additional 2 year-period.

If the Company elects to meet these capital expenditure requirements, it is expected that in addition to using funds currently available to the Company, additional funds will need to be raised through equity financings, shareholder loans or otherwise. The Company's ability to raise additional funds is subject to a number of uncertainties and risk factors.

See "Business of Corporation – Pluto Property" for a discussion of the Company's capital expenditure commitments with respect to its mineral property.

Operating Activities

During the year ended March 31, 2018, operating expenses used $98,997 in cash. The use of cash for the year was mainly attributable to the net loss for the year of $193,028, offset by an increase in accounts payable and accrued liabilities of $28,675 and due to listing expense of $54,240. During the comparative period March 3, 2017 to March 31, 2017, the Company did not use any cash in operations, as the Company did not yet have any cash.

Financing Activities

During the year ended March 31, 2018, financing activities provided $376,716 in cash due to proceeds from a private placement offset by share issue costs of $3,284. During the comparative period March 3, 2017 to March 31, 2017, the Company did not conduct any financing activities and thus did not have any cash provided.

Investing Activities

During the year ended March 31, 2018, investing activities used cash of $83,299 in exploration and evaluation costs consisting of staking costs of $6,537 and exploration costs of $76,762.

During the comparative period March 3, 2017 to March 31, 2017, the Company did not use any cash in investing activities.

On June 29, 2018 the Company announced a non-brokered private placement financing of up to 2,500,000 units at a price of $0.20 per unit for gross proceeds of up to $500,000. Each unit will consist of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional common share of the Company at a price of $0.40 per share for a period of two years from closing.

Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements as at March 31, 2018 or as of the date of this report.

Related Party Transactions

During the year ended March 31, 2018, the Company incurred $6,000 (2017: $Nil) in management fees to Spencer Smyl, 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 Spencer Smyl for unpaid management fees.

Fourth Quarter - unaudited

During the quarter ended March 31, 2018, the Company continued its search to identify and evaluate business opportunities. The Company had no revenue for the quarters ended March 31, 2018 and 2017. The Company's expenses were $64,055 for the quarter ended March 31, 2018, compared to $9,132 for the quarter ended March 31, 2017. This increase was primarily attributable to legal fees associated with public company reporting obligations, and the Company's listing application with the CSE.

Proposed Transactions

As of the date of this Report, there were no proposed Transactions.

Commitments

At March 31, 2018, and the date of this MD&A, the Company has no commitments.

Accounting Standards, Amendments and Interpretations not yet Effective

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective.

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.

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 February 1, 2015. The adoption of IFRS 9 may have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

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 Company is currently evaluating the impact of IFRS 16 on its financial statements.

Financial and Other Instruments

The Company's financial instruments consist of cash, promissory note receivable, accounts payable and accrued liabilities, and notes payable. The carrying values of these financial instruments approximate their fair values, unless otherwise noted. The Company is exposed to credit risk and liquidity risk in respect of these financial instruments, as follows:

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 with organizations of high credit worthiness. The Company has minimal credit risk. The Company has credit risk with respect to the promissory note receivable.

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 cash of $194,420 available to apply against short-term business requirements and current liabilities of $53,716.

Interest Rate Risk

The Company's current exposure to interest rate arises from the interest rate impact on its cash. The fair value of cash is not significantly affected by changes in short term interest rates.

Foreign Currency exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Company is not exposed to foreign exchange risk.

Other MD&A Requirements

Additional Disclosure for Venture Issuers without Significant Revenue

During the year ended March 31, 2018, the Company incurred the following expenses:

	2018	2017
Capitalized acquisition costs	$6,537	$Nil
Capitalized exploration costs	76,762	Nil
Operating expenses	74,278	9,132
Other expenses	$118,750	$Nil

Please refer to Note 6 in the consolidated financial statements for the year ended March 31, 2018 for a more description of the capitalized acquisition and exploration costs.

Outstanding Share Data

As of March 31, 2018 and July 30, 2018, the Company had 17,358,366 shares of common stock issued and outstanding.

As of March 31, 2018 and July 30, 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.

As of March 31, 2018 and July 30, 2018, the Company had no stock options outstanding.

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.

No Assurance that Share Exchange will be Completed

Completion of the acquisition of Numberco pursuant to the Securities Exchange Agreement remains subject to a number of conditions, including, but not limited to, receipt of the requisite approvals form the directors of the Company, satisfaction of standard closing conditions for transactions of this nature, and regulatory approval. There can be no assurance that the Securities Exchange Agreement will be completed as proposed or at all.

Litigation

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

Additional Information

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