SYD FINANCIAL INC.
MANAGEMENT DISCUSSION & ANALYSIS
For the nine months ended December 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 condensed consolidated interim financial statements and accompanying notes for the nine months ended December 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 February 28, 2019, 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 outstanding shares and warrants held by the Numberco shareholders and the Numberco warrant holders in consideration for the issuance of the shares and warrants of the Corporation. 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 thereof to assess their potential. To this end, the Company, through 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, January 8, 2020 as to 17 claims and January 22, 2020 as to 3 claims. A minimum of $79,560 in exploration expenditures is required for the claim renewal or pay it in annual rental income to the Minister of Finance. Fees associated with these claims are $5,351, $1,109, and $196 if paid by March 31, 2019, November 8, 2019, and November 22, 2019, respectively or it will be doubled to $10,701, $2,218, and $392 if paid by May 31, 2019, January 8, 2020, and January 22, 2020, respectively. 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 January 2020 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.

Results of Operations

Three months ended December 31, 2018 compared to three months ended December 31, 2017

The Company's net loss and comprehensive loss for the three month period ended December 31, 2018 was $30,972, compared to $109,689 for the comparative period ended December 31, 2017. The decrease in net loss was due to listing expense fees of Nil as for the three months ended December 31, 2018, compared to $99,860 for the three months ended December 31, 2017. Operating expenditures increased by $21,173 from the three month period ending December 31, 2017 to the three month period ending December 31, 2018. Operating expenses increased mainly due to increases in consulting fees of $8,550 (2017: $1,425), and professional fees of $12,127 (2017: $3,791).

The increase in above mentioned operational expenses during the three months ended December 31, 2018 were primarily attributable to the Company's listing of its shares on the CSE and fees associated with public company reporting obligations.

Nine months ended December 31, 2018 compared to nine months ended December 31, 2017

The Company's net loss and comprehensive loss for the nine month period ended December 31, 2018 was $124,883, compared to $128,973 for the comparative period ended December 31, 2017. The slight increase in net loss was due to listing expense fees of Nil as for the nine months ended December 31, 2018, compared to $99,860 for the nine months ended December 31, 2017, offset by increased operating expenditures of $95,770. Operating expenses increased mainly due to increases in consulting fees of $47,259 (2017: $1,425), professional fees of $42,902 (2017: $12,301) and transfer agent and filing fees of $19,980 (2017: $1,267).

The increase in above mentioned operational expenses during the nine months ended December 31, 2018 were primarily attributable to the Company's listing of its shares on the CSE and fees associated with public company reporting obligations.

Summary of Quarterly Financial Results

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

For the Quarterly Period ended:	December 31, 2018	September 30,2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Total revenues	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Net loss for the period	(30,972)	(29,496)	(64,415)	(49,967)	(109,689)	(19,421)	(13,951)
Net loss per common share, basic and diluted	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.01)	$(0.00)	$(0.01)

Liquidity and Capital Resources

As at December 31, 2018, the Company had working capital of $70,783 (March 31, 2018 – $145,216), consisting primarily of cash offset by trade payables, accrued liabilities, and related party payables.

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, with 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 Closing, 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.

Proceeds of the Financing are to be used for working capital as required by Canadian Securities Exchange in connection with the recent listing of the Company's shares on the exchange.

Summary of Results During Prior Seven Quarters

The Company's operating expenses consist of primarily consist of general corporate management and consulting 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 December 31, September 30, June 30, and March 31, 2018, and September 30 and June 30, 2017 consist primarily of management and consulting fees, professional fees and other expenses associated with accounting and reporting obligations. These expenses have gradually increased over the period presented as the Company's business activities have increased. The increase in net loss during the quarter ended December 31, 2017 is primarily related to a listing expenses of $99,860 recorded in connection with the Acquisition Agreement.

The net loss during the quarter ended December 31, 2018 consisted largely of professional fees of $12,127 and transfer agent and filing fees of $3,671 associated with the listing of the Company's shares on the CSE, as well as consulting fees of $8,550 related to an increase in business activities. Additionally, the Company incurred ongoing management and administrative fees and other 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 year 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 December 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, the particulars of which are described above. Active claims will come to expire 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 January 2020 in order to renew the claims for an additional 2 year-period or pay it in annual rental income to the Minister of Finance. Fees associated with these claims are $5,351, $1,109, and $196 if paid by March 31, 2019, November 8, 2019, and November 22, 2019, respectively or it will be doubled to $10,701, $2,218, and $392 if paid by May 31, 2019, January 8, 2020, and January 22, 2020, respectively.

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 nine months ended December 31, 2018, operating expenses used $135,472 in cash. The use of cash for the period was mainly attributable to the net loss for the period of $124,883, and a decrease in trade payables and accrued liabilities of $20,824, partially offset by an increase in related party payables of $9,000.

During the comparative period ended December 31, 2017, the Company used $23,659 in cash to fund operations. The use of cash for the period was mainly attributable to the net loss for the period of $128,973, partially offset by an increase in trade payables and accrued liabilities of $11,084 and listing expenses of $99,860 recorded in connection with the Acquisition Agreement.

Financing Activities

During the nine months ended December 31, 2018, financial activities provided $50,450 in cash proceeds which consisted entirely of net proceeds from the issuance of common shares pursuant to the non-brokered private placement closed on November 21, 2018.

During the comparative period ended December 31, 2017, financial activities provided $331,096 in cash which consisted of net proceeds from the issuance of common shares totaling $376,716 and was partially offset by advances related to the Acquisition Agreement.

Investing Activities

During the nine months ended December 31, 2018, the Company did not conduct any investing activities and thus did not have any cash provided or used in investing activities.

During the comparative period ended December 30, 2017, the Company used cash of $76,763 related to expenditures on exploration and evaluation assets.

Off-Balance Sheet Arrangements

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

Related Party Transactions

Current directors and officers of the Company are as follows:

Keith Anderson, President, CEO, Secretary and Director
Charn Deol, CFO
Spencer Smyl, Director
Blair Naughty, Director

During the nine months ended December 31, 2018, the Company incurred $9,000 (2017: $13,500) 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 December 31, 2018, there was $23,000 (March 31, 2018: $14,000) owed to Spencer Smyl for unpaid management fees.

Proposed Transactions

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

Commitments

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

Changes in Accounting Policies

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.

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.

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 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, accounts payable and accrued liabilities, and related party payables. 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 December 31, 2018, the Company has cash of $109,398 available to apply against short-term business requirements and current liabilities of $41,893.

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 nine months ended December 31, 2018 and 2017, the Company incurred the following expenses:

	2018	2017
Capitalized acquisition costs	$Nil	$5,255
Capitalized exploration costs	$Nil	$76,763
Operating expenses	$124,883	$29,113
Other expenses	$Nil	$99,860

Please refer to Note 5 in the interim consolidated financial statements for the nine months ended December 31, 2018 for a more description of the capitalized acquisition and exploration costs.

Disclosure of Outstanding Share Data

Common Shares

As of December 31, 2018 and February 28, 2019, the Company had 17,635,366 shares of common stock issued and outstanding.

Share Purchase Warrants

As of December 31, 2018 and February 28, 2019, the Company had 15,501,750 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one share of common stock as follows:

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

Stock Options

As of December 31, 2018 and February 28, 2019, 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.