

SYD Financial Inc.

Condensed Consolidated Interim Financial Statements

December 31, 2018

**(Expressed in Canadian dollars)
(Unaudited)**

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(Expressed in Canadian dollars)
(Unaudited)

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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 consolidated interim 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.
Condensed Consolidated Interim Statements of Financial Position
As at December 31, 2018 and March 31, 2018
Expressed in Canadian dollars
(Unaudited)

	Note	December 31, 2018	March 31, 2018
ASSETS			
Current assets			
Cash		\$ 109,398	\$ 194,420
Sales tax recoverable		3,278	4,512
Total current assets		112,676	198,932
Exploration and evaluation assets	5	83,299	83,299
Total assets		\$ 195,975	\$ 282,231
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	6	18,893	39,716
Related party payables	10	23,000	14,000
Total liabilities		41,893	53,716
SHAREHOLDERS' EQUITY			
Share capital	7	477,617	430,675
Contributed surplus	8	3,508	-
Accumulated deficit		(327,043)	(202,160)
Total shareholders' equity		154,082	228,515
Total liabilities and shareholders' equity		\$ 195,975	\$ 282,231

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 consolidated financial statements.

SYD Financial Inc.**Condensed Consolidated Interim Statement of Loss and Comprehensive Loss**

Expressed in Canadian dollars

(Unaudited)

	Note	Three months ended December 31,		Nine months ended December 31,	
		2018	2017	2018	2017
OPERATING EXPENSES					
Consulting		\$ 8,550	\$ 1,425	\$ 47,259	\$ 1,425
Corporate administration		1,037	300	2,244	300
Interest and finance charges		-	-	(264)	-
Management fees	10	3,000	3,000	9,000	13,500
Office and miscellaneous		467	46	645	320
Professional fees		12,127	3,791	42,902	12,301
Shareholder information		2,120	-	3,117	-
Transfer agent and filing fees		3,671	1,267	19,980	1,267
OPERATING LOSS BEFORE OTHER ITEMS					
		\$ (30,972)	\$ (9,829)	\$ (124,883)	\$ (29,113)
Other Items					
Listing expense	4	-	(99,860)	-	(99,860)
NET LOSS AND COMPREHENSIVE LOSS					
		\$ (30,972)	\$ (109,689)	\$ (124,883)	\$ (128,973)
Loss per share					
Basic and diluted	9	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding					
Basic and diluted	9	17,481,812	15,622,290	17,399,664	14,291,094

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

SYD Financial Inc.
Condensed Consolidated Interim Statements of Cash Flows
Expressed in Canadian dollars
(Unaudited)

	Note	Nine months ended December 31,	
		2018	2017
OPERATING ACTIVITIES			
Net loss		\$ (124,883)	\$ (128,973)
Items not affecting cash:			
Listing expense	4	-	99,860
Change in non-cash working capital items:			
Decrease (increase) in sales tax recoverable		1,235	(5,630)
Increase in related party payables		9,000	-
Increase (decrease) in trade payables and accrued liabilities		(20,824)	11,084
Cash flows used in operating activities		(135,472)	(23,659)
FINANCING ACTIVITIES			
Proceeds from the issuance of common shares	7	55,400	380,000
Share issue costs	7	(4,950)	(3,284)
Acquisition of SYD Financial Inc.	4	-	8,880
Advances to SYD Financial Inc. prior to RTO	4	-	(54,500)
Cash flows provided by financing activities		50,450	331,096
INVESTING ACTIVITIES			
Expenditures on exploration and evaluation assets	5	-	(76,763)
Cash flows used in investing activities		-	(76,763)
Increase (decrease) in cash during the period		(85,022)	230,674
Cash, beginning of period		194,420	-
Cash, end of period		\$ 109,398	\$ 230,674

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

SYD Financial Inc.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
Expressed in Canadian dollars
(Unaudited)

	Note	Number	Share Capital	Contributed Surplus	Deficit	Total shareholders' equity
Balance, March 31, 2017		1	\$ -	\$ -	\$ (9,132)	\$ (9,132)
Issued for cash						
Pursuant to a private placement – at \$0.025	7	11,200,000	280,000	-	-	280,000
Pursuant to a flow through private placement – at \$0.025	7	4,000,000	100,000	-	-	100,000
less; share issue costs	7	-	(3,284)	-	-	(3,284)
Shares issued for Acquisition of Number Co	4	2,158,365	53,959	-	-	53,959
Net loss and comprehensive loss		-	-	-	(128,973)	(128,973)
Balance, December 31, 2017		17,358,366	\$ 430,675	\$ -	\$ (138,105)	\$ 292,570
Net loss and comprehensive loss		-	-	-	(64,055)	(64,055)
Balance, March 31, 2018		17,358,366	\$ 430,675	\$ -	\$ (202,160)	\$ 228,515
Issued for cash						
Pursuant to a private placement – at \$0.20	7	277,000	55,400	-	-	55,400
less; share issue costs	7	-	(4,950)	-	-	(4,950)
Finders' warrants	7,8	-	(3,508)	3,508	-	-
Net loss and comprehensive loss		-	-	-	(124,883)	(124,883)
Balance, December 31, 2018		17,635,366	\$ 477,617	\$ 3,508	\$ (327,043)	\$ 154,082

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

SYD Financial Inc.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2018

(Expressed in Canadian dollars)

Unaudited – Prepared by Management

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 4.

These condensed consolidated interim 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 December 31, 2018, the Company had not yet achieved profitable operations and has an accumulated deficit of \$327,043 since its inception. 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 condensed consolidated interim 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 condensed consolidated interim financial statements.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 34 - Interim Financial Reporting. The condensed consolidated interim financial statements of the Company should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2018, which were prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

SYD Financial Inc.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2018

(Expressed in Canadian dollars)

Unaudited – Prepared by Management

2. BASIS OF PRESENTATION – Continued

(b) Approval of the financial statements

The condensed consolidated interim financial statements of the Company for the nine months ended December 31, 2018 were reviewed by the Audit Committee and approved and authorized for issue on February 27, 2018 by the Board of Directors of the Company.

(c) Basis of presentation

The condensed consolidated interim financial statements are presented in Canadian dollars, which is also the Company's functional currency. The condensed consolidated interim 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.

Comparative information

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

(d) Basis of consolidation

These condensed consolidated interim 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

The accounting policies followed by the Company are set out in Note 3 to the audited consolidated financial statements for the year ended March 31, 2018 and have been consistently followed in the preparation of these condensed consolidated interim financial statements.

Except as disclosed in the Changes in Accounting Policies below, the Company has used the same accounting policies and methods of computation as in the audited annual consolidated financial statements for the year ended March 31, 2018.

(a) Recently adopted accounting standards

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 introduced new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 was effective for the Company on April 1, 2018. The adoption of IFRS 9 did not have any material effect on the classification and measurement of the Company's financial assets and liabilities.

SYD Financial Inc.

Notes to the Condensed Consolidated Interim Financial Statements

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Recently adopted accounting standards (continued)

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 was effective for the Company on April 1, 2018. The adoption of IFRS 15 did not have any impact on the Company's financial statements.

(b) Accounting standards issued but not yet effective

At the date of authorization of these condensed consolidated interim 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.

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.

(c) Significant estimates and judgements

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made.

There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the audited annual consolidated financial statements at March 31, 2018.

SYD Financial Inc.

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4. REVERSE TAKEOVER TRANSACTION

During the year ended March 31, 2018, the Company completed an Acquisition Agreement with Numberco 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, during the year ended March 31, 2018, 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.

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 required		
Cash		8,880
Receivables		1,629
Trade payables and accrued liabilities		(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 was estimated to be consistent with their carrying value due to their short-term nature.

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Notes to the Condensed Consolidated Interim Financial Statements

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5. 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 (the “*Pluto Gold Prospect*”), at a cost of \$6,537.

At December 31, 2018 and March 31, 2018, the Company had incurred exploration and acquisition costs on the Pluto Gold Prospect as follows:

	Pluto Gold Prospect		Total
Balance, March 31, 2017	\$	-	\$ -
Acquisition costs			
Staking costs		6,537	6,537
Exploration expenditures			
Assay		2,626	2,626
Geological		47,308	47,308
Tilling and sampling		23,060	23,060
Travel and field		3,768	3,768
Balance, March 31, 2018	\$	83,299	\$ 83,299
Balance, December 31, 2018	\$	83,299	\$ 83,299

6. TRADE PAYABLES AND ACCRUED LIABILITIES

Trade payables and accrued liabilities consist of the following:

	December 31, 2018		March 31, 2018	
Trade payables	\$	18,893	\$	10,986
Accrued liabilities		-		28,730
	\$	18,893	\$	39,716

All amounts are short-term. The carrying value of trade payables and accrued liabilities is considered a reasonable approximation of fair value.

SYD Financial Inc.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2018

(Expressed in Canadian dollars)

Unaudited – Prepared by Management

7. SHARE CAPITAL

(a) Share capital

Nine months ended December 31, 2018

On November 21, 2018, the Company closed a non-brokered private placement financing (the "Financing") of 277,000 units (each, a "Unit") at a price of \$0.20 per Unit for gross proceeds of \$55,400. Each Unit consists of one common share and one share purchase warrant, each warrant entitling the holder to purchase one additional share at a price of \$0.40 per common share for a period of two years from closing (the "Warrants").

In connection with the Financing, the Company paid cash finder's fees of \$4,950 and issued 24,750 share purchase warrants (the "Finder's Warrants"), as a finder's fee in connection with certain subscriptions in the Financing. The Finder's Warrants have the same terms as the Warrants. The fair value of these warrants was estimated at \$3,508 using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility 175.3%, risk-free interest rate 2.19% and an expected life of two years.

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.

SYD Financial Inc.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2018

(Expressed in Canadian dollars)

Unaudited – Prepared by Management

7. SHARE CAPITAL (cont'd)

(b) 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
Issued	301,750	\$0.40
Balance, December 31, 2018	15,501,750	\$0.06

At December 31, 2018, the Company had 15,501,750 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
15,200,000	\$0.05	April 19, 2027
301,750	\$0.40	November 20, 2020
15,501,750		

As at December 31, 2018, the weighted average remaining life of warrants outstanding was 8.17 years.

8. RESERVES

	December 31, 2018	March 31, 2018
Balance, beginning of year	\$ -	\$ -
Broker warrants issued for private placement	3,508	-
Balance, end of year	\$ 3,508	\$ -

During the nine months ended December 31, 2018, the Company issued 24,750 finders' warrants. The fair value of these warrants was estimated at \$3,508 (Note 7(a)).

SYD Financial Inc.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2018

(Expressed in Canadian dollars)

Unaudited – Prepared by Management

9. LOSS PER SHARE

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

	For the three months ended December 31,		For the nine months ended December 31,	
	2018	2017	2018	2017
Weighted average number of shares – basic:				
Issued common shares at open	17,358,366	2,158,366	17,358,366	2,158,366
Effect of common shares issued during the period	123,446	13,463,924	41,298	12,132,728
	17,481,812	15,622,290	17,399,664	14,291,094
Net loss and comprehensive loss	\$ 30,972	\$ 109,689	\$ 124,833	\$ 128,973
Loss per share – basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)

The basic loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. 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*Key management personnel compensation*

The Company considers key management personnel to be the directors and officers of the Company. During the nine months ended December 31, 2018, the Company incurred \$9,000 (2017: \$13,500) 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.

Related party balances

At December 31, 2018, there was \$23,000 (March 31, 2018: \$14,000) owing to a director for unpaid management fees.

SYD Financial Inc.

Notes to the Condensed Consolidated Interim Financial Statements

December 31, 2018

(Expressed in Canadian dollars)

Unaudited – Prepared by Management

11. BASIS OF FAIR VALUE

The Company's financial instruments consist of cash, receivables, trade payables and accrued liabilities and related party payables. The fair value of the Company's receivables, trade payables and accrued liabilities and related party payables approximate their carrying value due to their short-term maturities or ability of prompt liquidation. The Company's cash is measured at fair value under the fair market hierarchy, based on level one quoted prices in active markets for identical assets.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial instruments measured at fair value on a recurring basis by level within the fair value hierarchy as at December 31, 2018:

	Level 1		Level 2		Level 3	
Cash	\$	109,938	\$	-	\$	-

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statement of cash flows.

During the nine months ended December 31, 2018, the Company issued 24,750 finders' warrants fair valued at \$3,508 (Note 7).

During the nine months ended December 31, 2017, trade payables of \$8,171 were offset against a promissory note receivable. This transaction was excluded from the statement of cash flows.