

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

SYD Financial Inc. (the “**Company**”)
Suite 303, 570 Granville Street
Vancouver, BC V6C 3P1

Item 2 Date of Material Change

September 9 and 23, 2019

Item 3 News Release

The news releases were disseminated through Market News and Stockwatch.

Item 4 Summary of Material Change

On September 9th, 2019, the Company announced that it had entered into a definitive business combination agreement with Santa Marta Life Sciences Corp. ("Santa Marta") and a wholly-owned subsidiary of the Company, 1221439 B.C. Ltd., formed for the purpose of completing the transaction. On September 23rd, 2019, the Company announced that Santa Marta received its License for the Manufacture of THC Derivatives from the Colombian Ministry of Health.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

See attached News Releases.

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

Keith Anderson, CEO and Director, (604) 786-7774

Item 9 Date of Report

September 25, 2019

**SYD FINANCIAL INC. ANNOUNCES ENTRY INTO DEFINITIVE AGREEMENT
WITH SANTA MARTA LIFE SCIENCES CORP.**

Vancouver, B.C. – **Syd Financial Inc.** (the “**Company**” or “**Syd**”) (CSE: SYDF) is pleased to announce that further to its press release dated June 25, 2019 the Company has entered into a definitive business combination agreement dated effective September 6, 2019 (the “**Agreement**”) with Santa Marta Life Sciences Corp. (“**Santa Marta**”) and a wholly-owned subsidiary of the Company, 1221439 B.C. Ltd. (“**Newco**”), formed for the purpose of completing the transaction. Santa Marta is an arm’s length company incorporated under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”).

About Santa Marta

Santa Marta is cannabis producer operating its business in Colombia, through its wholly-owned Colombian subsidiary, VDL Columbia S.A.S. (“**VDL**”), to develop cannabis oils and products for the international medical marketplace. Santa Marta is currently legally operating its business on the basis of a licence, issued by the applicable government authority in Colombia, and held by VDL, to cultivate, extract and sell non-psychoactive cannabis. In addition, through its wholly-owned subsidiary VDL, Santa Marta is currently seeking a resolution from the applicable government authority in Colombia (Ministry of Justice) granting VDL a licence to cultivate and sell psychoactive cannabis (the “**THC Cultivation Licence**”), as well as a resolution from the applicable government authority in Colombia (Ministry of Health) granting VDL a licence to extract and sell psychoactive cannabis (the “**THC Extraction Licence**”).

The Transaction

Pursuant to the Agreement, the Company has agreed to acquire all of the issued and outstanding securities of Santa Marta by way of a three-cornered amalgamation (the “**Transaction**”) between the Company, Santa Marta and Newco pursuant to the provisions of the BCBCA. The Transaction will result in a reverse takeover of the Company by the security holders of Santa Marta and constitute a change of business for the Company from a mineral exploration company to a company engaged in the cannabis industry. The Transaction will result in a change of control of the Company and will constitute a “fundamental change” under the policies of the Canadian Securities Exchange (the “**CSE**”).

Completion of the Transaction is subject to a number of conditions, including the Company having completed the Syd Financing (as defined below), receipt of all necessary shareholder and regulatory approvals, the execution of related transaction documents, and approval of the CSE, including approval for the listing on the CSE of the common shares of the Company (the “**Syd Shares**”) to be issued on completion of the Transaction to the shareholders of Santa Marta (the “**Santa Shareholders**”).

Prior to the completion of the Transaction, but following completion of the Syd Financing, the Company will undertake a consolidation (the “**Consolidation**”) of the issued and outstanding Syd Shares, including any pre-Consolidated Syd Shares issued in the Syd Financing, on a ratio of one post-Consolidation Syd Share for every two pre-Consolidation Syd Shares. Stock options (“**Syd Options**”) and warrants (“**Syd Warrants**”) to purchase Syd Shares which are outstanding as of the date of the Agreement will likewise be repriced and adjusted in accordance with the Consolidation, as will any Syd Warrants issued in connection with the Syd Financing.

On completion of the Transaction, the Company will issue to all of the Santa Shareholders in exchange for all of their Santa Shares, on a pro-rata basis, the total number of post-Consolidated Syd Shares (collectively, the “**Consideration Shares**”), at a deemed price of \$0.25 per post-Consolidation Syd Share, as is equal to \$26,500,000, plus the value of the

gross proceeds of the Santa Financing (as defined below). The Consideration Shares will be issued to the Santa Shareholders on completion of the Transaction, however, a portion of the Consideration Shares having an aggregate value of \$13,125,000 shall be held in escrow (the “**Escrow Shares**”) pursuant to an escrow agreement between the Company, Santa Marta, Newco and a mutually acceptable escrow agent. The Escrow Shares will be released to the Santa Shareholders after completion of the Transaction only upon the grant to VDL of the sooner of either the THC Cultivation Licence or the THC Extraction Licence.

On completion of the Transaction, all Syd Options, Syd Warrants and any Santa Share purchase warrants issued by Santa Marta in the Santa Financing will be exchanged and replaced, on an equivalent basis, with options to purchase shares and share purchase warrants, as applicable, in the capital of the resulting issuer following completion of the Transaction (the “**Resulting Issuer**”).

On completion of the Transaction, the Company intends to change its name to “Santa Marta Life Sciences Corp.” or such other name as may be agreed by the parties.

Subject to CSE approval and the availability of applicable exemptions from prospectus and registration requirements, and in addition to brokerage fees payable to any investment dealers which act as agents in connection with the Syd Financing or the Santa Financing, the following fees will be paid in connection with the Transaction: (a) Stamatis Ventures Ltd., which will be entitled to a fee for arranging the sale of Santa Marta in connection with the Business Combination equal to \$914,000, and payable in either cash or in shares of the Resulting Issuer on completion of the Transaction (the “**Resulting Issuer Shares**”), or any combination of both, at the election of the Resulting Issuer, with any Resulting Issuer Shares issuable at a value of \$0.25 per Resulting Issuer Share and to be issued and released one-half on the completion of the Transaction, and the balance being deposited into escrow and released subject to the provisions of the Escrow Agreement; and (b) Fairchild Consulting Corp., which will receive a fee equal to \$1,250,000 for introducing Santa Marta and the Company in connection with the Business Combination, and payable in Resulting Issuer Shares issuable at a value of \$0.25 per Resulting Issuer Share and to be issued and released one-half on the completion of the Transaction, and the balance being deposited into escrow and released subject to the provisions of an escrow agreement.

In addition, certain securities issued in connection with the Transaction to principals of the Resulting Issuer will be subject to escrow requirements of the CSE, mutually agreed upon escrow conditions, and hold periods as required by the CSE and applicable securities laws.

On or before November 29, 2019, the Company will complete a subscription receipt financing for aggregate gross proceeds of no less than \$6,000,000 at a price of \$0.125 per subscription receipt (each subscription receipt being convertible into one pre-Consolidated Syd Share and one pre-Consolidated warrant to purchase one additional Syd Share exercisable at \$0.375 per pre-Consolidated Syd Share) (the “**Syd Financing**”). Under the terms of the Agreement, Santa Marta is entitled, but not required, to complete a private placement offering of up to 4,000,000 units at an offering price of \$0.75 per unit to raise aggregate gross proceeds of up to \$3,000,000, each unit consisting of one (1) Santa Share and one (1) Santa Warrant exercisable at \$2.25 per Santa Share, such offering to be conducted by Santa Marta between the date of the Agreement and November 29, 2019 (the “**Santa Financing**”).

Directors and Officers

Upon completion of the Transaction, and subject to the approval of the CSE, the current directors and officers of the Company will resign, with the exception of Mario Pezzente who will remain as a director of the Resulting Issuer. Nick Standish will be appointed as President, Chief Executive Officer and as a director of the Resulting Issuer. Blair Lowther and Derek Boyd will also be appointed as directors of the Resulting Issuer. A nominee of Santa Marta shall be appointed as Chief Financial Officer of the Resulting Issuer. One additional nominee of Santa Marta will be proposed as an additional director of the Resulting Issuer for election by the shareholders after the completion of the Transaction at the first annual general meeting of shareholders of the Resulting Issuer.

Trading in the Company's Shares

Trading in the common shares of the Company was halted on June 25, 2019 in compliance with the policies of the CSE, will remain halted until all necessary filings have been accepted by applicable regulatory authorities, and the listing of the Resulting Shares on the CSE has been completed.

General

Further details of the Transaction will be included in subsequent news releases and disclosure documents (which will include business and financial information in respect of Santa Marta) to be filed by the Company in connection with the Transaction. There is no assurance the Transaction will be completed as planned or at all.

All of the information included in this news release with respect to Santa Marta has been provided by management of Santa Marta and has not been independently verified by the Company at this time.

SYD Financial Inc.

On behalf of the Board of Directors,

“Keith Anderson”

Keith Anderson, CEO, Secretary and Director, Syd Financial Inc.

For further information on the Company, please email kanderson7774@gmail.com

Keith Anderson
Syd Financial Inc.
(604) 786-7774

The Canadian Securities Exchange (operated by CNSX Markets Inc.) has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved of the contents of this press release.

Disclaimer for Forward-Looking Information

Certain statements in this press release are forward-looking statements and are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements, including: the receipt of all necessary regulatory approvals, the ability to conclude the Transaction, capital expenditures and other costs, and financing and additional capital requirements. These statements generally can be identified by the use of forward-looking words such as “may”, “should”, “will”, “could”, “intend”, “estimate”, “plan”, “anticipate”, “expect”, “believe” or “continue”, or the negative thereof or similar variations. Forward-looking statements in this news release include statements regarding the terms of the proposed Transaction, completion of the proposed Transaction, the Syd Financing and the Santa Financing, if any, the consolidation of the shares of the Company and intended name change of the Company, the listing of the shares of the Resulting Issuer on the CSE, and the anticipated business plan of the Resulting Issuer subsequent to completion of the Transaction, including the obtaining of cannabis-related licences in Colombia. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward looking information. The Company assumed no obligation to update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.

**SYD FINANCIAL INC. ANNOUNCES MILESTONE ACHIEVEMENT OF SECOND THC LICENSE
FOR SANTA MARTA LIFE SCIENCES CORP.**

Vancouver, B.C. – **Syd Financial Inc.** (the “**Company**” or “**Syd**”) (CSE: SYDF) is pleased to announce that, on September 9, 2019, Santa Marta Life Sciences Corp. (“**Santa Marta**”) received its License for the Manufacture of THC Derivatives from the Colombian Ministry of Health. This is a major regulatory achievement for Santa Marta and a clear indication of the trust established between Santa Marta and the Colombian government. Santa Marta has now secured two cannabis licenses from the Colombian government (the other being a License for Cultivation, Extraction, Sale and Export of Non-Psychoactive Cannabis).

The Company is currently working on a subscription receipt financing for aggregate gross proceeds of no less than \$6,000,000 at a price of \$0.125 per subscription receipt (each subscription receipt being convertible into one Syd Share and one warrant to purchase one additional Syd Share exercisable at \$0.375 per Syd Share) (the “**Syd Financing**”).

As previously announced (Sept 10, 2019), the Company entered into a definitive business combination agreement dated effective September 6, 2019 (the “**Agreement**”) with Santa Marta and a wholly-owned subsidiary of the Company, 1221439 B.C. Ltd. (“**Newco**”). Pursuant to the Agreement, the Company has agreed to acquire all of the issued and outstanding securities of Santa Marta by way of a three-cornered amalgamation between the Company, Santa Marta and Newco (the “**Transaction**”). The Transaction will result in a reverse takeover of the Company by the security holders of Santa Marta and constitute a change of business for the Company from mineral exploration to the cannabis industry. As part of the transaction Syd is in the process of disposing of its current mineral property.

About Santa Marta

Santa Marta specializes in creating high-quality CBD & THC oils for distribution in the global medical marketplace. The Company has secured a 25-year lease on 34.5 hectares of agricultural land in Colombia, as well as two cannabis licenses from the Colombian government. The company has secured agreements for distribution in the EU, Canada, Mexico, and Colombia, as legally permitted.

All of the information included in this news release with respect to Santa Marta has been provided by management of Santa Marta.

SYD Financial Inc.

On behalf of the Board of Directors,

“Keith Anderson”

Keith Anderson, CEO, Secretary and Director, Syd Financial Inc.

For further information on the Company, please email kanderson7774@gmail.com

Keith Anderson
Syd Financial Inc.
(604) 786-7774

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