

Annual Management Discussion and Analysis for 2021-2022



Discovering James Bay



Sirios Resources Inc.

TSX V: SOI
www.sirios.com

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S I R I O S

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**SIRIOS RESOURCES INC.
ANNUAL MANAGEMENT DISCUSSION AND ANALYSIS FOR
THE YEAR ENDED JUNE 30, 2022**

This Management Discussion and Analysis is dated October 21, 2022, and provides an analysis of the financial results for the year ended June 30, 2022, of Sirios Resources Inc. This discussion and analysis of the financial position and results of operations should be read in conjunction with the audited financial statements for the years ended June 30, 2022, and 2021.

This report contains "forward-looking statements" not based on historical facts. Forward-looking statements express as of the date of this report, estimates, forecasts, projections, expectations, and opinions as to future events or results. Forward-looking statements herein expressed are reasonable, but involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Factors that could cause results or events could differ materially from current expectations expressed or implied by the forward-looking statements include risks, uncertainty as to calculation of mineral reserves and requirements of additional financing and the capacity of the Company to obtain financing.

These annual financial statements have been prepared in accordance with International Financing Reporting Standards ("IFRS") and in accordance with accounting policies that the Company proposes to adopt for the financial statement of the year ending June 30, 2022. These accounting policies are based on IFRS, which, according to the Company, will thus be in force.

1. CORPORATE PROFILE AND MISSION

Sirios Resources Inc. ("Sirios" or "the Company") mission is to discover world-class gold deposits in the James Bay region of Eastern Canada. Over the years, Sirios has developed extensive expertise in the exploration of this region.

Common shares of Sirios, a Tier 1 company, trade on the TSX Venture Exchange, under the symbol "SOI". On June 30, 2021, there are 234,456,760 common shares issued and outstanding.

Sirios owns, on June 30, 2022, numerous high potential properties such as:

- CHEECHOO (100%): gold discovery in the vicinity of Newmont Corp.'s Eleonore gold mine.
- AQUILON (100%): host of high-grade gold vein system.

2. SUMMARY OF THE ACTIVITIES OF THE EXERCISE

- Closing of flow-through private placements for a total of \$886,468.
- Closing of a private placement for an amount of \$350,000.
- Strategic agreement of \$1.5M, including an investment of \$1,290,000 and the sale of royalties for \$210,000 on the Aquilon, Pontax, Maskwa, Niska and Tilly 2 properties.
- Diamond drilling campaign of a total of 6,836 m on the Cheechoo property.
- Expansion of the Cheechoo property.
- Changes to the Board of Directors.
- Exploration and evaluation expenses of \$4,773,195, incurred mostly on the Cheechoo property.
- Reception of the UL ECOLOGO® Certification

3. RESULTS OF OPERATIONS

3.1. Summary of exploration activities

The following table consists of the main exploration and evaluation expenses by the Company on the Aquilon, Cheechoo, Pontax, Goldorak and Tilly 2 properties during the year. Other properties have not been subject to exploration work during the year.

	Aquilon	Cheechoo	Pontax	Goldorak	Tilly 2	TOTAL
Geology	106	25,056	1,367	-	3,574	30,103
Geochemistry	-	38,648	-	-	-	38,648
Geophysics	138,037	-	-	-	-	138,037
Drilling	116,375	3,105,658	-	-	-	3,222,033
Property evaluation	-	-	-	-	-	-
Stripping/ Excavation	-	-	-	-	-	-
Bulk sampling	11,070	93,588	-	-	-	104,658
Technical evaluation	-	7,815	-	-	-	7,815
Others*	72,106	1,155,868	71	3,856	-	1,231,901
TOTAL	337,694	4,426,633	1,438	3,856	3,574	4,773,195

* An amount of \$429,234, included in the "Others" category, does not constitute an outflow of money. It is mainly composed of the charge for the granting of stock options as well as the amortization charge.

4. EXPLORATION PROJECTS

The technical data on the Cheechoo property contained in this report have been approved by Dominique Doucet, P.Eng., President of Sirios and Jordi Turcotte, Senior Geologist, qualified persons, as defined by National Instrument 43-101. The technical data for the Aquilon property contained in this report has been approved by Dominique Doucet and Roger Moar, Senior Geologist, also a qualified person. Projects are located in Figure 1. Readers are asked to refer to the Company's website (www.sirios.com) for more information about its exploration activities.

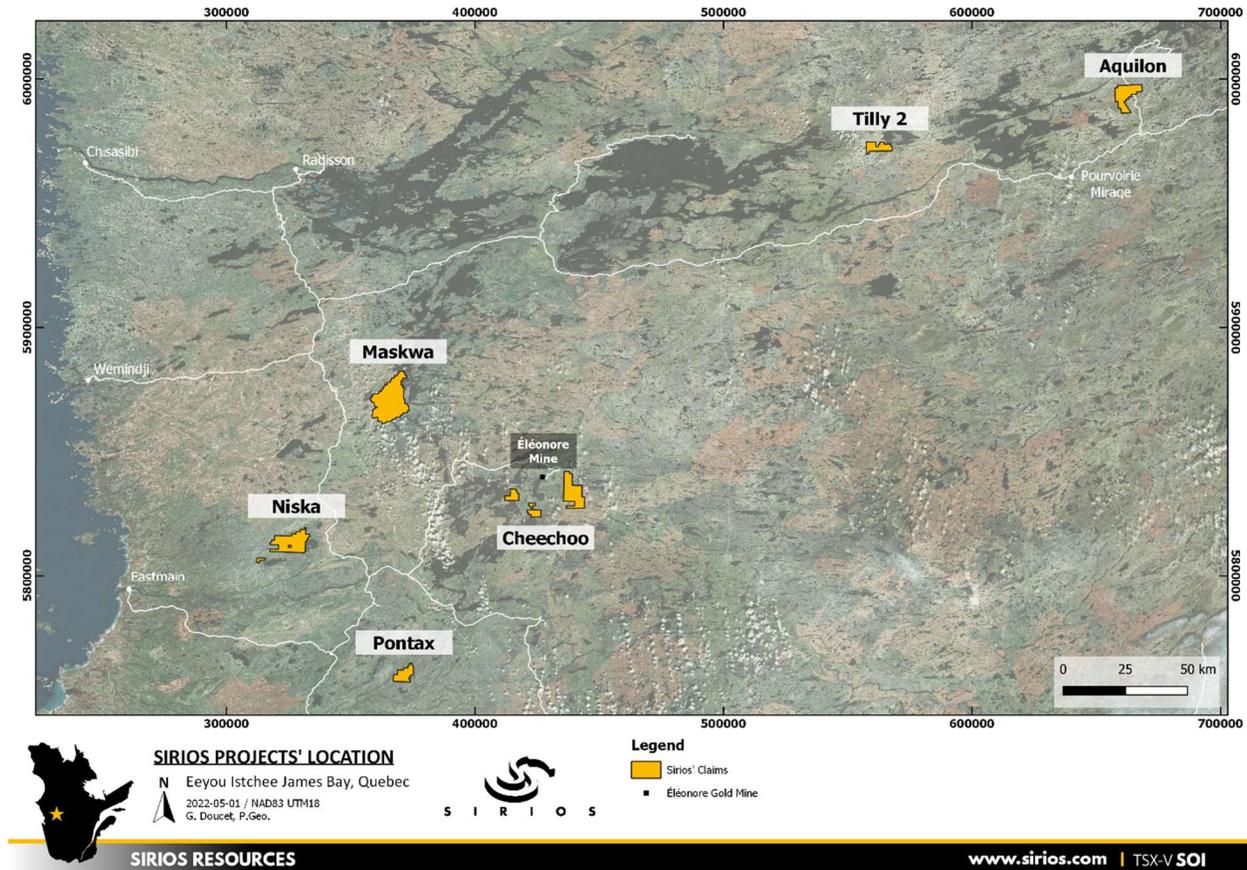


Figure 1: Location of Sirios projects

4.1. Cheechoo property

The original claim blocks

The property located 320 km north of Matagami, Eeyou Istchee James Bay in Quebec, was originally composed of two blocks of non-contiguous claims that cover an area of 81 km². Its 121-claims main block is adjacent to the east of Newmont Corp.'s Eleonore gold mine in the 33B12 NTS sheet (Figure 2). The second block consists of 35 claims and is located about 20 km west of the main block. The 156 claims are 100% held by Sirios with a net return royalty for gold on 145 claims to Gold Royalty Corp. which varies between 2.5% and 4% of the net return depending on the price of gold and 4% net return for all other minerals extracted from the project. Notably, the gold royalty would be 3% for a price of gold between CAD\$1,200 and \$2,400 per ounce.

Recent expansion of the property

During the months of March and April 2022, Sirios added by map designation, 69 new claims to the property. A first block of 35 new claims is adjacent to the central-eastern part of the main block in SNRC sheet 33B12, and another block of 34 claims forms a third block not contiguous to the original blocks of the property, in sheet SNRC 33C09 as shown in Figure 2. These 69 new claims are 100% owned by Sirios and are not subject to any royalties. **The Cheechoo**

property is therefore now composed of three blocks of non-contiguous claims comprising 225 claims for a total area of 118 km² (ref. [press release of April 20, 2022](#)). The new claims were acquired by Sirius both for their exploration potential for gold as well as to facilitate possible development of mining infrastructure.

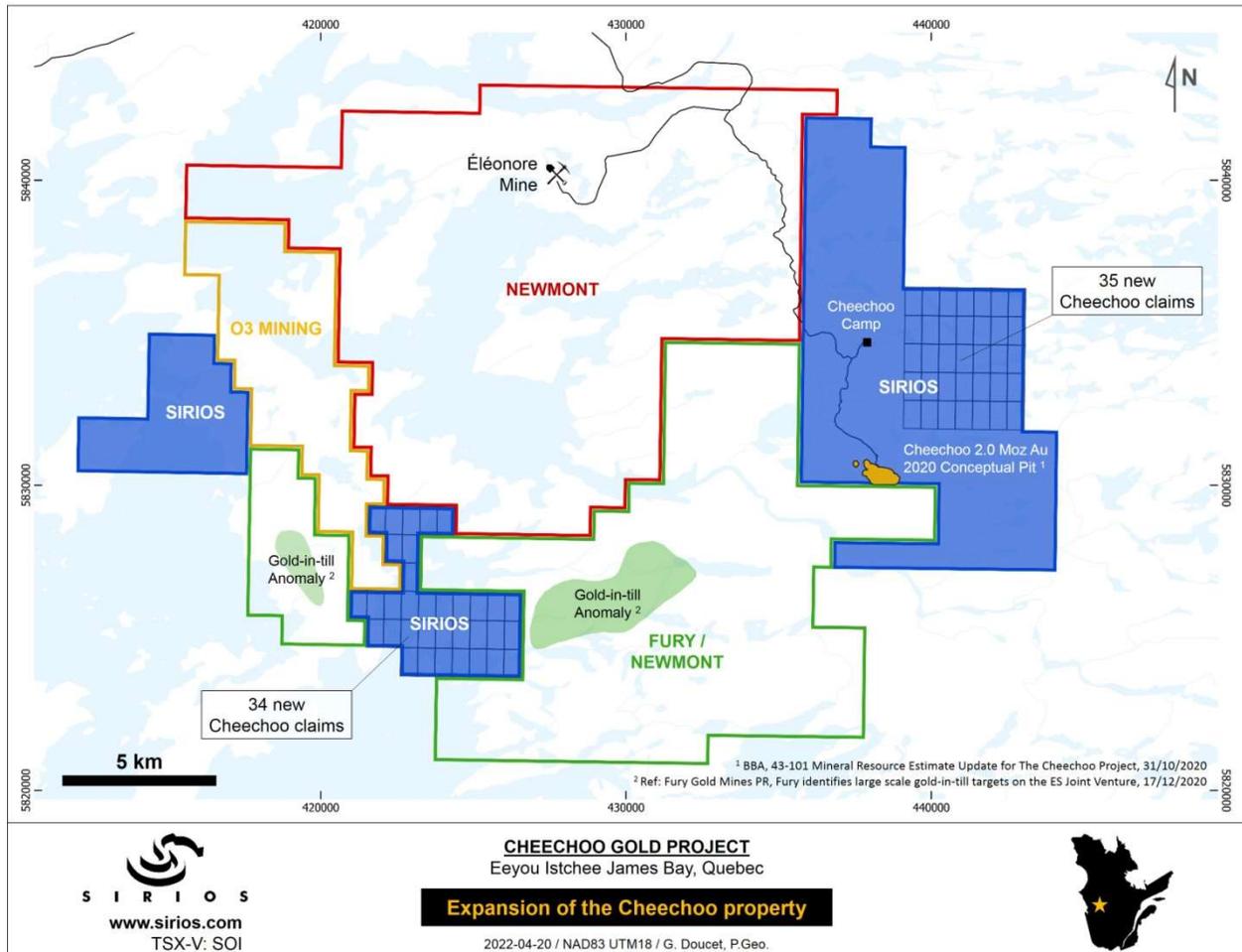


Figure 2: Location of the Cheechoo Project claims

4.1.1. Executed work

Results of the 2021 definition drilling campaign

The definition drilling campaign carried out in the summer of 2021 made it possible to drill 32 holes (located in Figure 3), totaling 6,836 m, which includes four exploration holes outside of the deposit. The sample were sent to the Actlabs laboratories in Sainte-Germaine-Boulé, as well as to those of ALS, Val d’Or.

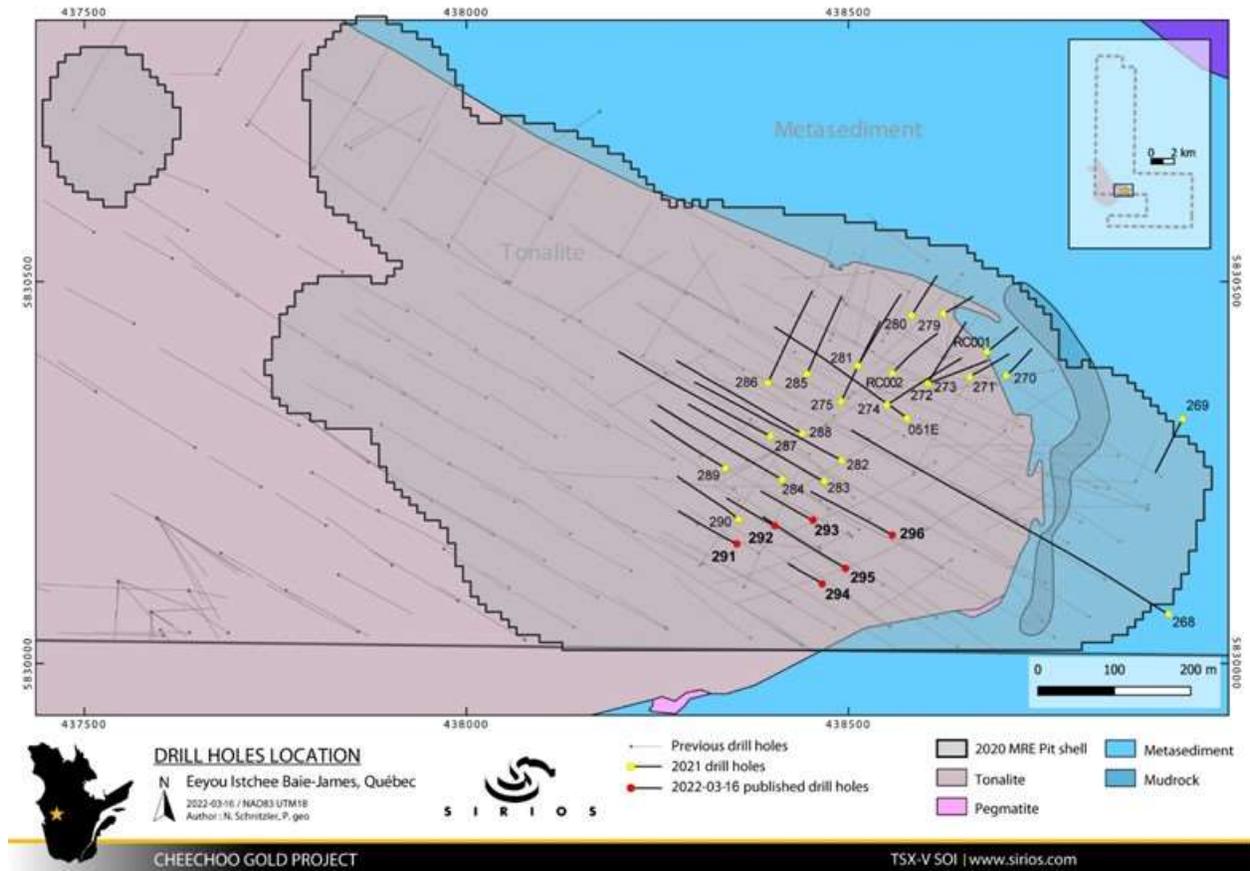


Figure 3: Location of the 28 definition holes of the 2021 drilling campaign on Cheechoo. Hole #269 targeted gold mineralization outside the deposit. The three holds #276 to #278 are located off the map, more than 2 km north of the deposit

The results of this drilling campaign were published in the press releases of [December 14, 2021](#), [February 9, 2022](#) and [March 16, 2022](#). Here are the main results:

<ul style="list-style-type: none"> • 2.97 g/t Au over 80.0 m, including 29.13 g/t Au over 5.9 m (CH21-295) • 3.87 g/t Au over 16.0 m, including 23.51 g/t Au over 2.3 m (CH21-296) • 0.85 g/t Au over 50.4 m (CH21-291) • 1.05 g/t Au over 34.0 m, including 2.51 g/t Au over 11.0 m (CH21-294) 	Published on 2022/03/16
<ul style="list-style-type: none"> • 3.46 g/t Au over 31.7 m, including 6.50 g/t Au over 6.6 m (CH21-279) • 7.69 g/t Au over 9.9 m, including 68.84 g/t Au over 1.0 m (CH21-280) • 6.18 g/t Au over 11.4 m, including 46.04 g/t Au over 1.0 m (CH21-280) • 7.07 g/t Au over 9.0 m, including 50.40 g/t Au over 1.1 m (CH21-288) • 3.17 g/t Au over 17.4 m, including 16.74 g/t Au over 2.9 m (CH21-290) • 0.85 g/t Au over 57.7 m (CH21-290) • 0.78 g/t Au over 38.5 m (CH21-289) 	Published on 2022/03/01
<ul style="list-style-type: none"> • 2.83 g/t Au over 55.0 m, including 97.56 g/t Au over 1.1 m (CH21-285) • 2.95 g/t Au over 28.9 m, including 72.36 g/t Au over 1.0 m (CH21-283) • 4.12 g/t Au over 12.5 m, including 45.54 g/t Au over 1.0 m (CH21-284) • 1.76 g/t Au over 23.8 m (CH21-051E) • 2.65 g/t Au over 11.7 m, including 27.35 g/t Au over 1.0 m (CH21-283) 	Published on 2022/02/09

<ul style="list-style-type: none"> • 4.90 g/t Au over 22.0 m, including 71.69 g/t Au over 1.0 m (CH21-RC-02) • 2.36 g/t Au over 22.5 m, including 16.06 g/t Au over 2.5 m (CH21-274) • 0.68 g/t Au over 6.5 m, new area outside of the deposit (CH21-269) 	Published on 2021/12/14
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Highlights of the 2021 drilling campaign

- The campaign produced **several high-grade intervals within a broad continuous lower grade envelope**. The continuity of gold mineralization has therefore been confirmed in the central part of the 2020 conceptual pit as well as in the area of the northeast contact of the tonalite with the meta-sedimentary rocks.
- Hole CH21-268 demonstrated the **presence of gold mineralization to a vertical depth of more than 500 metres** at the tonalite/meta-sediment contact, highlighting the potential for deepening the deposit. For example, the presence of three gold intervals in this hole gave an average grade of 0.52 g/t Au over 70.9 m between 640 m and 710.9 m along it.
- Drill hole CH21-269 confirmed the existence of a **new gold zone located in a geological context little explored until now**, namely in the meta-sedimentary rocks outside the Cheechoo deposit (ref. press release of [December 14, 2021](#)). This area will be monitored during the next exploration campaign.

Re-assay program 1 kg

A total of 2,626 1 kg samples of reject material taken from old core samples were re-assayed at the Actlabs and AGAT laboratories. The results of these 1 kg re-assay show an overall increase of around 4% in the gold content compared to the assays carried out previously on 50 g of material (Table 1). These 1 kg samples are also considered more representative of gold mineralization. Therefore, in addition to indicating an increase in the average gold grade, this large number of re-assays increases the confidence in the control of the gold grade of the Cheechoo deposit.

Samples re-assayed as part of the program will be included in the next Mineral Resources update.

Comparison of all 50 g assays and 1 kg re-assay			
	50 g (g/t Au)	1 kg (g/t Au)	1 kg/50 g
Average	0.52	0.54	+ 4%
Median	0.38	0.39	+ 3%
Average of difference 1 kg/50 g¹	+ 12%		
Number of samples	2,626		

Modelization

The 3D geological model of Cheechoo was updated in 2022 by the Sirius team to include the results of the summer 2021 drilling campaign as well as the latest geological observations and interpretations. It is this model that is currently used for the next update of the Cheechoo property resource estimate scheduled for the second quarter of our 2022-2023 fiscal year.

Resource estimate

The project's most recent resource estimate (October 2020) delineated inferred resources of 2.0 million ounces of gold contained in 93.0 million tonnes at 0.65 g/t Au, with significant upside potential increase in these resources ([BBA, Mineral Resource Estimate Update for The Cheechoo Project, 31/10/2020](#)).

A mandate to update the mineral resource estimate was granted by Sirius to the consulting firms BBA Inc. and PLR Resources Inc. One of the main objectives of this estimate will be to define, for the first time, an indicated resource for the Cheechoo gold deposit.

¹ Average of all the differences in content between the analyzes on 1 kg divided by the analyzes on 50 g.

Prospecting, stripping and channel sampling

Prospecting work was carried out during the months of June and July 2022 in the sector to the east of the 2020 conceptual pit in order to extend the new gold zone which had been intersected in the meta-sedimentary rocks during the campaign 2021 summer drilling (ref. press release of [December 14, 2021](#)). A total of 61 samples were taken in this area.

Following this prospecting program, three strippings (Figure 4) were carried out in August 2022 then sampled by channel sampling in the sector of meta-sedimentary rocks to the east of the conceptual pit of the Cheechoo deposit. A total of 218 samples from 216 metres of channel were sent to the ALS Laboratory in Val-d'Or for assaying, the results were not yet available at the time of writing of this report.

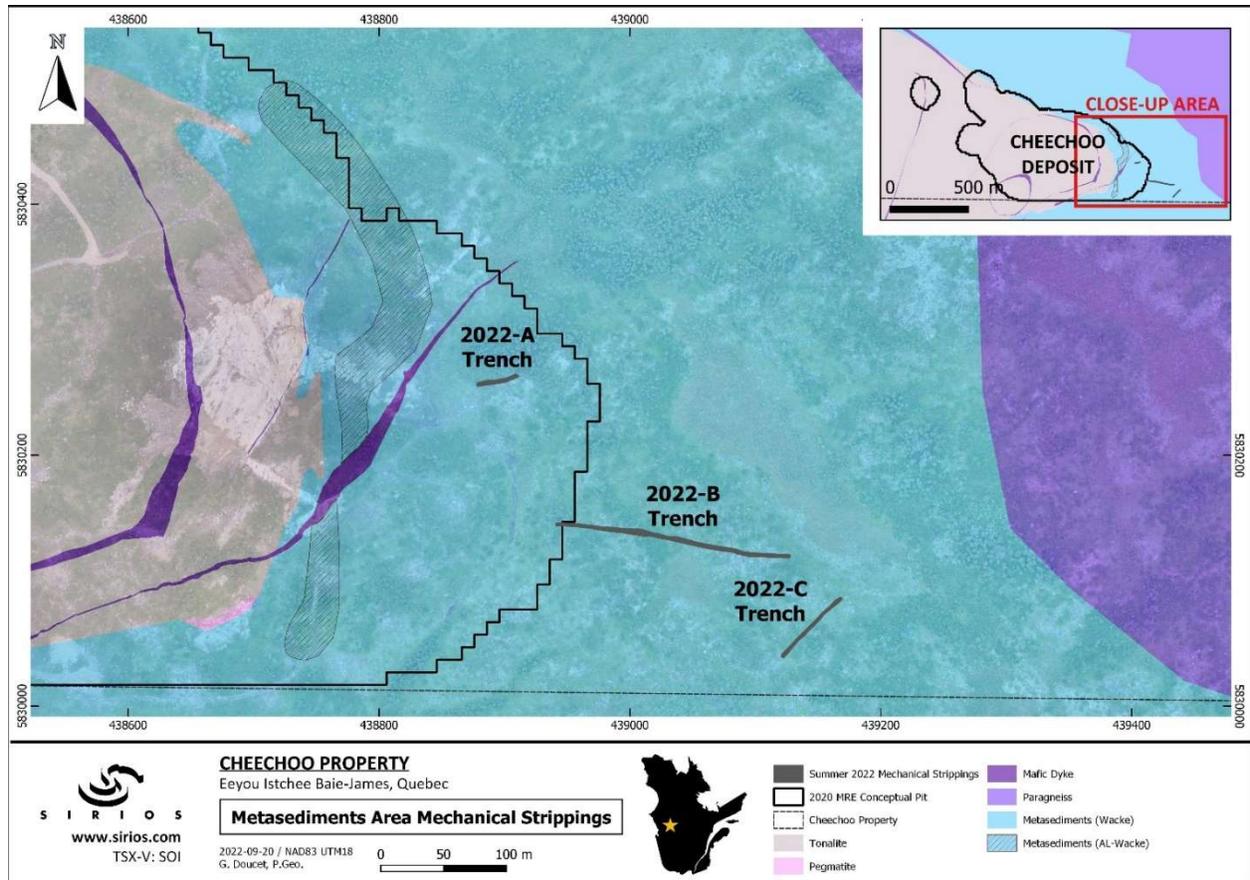


Figure 4: Location of the three strippings in the summer of 2022 in the meta-sedimentary rock sector

Metallurgical tests

Typical samples of the Cheechoo gold mineralization were taken in June 2022 from the area in the center of the conceptual pit in order to carry out new metallurgical tests in order to determine the optimal treatment process for the deposit.

Infrastructure improvement

Improvements and renovations to the Cheechoo camp were completed in the summer of 2022, increasing the camp's accommodation capacity, which will allow for an increase in the scope of future exploration and development activities. An amount of \$674,610 before amortization was charged to the property and equipment item for the completion of this work.

Work to improve the project's access road was also completed during the summer of 2022. The Cheechoo camp is now easily accessible by pickup truck or other light vehicle, which will increase the efficiency and speed of future exploration and development programs.

Environmental studies

During the period, Sirios received the last report of the environmental baseline studies (EBS). These studies included:

- Wetland identification and characterization (executed in fall 2019).
- Avifauna characterization and inventory (executed in June 2021).
- Flora and terrestrial environment characterization and inventory (executed in August 2021).
- Aquatic components characterization and inventory (executed in August and September 2021).

The reports received explain that the results of these studies did not reveal any environmental concerns that could affect the development of the Cheechoo project.

Change in the technical committee

The Cheechoo gold project technical committee has six members. It is an advisory committee focused on shaping Cheechoo's exploration and development programs. The committee meets at the beginning of each quarter to find ways to accelerate the development of the project. Special meetings may also be scheduled to discuss specific technical issues. The committee regularly submits its recommendations to Sirios' management.

During the period, three new members were appointed to the technical committee of the Cheechoo project, namely: Guy Saucier, Eng. (consultant), Samuel Martel, P.Eng., MBA (Cheechoo project director) and a commercial director of Newmont Corp. They have joined the current members of the committee, which consist of: Dominique Doucet, Eng. (President and CEO of Sirios), Jordi Turcotte, geo. (senior geologist, Sirios) and an exploration manager of Newmont Corp. These changes follow the departure of Mr. Louis Martin, geo., and Roger Doucet, B.Sc. from Cheechoo's technical committee, who continue to act as technical advisors for Sirios.

Executed work performed on the Cheechoo property totaled \$3,270,765, excluding stock option granting expenses and amortization expenses.

4.2. Aquilon Project

The Aquilon property is 100% owned by Sirios. It consists of 140 claims and covers approximately 70 km², 10 kilometres south of the LA-1 hydroelectric complex in the region of Eeyou Istchee James Bay, Quebec. It is located approximately 490 km east of Radisson and is easily accessible year-round by road via the Trans-Taiga highway crossing the Eeyou Istchee James Bay region. An airstrip outfitter is located at less than a 40-minute drive from the property. Drilling on the property is optimal in winter given the presence of swampy areas.

Soquem Inc. holds a 1% NSR ("Net Smelter Return") royalty on the Aquilon property, half of which is redeemable for \$500,000. In addition, a private investor held as of June 30, 2022, a 1% NSR royalty, three-quarters of which was redeemable by Sirios for \$200,000 before June 30, 2022. On June 29, 2022, the Company paid an amount of \$25,000 to this private investor in order to extend the redemption period to July 30, 2022. Finally, Sirios proceeded with the redemption thus reducing the royalty held by the investor to 0.25% NSR.

4.2.1. Executed work

Identification of gold soil anomalies

Following the completion in 2020 of a soil geochemistry survey on the Aquilon property, the consulting firm IOS Services Géoscientifiques Inc. identified in its report produced in August 2021, two distinct anomalous axes in gold of approximately 800 metres each. These anomalies are not associated with the very high-grade gold showings already known (located 400 metres to the south) and therefore constitute priority exploration targets requiring detailed prospecting and stripping.

High resolution helicopter-borne aeromagnetic survey

A high-resolution helicopter-borne aeromagnetic survey was completed in early September 2021 by Geo Data Solutions GDS Inc. on the property. The survey, covering the entire property, totals approximately 1,027 km of lines spaced 75 metres apart. The purpose of this survey is to identify geophysical features and targets along recently identified soil anomalies and will allow the Sirius exploration team to better define the geology and detailed structural pattern of the property.

Structural geology study

A structural study of the Aquilon property was completed by the consulting firm InnovExplo in October 2021. This study identified numerous targets on the property that will be tested during future exploration programs.

Relogging and modeling

The first phase of a program for the complete and standardized description ("relogging") of historical drill cores from the Aquilon project was completed during the month of June 2022. The information resulting from this relogging program will make it possible to carry out a new geological modeling of the Aquilon property based on structural data collected in October 2021.

Planning

A major exploration program for the Aquilon project has been developed by the Sirius team. The launch of this program is planned for 2023.

Executed works carried out on the Aquilon property totaled \$265,588 excluding stock option granting expenses and amortization expenses.

5. OPERATION RESULTS AND SELECTED ANNUAL INFORMATION

The net loss of the Company was \$769,697 (\$0.003 per share) for the year ended June 30, 2022, in comparison to a net loss of \$1,210,295 (\$0.006 per share) for the year ended June 30, 2021.

Annual results summary	June 30, 2022	June 30, 2021
	\$	\$
Finance income	6,544	8,646
Write-off of exploration and evaluation assets	3,857	38,807
Share-based payments	99,250	204,750
Net loss	769,697	1,210,295
Net loss per share	0.003	0.006
Total assets	33,762,185	32,282,204

Finance income is comprised of interest on cash and the change in fair value of listed shares.

5.1. General and administrative expense analysis

General and administrative expenses, for the exercise ended in 2022, totaled \$717,016 in 2022, in comparison with \$683,375 in 2021.

General and administrative expenses	2021-2022 \$	2020-2021 \$
Salaries and employee benefit expenses (excluding share-based payments)	282,021	327,657
Investors and shareholders' relations	138,873	129,116
Professional fees	118,165	88,248
Insurances, taxes and permits	53,752	18,188
Trustees and registration fees	44,300	30,423
Office expenses	25,783	29,284
Publicity and sponsorship	24,460	22,667
Rent expenses	19,374	19,058
Interest charges	4,227	775
Income taxes of section XII.6	2,371	-
Training	2,094	15,445
Bank charges	1,596	2,514
TOTAL	717,016	683,375

Comparing the general and administrative expenses for the exercises ended June 30, 2022, and 2021, we note a decrease in *Salaries and employee benefit expenses*. It can be explained by the temporary suspension of compensation for members of the Board of Directors to reduce general administrative expenses.

The increase in *Professional fees* can be explained by the greater amount of work, compared to last year, of the Company's consultants for various activities incurred during the exercise.

The increase in *Insurance, taxes and permits* can be explained by the payment, during the exercise, of amounts relating to non-compliance observed on the Cheechoo property, as well as the work done to obtain the UL ECOLOGO® certification during the period.

5.2. General analysis

Total assets of the Company fluctuated from \$32,282,204 in 2021 to \$33,762,185 in 2022.

Cash, including cash held for exploration charges, totaled \$375,600 in 2022 in comparison with \$3,107,538 in 2021; the term deposit totaled \$54,653 in 2022 in comparison with \$53,294 in 2021. The cash as well as the term deposit variations are directly linked to exploration fieldwork and administrative activities of the Company.

The amounts receivable from listed companies are nil in 2022 in comparison with \$4,481 in 2021.

Listed shares totaled \$490,655 in 2021 and \$32,523 in 2022. The variation can be explained by the purchase and sale of shares of listed companies during the year, as well as the variation in the stock prices of these companies.

The credits receivable fluctuated from \$31,181 in 2021 to \$639,402 in 2022. The tax credits receivable for 2021 include those for 2020, and those for 2022 include tax credits of 2022.

Property and equipment fluctuated from \$296,372 in 2021 to \$579,935 in 2022. The increase can be explained by an increase in acquisitions in 2022, compared to 2021.

Cash held for exploration expenses is \$422,493 on June 30, 2022, compared to \$3,476,560 on June 30, 2021. The amount in 2022 must be incurred before December 31, 2022.

Exploration and evaluation assets and advances on exploration and evaluation assets varied from \$27,775,111 and \$197,592 in 2021 to \$31,871,903 and nil in 2022.

5.3. Summary of quarterly results

	2021-2022				2020-2021			
	Q4 \$	Q3 \$	Q2 \$	Q1 \$	Q4 \$	Q3 \$	Q2 \$	Q1 \$
Other revenues and expenses	(13,914)	(20,409)	(32,408)	(54,945)	75,000	(10,846)	(134,389)	(174,820)
Net loss	638,650	128,539	266,864	(264,356)	(27,404)	42,166	915,744	279,789
Net loss per share	0.0015	0.0005	0.001	-	-	0.0002	0.005	0.002

Other revenues and expenses consist mainly of changes in value of listed shares, interest income on cash and the government assistance related to the loan guaranteed by the Government of Canada for 2021.

For the Q3-2021, the write-off of the Solo, Amikap and Keoz properties for a total amount of \$38,807 increased the net loss.

For the Q3-2022, the write-off of the Goldorak property for an amount of \$3,857 increased the net loss.

For the Q3-2022, the signing of a strategic agreement included the sale of royalties on the Aquilon, Pontax, Maskwa, Niska and Tilly 2 properties. An amount of \$9,766 was recognized in net income as a gain on disposal of exploration and evaluation assets, reducing the net loss.

For the Q1-2021, Q2-2021, Q3-2021, Q1-2022, Q2-2022, Q3-2022 and Q4-2022, the negative variation in the value of the listed shares for amounts of \$175,669, \$134,397, \$34,195, \$56,285, \$32,893, \$18,179 and \$16,636 respectively, decreased revenues.

For the Q4-2021, the positive variation in the value of listed shares for an amount of \$71,335 increased revenues.

For the Q1-2021, Q3-2021, Q4-2021, Q1-2022, Q2-2022 and Q3-2022, positive deferred tax charges of \$73,864, \$174,644, \$102,266, \$518,692, \$62,737 and \$74,936 reduced the net loss.

For the Q2-2021 and Q4-2022, negative deferred tax charges of \$353,384 and \$489,375 increased the net loss.

6. WORKING CAPITAL AND CASH FLOWS

The working capital, including cash held for exploration expenses, varied from an amount of \$2,982,500 on June 30, 2021, to an amount of \$878,815 on June 30, 2022. During the exercise, cash was used for exploration and administrative activities.

Management of Sirios is aware of the cash position as of June 30, 2022, and continually controls very strictly its general and administrative expenses. The Company is considered to be in the exploration stage; thus, it is dependent on obtaining regular financing in order to continue exploration. Despite previous success in acquiring sufficient financing, there is no guarantee of obtaining any future financing. Moreover, the current economic climate requires larger efforts than before to obtain funds from investors.

As of June 30, 2022:

- 234,456,760 common shares were issued as well as 100,000 preferred shares.
- 3,500,000 warrants were issued. Each warrant can be exchanged by its holder thereof for one common share of the Company.
- 13,825,000 options were granted and exercisable. Each option can be exchanged by its holder thereof for one common share of the Company.

7. INFORMATION ON ISSUED AND OUTSTANDING SHARES

Table of variation in issued and outstanding shares

	2021-2022		2020-2021	
	Quantity	Amount \$	Quantity	Amount \$
Common shares				
<i>Issued</i>				
Balance, beginning	202,069,527	52,918,542	178,558,525	49,806,412
Common shares	25,000,000	1,570,000	3,469,996	485,799
Flow-through common shares	7,387,233	656,601	19,341,006	2,514,331
Exercise of options	-	-	700,000	112,000
Preferred shares, Serie A				
<i>Issued and fully paid</i>	100,000	50,000	100,000	50,000
TOTAL	234,556,760	55,195,143	202,169,527	52,968,542

In September 2020, 200,000 options were exercised at a price of \$0.10.

In October 2020, 300,000 options were exercised at a price of \$0.10.

In November 2020, 150,000 options were exercised at a price of \$0.10.

In December 2020, 50,000 options were exercised at a price of \$0.10.

On December 11 and 16, 2020, the Company completed a flow-through private placement for a total of \$2,567,140. In total, 14,261,889 flow-through shares were issued, at a price of \$0.18, as well as 7,130,944 warrants.

On December 11 and 16, 2020, the Company completed a flow-through private placement for a total of \$863,450. In total, 5,079,117 flow-through shares were issued, at a price of \$0.17, as well as 2,539,559 warrants.

On December 17, 2020, the Company completed a private placement for a total of \$520,500. In total, 3,469,996 shares were issued as well as 1,734,998 warrants.

On September 17, 2021, the Company completed a private placement for a total of \$350,000. The unit, offered at \$0.10, consisted of one common share and one warrant. In total, 3,500,000 shares were issued as well as 3,500,000 warrants.

On August 31 and September 17, 2021, the Company completed a flow-through private placement for a total of \$886,468. In total, 7,387,233 flow-through shares were issued, at a price of \$0.12. Management is required to fulfill its commitments within the prescribed period of two years from the date of renouncement.

On January 26, 2022, the Company signed a strategic agreement for an amount of \$1.5M. This agreement included the issuance of 21,500,000 common shares of Sirios at a price of \$0.06 per share, as well as the sale of royalties on the Aquilon, Pontax, Maskwa, Niska and Tilly 2 properties (see press release of January 17, 2022, for more details) for a consideration of \$210,000.

Description	Number of shares	Amount \$
As of June 30, 2022	234,556,760	55,195,143
Private placement	19,588,749	1,175,325
As of October 21, 2022	254,045,509	56,320,470

On July 28, 2022, the Company completed a private placement for a total of \$1,175,325. The unit, offered at \$0.06, consisted of one common share and one warrant. In total, 19,588,749 shares were issued as well as 19,588,749 warrants.

8. INFORMATION ON OUTSTANDING OPTIONS

Table of variation of options in circulation

	2021-2022		2020-2021	
	Number of options	Average exercise price \$	Number of options	Average exercise price \$
Balance, beginning	13,775,000	0.26	11,680,000	0.28
Granted	3,225,000	0.08	2,925,000	0.15
Exercised	-	-	(700,000)	(0.10)
Expired and cancelled	(3,175,000)	(0.44)	(130,000)	(0.10)
Balance, end	13,825,000	0.18	13,775,000	0.26

In September 2020, 200,000 options were exercised at a price of \$0.10 each.

In October 2020, 300,000 options were exercised at a price of \$0.10.

In November 2020, 150,000 options were exercised at a price of \$0.10.

The Board of Directors of Sirios has granted, on December 9, 2020, 2,925,000 options under its Stock Option Incentive Plan to employees, directors, officers, and consultants at an exercise price of \$0.15 per share. The options expire five (5) years from the date of grant.

In December 2020, 50,000 options were exercised at a price of \$0.10.

The Board of Directors of Sirios has granted, on December 22, 2021, 2,975,000 options under its Stock Option Incentive Plan to employees, directors, officers and consultants at an exercise price of \$0.08 per share. The options expire five (5) years from the date of grant.

The Board of Directors of Sirios has granted, on January 25, 2022, 250,000 options under its Stock Option Incentive Plan to an officer at an exercise price of \$0.08 per share. The options expire five (5) years from the date of grant.

Options granted to employees, directors, officers and consultants and exercisable as of October 21, 2022

Expiry date	Options granted and exercisable	Exercise price \$
November 27, 2022	2,275,000	0.300
November 13, 2023	2,000,000	0.220
November 19, 2024	3,550,000	0.185
December 9, 2025	2,775,000	0.150
December 22, 2026	2,975,000	0.080
January 25, 2027	250,000	0.080
	13,825,000	0.18

9. INFORMATION ON OUTSTANDING WARRANTS

Table of variation of outstanding warrants

	2021-2022		2020-2021	
	Number of warrants	Average exercise price \$	Number of warrants	Average exercise price \$
Balance, beginning	11,405,501	0.23	5,925,000	0.30
Issued	3,500,000	0.15	11,405,501	0.23
Expired	(11,405,501)	(0.23)	(5,925,000)	(0.30)
Balance, end	3,500,000	0.15	11,405,501	0.23
Issued	19,588,749	0.10		
Balance, on October 21, 2022	23,088,749	0.11		

For the closings of the private placement of December 11 and 16, 2020, 9,670,503 warrants were issued at a price of \$0.23 each.

For the closing of the private placement of December 17, 2020, 1,734,998 warrants were issued at a price of \$0.23 each.

For the closing of the private placement of September 17, 2021, 3,500,000 warrants were issued at a price of \$0.15 each.

For the closing of the private placement of July 28, 2022, 19,588,749 warrants were issued at a price of \$0.10 each.

Warrants issued as of October 21, 2022

Expiry date	Number of warrants	Exercise price \$
March 17, 2023	3,500,000	0.15
July 28, 2024	19,588,749	0.10
	23,088,749	0.11

10. RELATED PARTY TRANSACTIONS

10.1. Key management personnel

The remuneration of the Company's key management personnel and members of the Board of Directors is as follow:

	June 30, 2022 \$	June 30, 2021 \$
Salaries and employee benefit expenses	231,449	315,992
Share-based payments	55,750	122,500
	287,199	438,492

10.2. Board of Directors

On December 31, 2021, Sirios announced the nomination of Director Luc Cloutier as Chairman of the Board following the resignation of Mr. Gilles Dupuis who left the Board of Directors for personal reasons.

Also, on January 25, 2022, Sirios announced that M. Francois Auclair joined the Board of Directors as a director.

11. COMMITMENTS TOWARDS SUSTAINABLE DEVELOPMENT

11.1. E3 Plus

The Prospectors and Developers Association of Canada (PDAC) established a framework for responsible exploration called E3 Plus. The E3 Plus serves as a framework for exploration companies to continue their activities while improving their environmental, social and health and safety performances as well as integrating these three aspects in all their exploration work. Sirios adopted the eight principals of E3 Plus and ask its consultants and supplies to also respect them. Here are the main principals that apply to the Company:

- Apply ethical business practices: Sirios continues to abide by management procedures that promote honesty, integrity, transparency and accountability.
- Engage host communities and other affected and interested parties: During exploration activities, Sirios makes sure to interact with local and native communities, notably trappers, organizations, groups and individual on the basis of respect, inclusion and meaningful participation.
- Protect the environment: Sirios conducts its exploration activities in ways that create minimal disturbance to the environment and applies, in all of its operations, the principals of sustainable development.

11.2. Commitments of governance

Moreover, in 2012, the Company's Board of Directors signed a resolution with the following commitments about sustainable governance:

- Concerning governance and responsible management, the Company must ensure:
 - That employee, of all levels, understands its social and environmental responsibilities and that it works towards improving its workplace environmental.
 - To plan, evaluate and manage all its projects with rigor in order to minimize the negative effects on the environmental and local communities.
- Maintaining an open dialogue is key responsible management of projects on lands used by others. The Company must ensure:
 - To develop a proactive, open and transparent communication with local authorities (including Native communities), municipal authorities, as well as governmental organizations.
 - To develop a proactive communication with other parties involved from the region.
- Concerning health and safety, the Company must ensure:
 - To diligently apply the regulations, in terms of health and safety in all of its exploration activities.

- Concerning the environment, the Company must ensure:
 - To apply with diligence, the environmental regulation in all of its exploration activities.
- Concerning socio-economic implications, the Company must ensure:
 - Whenever possible, to generate benefits on a local level and to contribute to the local development by constructively partnering with native and non-native communities in order to respectively consider the interest of all parties involved.

11.3. Ecologo

The UL ECOLOGO® Certification was developed by UL, an independent certification body, based on the work done since 2012 by the Chair in Mining Entrepreneurship of the Université du Québec in Abitibi-Temiscamingue in collaboration with the Quebec Mineral Exploration Association (QMEA). The standard, recognized by government authorities and by the industry, aims to assess and promote responsible practices by mineral exploration companies and their contractors.

The certification process involves verification by an independent auditor of multiple indicators related to environmental practices, health and safety, community relations, First Nations relations, business ethics and transparency, economic efficiency, contribution to local economy, etc.

In keeping with its commitment to sustainable development, Sirios has received, in March 2022, the UL ECOLOGO® Certification for Mineral Exploration Companies.

12. JUDGMENTS, ESTIMATES AND ASSUMPTIONS

12.1. Significant management judgment

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

Impairment of property and equipment

Evaluation facts and circumstances that demonstrate the existence of any indication that an asset may have depreciated or recover in value is a subjective process that involves judgment and often a number of estimates and assumptions.

As at June 30, 2022 and 2021, no impairment was recorded on property and equipment.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

12.2. Estimation uncertainty

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in many cases.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated. If it is not possible to estimate the recoverable amount

of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular whether an economically viable extraction operation can be established, the probability that the expenses will be recover from either exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after, expenditures is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

For the year ended June 30, 2022, the Company wrote-off the Goldorak property (write-off of the Amikap, Keoz and Solo properties on June 30, 2021). Total amount of write-off in profit or loss amounts to \$3,857 (write-of of \$38,807 on June 30, 2021). No reversal impairment losses have been recognized for the reporting periods.

There was no testing impairment required this year on the other properties, the Company has the capacity to keep these properties because it has sufficient funds to respect its short-term obligation. Additionally, claims will not expire in the near future or are expected to be renewed, work was performed during the last three years and/or promising results were obtained on these properties.

Share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the probable life of share options and warrants granted and the time of exercise of the share options and warrants. The model used by the Company is the Black-Scholes valuation model.

Tax credits

The calculation of the Company's refundable tax credit on qualified exploration expenditures incurred and refundable tax credit involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessment has been issued by the relevant taxation authority and payment has been received. Differences arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to the refundable tax credit and refundable tax credit, exploration and evaluation assets, and income tax expense in future periods.

12.3. Off-balance sheet arrangements

The Company did not set up any off-balance sheet arrangements, as of June 30, 2022.

13. RISKS AND UNCERTAINTIES

Risk inherent to the industry

Mineral exploration and development involve several risks which experience, knowledge and careful evaluation may not be sufficient to overcome. Large capital expenditures are required in advance of anticipated revenues from operations. Many exploration programs do not result in the discovery of mineralization; moreover, mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, explosions, tailings impoundments failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labor are some of the risks involved in the conduct of exploration programs and the operation of mines. The commercial viability of exploiting any precious metal deposit is dependent on a number of factors including infrastructure and governmental regulations, in particular those respecting the environment, price, taxes and royalties. No assurance can be given that minerals of sufficient quantity, quality, size and grade will be discovered on any of the Company's properties to justify commercial operation.

Numerous external factors influence and may have significant impacts on the operations of the Company and its financing need.

Financial risk

The Company is an exploration company. The Company will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Mining claims and title risks

Although the Company has taken steps to verify title to mining properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Tax

No assurance can be made that Canada Revenue Agency or Quebec Minister of Revenue will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses.

Dependence on key personnel

The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employees.

Conflict of interest

Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith of view to the best interests of the Company and to disclose any interest, which they may have any project or opportunity of the Company. If a conflict arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

Environmental risks

The Company is subject to various environmental incidents that can occur during exploration work. The Company maintains an environmental management system including operational plans and practices.

14. MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with International Financial Reporting Standards (IFRS). The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Montreal, October 21, 2022.

(signed) Dominique Doucet, President

(signed) Frederic Sahyouni, Chief Financial Officer