



SIRIOS RESOURCES INC.
TSX-V: SOI

Interim Financial Statements (unaudited)

DECEMBER 31, 2021

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The attached interim financial statements have been prepared by Sirios Resources Inc. and its external auditors have not been reviewed these financial statements.

1000, St-Antoine West, Suite 410, Montreal, QC, H3C 3R7
Phone: 514-510-7961 www.sirios.com info@sirios.com

SIRIOS RESOURCES INC.

Interim Statement of Financial Position (unaudited)

(in Canadian dollars)

	Notes	December 31, 2021 \$	June 30, 2021 \$
ASSETS			
Current			
Cash		400,454	3,107,538
Term deposit	4	53,294	53,294
Amounts receivable from listed companies		-	4,481
Listed shares		379,188	490,655
Good and services tax receivable		80,583	100,556
Tax credits receivable		31,181	31,181
Prepaid expenses		94,111	225,424
		1,038,811	4,013,129
Non-current			
Property and equipment	5	454,762	296,372
Advances on exploration and evaluation assets		-	197,592
Exploration and evaluation assets	6	31,427,320	27,775,111
Total assets		32,920,893	32,282,204
LIABILITIES			
Current			
Trade and other payables		399,015	418,957
Other liabilities		261,517	611,672
		660,532	1,030,629
Non-current			
Future tax liabilities		498,934	520,817
Loan guaranteed by the Government of Canada	7	40,000	40,000
Total liabilities		1,199,466	1,591,446
EQUITY			
Share capital	8.1	53,905,144	52,968,542
Contributed surplus		5,158,221	4,998,971
Deficit		(27,341,938)	(27,276,755)
Total equity		31,721,427	30,690,758
Total liabilities and equity		32,920,893	32,282,204

The accompanying notes are an integral part of the interim financial statements.

These interim financial statements were approved and authorized by the Board of Directors on February 22, 2022.

(signed) Dominique Doucet

Dominique Doucet, President

(signed) Luc Cloutier

Luc Cloutier, Director

SIRIOS RESOURCES INC.

Interim Statement of Comprehensive Loss (unaudited)

(in Canadian dollars)

	Notes	Three-month period ended December 31,		Six-month period ended December 31,	
		2021	2020	2021	2020
		\$	\$	\$	\$
EXPENSES					
Salaries and employee benefit expenses	9.1	107,233	232,074	202,268	298,223
Professional fees		57,505	50,115	82,919	57,433
Trustees and registration fees		36,460	26,893	38,381	27,127
Investors and shareholders' relations		35,626	56,169	73,834	100,177
Publicity and sponsorship		15,021	15,474	17,541	18,365
Office expenses		9,897	13,173	13,652	17,532
Insurances, taxes and permits		4,835	3,693	27,209	6,177
Rent expenses		4,500	3,000	10,374	10,059
Bank charges		432	552	840	1,166
Amortization of property and equipment		360	211	720	1,171
Training		-	7,497	900	12,495
Project generation expenses		25,324	20,283	27,946	58,042
OPERATIONAL LOSS		297,193	429,134	496,584	607,967
OTHER REVENUES AND EXPENSES					
Finance costs	10	(32,893)	(135,075)	(89,229)	(310,774)
Finance income	10	485	686	1,875	1,565
		(32,408)	(134,389)	(87,354)	(309,209)
LOSS BEFORE INCOME TAX		(329,601)	(563,523)	(583,938)	(917,176)
Deferred income taxes		62,737	(353,384)	581,430	(279,520)
NET LOSS AND COMPREHENSIVE LOSS		(266,864)	(916,907)	(2,508)	(1,196,696)
NET LOSS PER SHARE - basic and diluted	11	(0.001)	(0.005)	-	(0.007)

The accompanying notes are an integral part of the interim financial statements.

SIRIOS RESOURCES INC.

Interim Statement of Changes in Equity (unaudited)

(in Canadian dollars)

	Notes	Share capital	Contributed surplus	Deficit	Total Equity
		\$	\$	\$	\$
As of July 1st, 2020		49,856,412	4,608,111	(25,883,975)	28,580,548
Net loss and comprehensive loss		-	-	(1,196,696)	(1,196,696)
Share-based payments	9.2	-	204,750	-	204,750
Issuance cost of shares (a)		-	-	(237,915)	(237,915)
Issuance of units and shares	8.1	3,000,130	228,110	-	3,228,240
Exercise of options	8.1	112,000	(42,000)	-	70,000
As of December 31, 2020		52,968,542	4,998,971	(27,318,586)	30,648,927
As of July 1st, 2021		52,968,542	4,998,971	(27,276,755)	30,690,758
Net loss and comprehensive loss		-	-	(2,508)	(2,508)
Share-based payments	9.2	-	89,250	-	89,250
Issuance cost of shares (b)		-	-	(62,675)	(62,675)
Issuance of units and shares	8.1	936,602	70,000	-	1,006,602
As of December 31, 2021		53,905,144	5,158,221	(27,341,938)	31,721,427

(a) Net of a deferred tax assets of an amount of \$49,992.

(b) Net of a deferred tax assets of an amount of \$20,475.

The accompanying notes are an integral part of the interim financial statements.

SIRIOS RESOURCES INC.

Interim Statement of Changes in Equity (unaudited)

(in Canadian dollars)

		Six-month period ended	
		December 31,	
	Notes	2021	2020
		\$	\$
OPERATING ACTIVITIES			
Net loss		(2,508)	(1,196,696)
Adjustments			
Share-based payments		51,000	149,468
Amortization of property and equipment		720	1,171
Change in fair value of listed shares		89,178	310,066
Deferred income taxes		(581,430)	279,520
Changes in working capital items	12	(79,827)	(79,295)
Cash flows used in operating activities		(522,867)	(535,766)
INVESTING ACTIVITIES			
Disposal of listed shares		22,290	-
Additions to property and equipment		(433,854)	-
Disposal of advances on exploration and evaluation assets		197,592	-
Additions to exploration and evaluation assets		(3,123,564)	(916,446)
Cash flows used in investing activities		(3,337,536)	(916,446)
FINANCING ACTIVITIES			
Issuance of units and shares		1,236,468	4,021,087
Issuance cost of shares		(83,149)	(186,758)
Cash flows from financing activities		1,153,319	3,834,329
NET CHANGE ON CASH		(2,707,084)	2,382,117
CASH, BEGINNING OF THE PERIOD		3,107,538	1,585,502
CASH, END OF THE PERIOD		400,454	3,967,619
Supplementary information			
Interest paid related to operating activities		52	708
Interest received related to operating activities		1,875	1,565

The accompanying notes are an integral part of the interim financial statements.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2021 (unaudited)

(in Canadian dollars)

1. NATURE OF OPERATIONS

Since its creation in 1994, Sirios Resources Inc., ("Sirios" or "the Company") goal is to discover world-class gold deposits in the James Bay region, in Quebec.

The Company is incorporated under the Canada Business Corporations Act. The address of the Company's registered office and its principal place of business is 1000 St-Antoine West, Suite 410, Montreal, Quebec, Canada. The Company's shares are listed on the TSX Venture Exchange, under the symbol "SOI".

2. SUMMARY OF ACCOUNTING POLICIES

Basis presentation

These interim financial statements of the Company were prepared in accordance with IFRS, as issued by the International Accounting Standards Board (IASB) under International Accounting Standard (IAS) 34 - Interim Financial Reporting. These interim financial statements were prepared using the same basis of presentation, accounting policies and methods of computations outlined in Note 4, SUMMARY OF ACCOUNTING POLICIES, as described in our financial statements for the year ended June 30, 2021. The interim financial statements do not include all of the notes required in annual financial statements.

Standards, amendments and interpretations of standards which are not yet in force and which have not been early adopted by the Company

At the date of authorization of these interim financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the pronouncements will be adopted on the Company's accounting policies for the first period beginning after the effective date of each 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.

3. JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing the financial statements, management undertakes a number of judgments, estimations and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimations and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimations and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Significant management judgment

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

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.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2021 (unaudited)

(in Canadian dollars)

3. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

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 of December 31, 2021 and 2020, 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.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are provided below. Actual results may be substantially different.

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 six-month period ended December 31, 2021 and 2020, there were no impairment. No reversal impairment losses has been recognized for the reporting periods.

There was no testing impairment required this year on its 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.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2021 (unaudited)

(in Canadian dollars)

3. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

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.

4. TERM DEPOSIT

Term deposit presented in the statement of financial position is redeemable annually, bearing interest at 2.55% (2.40% in 2020), maturing in June 2023.

5. PROPERTY AND EQUIPMENT

	Leasehold improvements	Vehicles	Exploration camp and equip.	Office furniture	Computer equipment	Total
	\$	\$	\$	\$	\$	\$
Gross carrying amount						
Balance on July						
1st, 2021	3,388	31,846	1,700,602	36,683	121,485	1,894,004
Additions	-	-	432,488	-	1,366	433,854
Balance on December						
31, 2021	3,388	31,846	2,133,090	36,683	122,851	2,327,858
Accumulated amortization						
Balance on July						
1st, 2021	2,440	24,341	1,413,209	36,683	120,959	1,597,632
Amortization	342	3,211	271,533	-	378	275,464
Balance on December						
31, 2021	2,782	27,552	1,684,742	36,683	121,337	1,873,096
Carrying amount on						
December 31,						
2021	606	4,294	448,348	-	1,514	454,762

All amortization expenses are presented in *Amortization of Property and equipment* except for *Exploration camps and equipment* and *Vehicles*, where the expense is presented in *Exploration and evaluation assets*.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2021 (unaudited)

(in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

Mining rights

	June 30, 2021	Additions	December 31, 2021
	\$	\$	\$
(a) Aquilon	908,598	-	908,598
(b) Cheechoo	1,031,348	-	1,031,348
(c) Cheechoo-extension	4,674	-	4,674
(d) Pontax	1	-	1
(e) Goldorak	1	-	1
(f) Niska	35,205	-	35,205
(g) Tilly 2	7,949	-	7,949
(h) Maskwa	57,288	-	57,288
	<u>2,045,064</u>	<u>-</u>	<u>2,045,064</u>

Exploration and evaluation expenses

	June 30, 2021	Additions	December 31, 2021
	\$	\$	\$
(a) Aquilon	2,123,907	169,063	2,292,970
(b) Cheechoo	23,258,366	3,483,075	26,741,441
(d) Pontax	38,796	71	38,867
(f) Niska	165,862	-	165,862
(g) Tilly 2	11,088	-	11,088
(h) Maskwa	132,028	-	132,028
	<u>25,730,047</u>	<u>3,652,209</u>	<u>29,382,256</u>
TOTAL	<u>27,775,111</u>	<u>3,652,209</u>	<u>31,427,320</u>

(a) Aquilon

This 140-claim gold property, owned at 100%, is located near LA-1 hydro-electric complex in the James Bay area, Quebec.

Soquem Inc. retains a 1% NSR royalty, half of which is redeemable for \$500,000.

(b) Cheechoo

The Cheechoo gold project consists of 145 claims owned at 100% by the Company. The property covers 7,400 acres in two distinct blocks adjoining the Eleonore gold deposit owned by Newmont Corp. It is located at approximately 13 km east of the discovery area of the Eleonore mine which is itself located 320 km north of Matagami (Qc).

Golden Valley Mines Ltd. retains a net return royalty on gold mineral products ranging from 2.5% to 4%, depending on the gold price and 4% of the net returns on the production of any other minerals.

(c) Cheechoo-extension

The project, owned at 100%, consists of 11 claims in the James Bay area (Qc). It is located about 15 km southwest of the Eleonore gold deposit owned by Newmont Corp. and is adjacent to the west block of the Cheechoo property.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2021 (unaudited)

(in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

(d) Pontax

The property, owned at 100% by the Company, consists of 70 claims, divided in two-continuous blocks of 64 and 6 claims. It is located in James Bay (Qc), approximately 350 km north of Matagami.

(e) Goldorak

The property, owned at 100% by the Company, consists of 6 claims in the James Bay area (Qc).

(f) Niska

The property, owned at 100% by the Company, consists of 190 claims and covers almost 100 km² in James Bay, Quebec.

(g) Tilly 2

The property, owned at 100% by the Company, consists of 58 claims in the James Bay area (Qc).

(h) Maskwa

The property, owned at 100% by the Company, consists of 372 claims. It is located approximately 100 km southwest of Radisson and approximately 120 km east of Wemindji in the James Bay area (Qc).

7. LOAN GUARANTEED BY THE GOVERNMENT OF CANADA

The Company received a loan of \$60,000 under the Emergency Account for Canadian Businesses program. If the Company repays an amount totaling \$40,000 of the loan by December 31, 2022, no further amount will be repayable. Otherwise, the balance of the loan will bear interest at the rate of 5% and may be repayable in 36 monthly installments, principal and interest, or repayable at maturity on December 31, 2025.

Given that the government assistance of \$20,000 is not repayable if the Company repays the amount of \$40,000 by December 31, 2022, this amount was recognized as an other income at the time the government assistance was granted.

8. EQUITY

8.1 Share capital

The share capital of the Company consists of fully paid common and preferred shares.

Authorized

Unlimited number of common shares without par value, voting, participating, dividend as declared by the Board of Directors.

Unlimited preferred shares, issuable in one or several series, composed of the number of shares, rights, liens, conditions and restrictions as determined before issuance by resolutions of directors of the Company, without par value. The preferred shares, series A, are redeemable at the Company's option at their issuance price, non-voting and not entitled to dividends.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2021 (unaudited)

(in Canadian dollars)

8.1 Share capital (cont'd)

	Number of shares	
	Six-month period ended December 31,	
	2021	2020
Common shares issued and fully paid at beginning of the period	202,069,527	178,558,525
Private placement (a) (b)	3,500,000	3,469,996
Flow-through private placement (c) (d) (e)	7,387,233	19,341,006
Exercise of options (f)	-	700,000
Common shares issued and fully paid at the end of the period	212,956,760	202,069,527
Preferred shares, Serie A	100,000	100,000

- (a) On December 17, 2020, the Company completed the closing of a private placement for a total of \$520,500. It was composed of 3,469,996 units. The unit, offered at \$0.15, was composed of one common share and half a warrant. In total, 3,469,996 shares, as well as 1,734,998 warrants were issued. Each warrant entitled its holder to subscribe for one common share at \$0.23 per share for a period of eighteen months. An amount of \$34,700, related to warrants, was recorded as an increase in contributed surplus.
- (b) On September 17, 2021, the Company completed the closing of a private placement for a total of \$350,000. It was composed of 3,500,000 unit. The unit, offered at \$0.10, was composed of one common share and one warrant. In total, 3,500,000es, as well as 3,500,000 warrants, were issued. Each warrant entitled its holder to subscribe for one common share at \$0.15 per share for a period of eighteen months. An amount of \$70,000, related to warrants, was recorded as an increase in contributed surplus.
- (c) On December 11, 2020 and December 16, 2020, the Company completed the closing of a flow-through private placement for a total of \$2,567,140. It was composed of 14,261,889 units. The unit, offered at \$0.18, was composed of one flow-through share and half a warrant. In total, 14,261,889 flow-through shares, as well as 7,130,944 warrants were issued. Each warrant entitled its holder to subscribe for one common share at \$0.23 per share for a period of eighteen months. An amount of \$1,854,046 was recorded in share capital, an amount of \$142,619, related to warrants, was recorded as an increase in contributed surplus and an amount of \$570,475 was recorded as other liabilities in the statement of financial position.
- (d) On December 11, 2020 and December 16, 2020, the Company completed the closing of a flow-through private placement for a total of \$863,450. It was composed of 5,079,117 units. The unit, offered at \$0.17 was composed of one flow-through share and half a warrant. In total, 5,079,117 flow-through shares, as well as 2,539,559 warrants were issued. Each warrant entitled its holder to subscribe for one common share at \$0.23 per share for a period of eighteen months. An amount of \$660,285 was recorded in share capital, an amount of \$50,791, related to warrants, was recorded as an increase in contributed surplus and an amount of \$152,374 was recorded as other liabilities in the statement of financial position.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2021 (unaudited)

(in Canadian dollars)

8.1 Share capital (cont'd)

The average weighted fair value of \$0.02 for these warrants (included in the units described at (c) and (d), was determined using the Black & Scholes model and based on the following weighted average assumptions:

	<u>2020</u>
Average share price at the date of grant	\$0.13
Expected dividend yield	0%
Expected weighted volatility	63%
Average risk-free interest rate	0.27%
Expected average life	1.5 year
Average exercise price at the date of grant	\$0.23

The underlying expected volatility was determined by reference to historical date of the Company's share over the expected average life of the warrants.

- (e) On August 31 and September 17, 2021, the Company completed the closing of a flow-through private placement for a total of \$886,468. It was composed of 7,387,233 flow-through shares at a price of \$0.12 each. An amount of \$656,601 was recorded in share capital and an amount of \$229,867 was recorded as other liabilities in the statement of financial position.
- (f) During the six-month period ended December 31, 2020, 700,000 options were exercised. An amount of \$70,000 was received and an amount of \$42,000, representing the fair value of the options at the time of the issue, were recorded as an increase in share capital.

8.2 Warrants

Outstanding warrants entitle their holders to subscribe to an equivalent number of ordinary shares, as follows:

	Six-month period ended		Year ended June 30, 2021	
	December 31, 2021			
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted 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	-	-	(5,925,000)	(0.30)
Balance, at the end	<u>14,905,501</u>	0.21	<u>11,405,501</u>	0.23

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2021 (unaudited)

(in Canadian dollars)

8.2 Warrants (cont'd)

The number of outstanding warrants which could be exercised for an equivalent number of common shares is as follows:

Expiration date	December 31, 2021	
	Number of warrants	Exercise price
		\$
June 11, 2022	3,872,725	0.23
June 16, 2022	5,797,778	0.23
June 17, 2022	1,734,998	0.23
March 17, 2023	3,500,000	0.15
	<u>14,905,501</u>	<u>0.21</u>

9. EMPLOYEE REMUNERATION

9.1 Salaries and employee benefit expenses

Salaries and employee benefit expenses recognized are analyzed below:

	Three-month period ended December 31,		Six-month period ended December 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Salaries and benefits	204,050	195,746	470,176	392,484
Share-based payments	89,250	204,750	89,250	204,750
	<u>293,300</u>	<u>400,496</u>	<u>559,426</u>	<u>597,234</u>
Less: salaries and share-based payments capitalized in Exploration and evaluation assets or presented in Project generation expenses	<u>(186,067)</u>	<u>(265,091)</u>	<u>(357,158)</u>	<u>(299,011)</u>
Salaries and employee benefit expenses	<u>107,233</u>	<u>135,405</u>	<u>202,268</u>	<u>298,223</u>

9.2 Share-based payments

The Company has a share-based payments plan for eligible directors, officers, employees, consultants and service suppliers of investors' relations. The most important terms of the plan are as follows:

- the maximum number of shares that may be issued under the plan is limited to 10% of the issued shares at the time of the grant of the option, maximum of 21,295,676 on December 31, 2021 (maximum of 20,206,953 on June 30, 2021);
- the maximum number of shares that can be reserved for a beneficiary is limited to 5% of issued and outstanding shares;
- the maximum number of shares that can be reserved for a consultant during a 12-month period is limited to 2% of issued and outstanding shares;

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2021 (unaudited)

(in Canadian dollars)

9.2 Share-based payments (cont'd)

- iv) the maximum number of shares that can be reserved for a supplier of investors' relation services during any 12-month period is limited to 2% of issued and outstanding shares; moreover, the options granted may be exercised by steps over a period of 12 months after the grant, at the rate of 25% per quarter;
- v) the options granted to directors, officers, employees and consultants may be exercised entirely at the date of the grant.

The options' term cannot exceed ten years. The option exercise price is established by the Board of Directors and may not be lower than the market price of the common shares at the time of the grant.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

The Company's share options are as follow for the period presented:

	Six-month period ended December 31, 2021		Year ended June 30, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Outstanding and exercisable, at beginning	13,775,000	0.26	11,680,000	0.28
Granted	2,975,000	0.08	2,925,000	0.15
Exercised	-	-	(700,000)	(0.10)
Expired	(2,425,000)	(0.51)	(130,000)	(0.10)
Outstanding and exercisable, at the end	<u>14,325,000</u>	0.18	<u>13,775,000</u>	0.26

On December 21, 2021, the Board of Directors of the Company granted 2,975,000 options under its stock option incentive plan to employees, directors, officers and consultants, at an exercise price of \$0.08. The options expire five (5) years from the date of grant.

The weighted average fair value of stock options granted is \$0.03 (\$0.07 for the period ended December 31, 2020) and was estimated using the Black & Scholes model and based on the following weighted average assumptions:

	2021	2020
Share price at the date of issuing	\$0.07	\$0.13
Expected dividend yield	0%	0%
Expected weighted volatility	57%	71%
Expected interest average rate	1.22%	0.27%
Expected average life	5 years	5 years
Average exercise price at the date of grant	\$0.08	\$0.15

The underlying expected volatility was determined by reference to historical data of the Company's share over the expected average life of the options. No special features inherent to the options granted were incorporated into measurement of fair value.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

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9.2 Share-based payments (cont'd)

The table below summarizes the information related to outstanding share options:

Range of exercise price	December 31, 2021	
	Number of options	Weighted average remaining contractual life (years)
From \$0 to \$0.15	5,900,000	4.47
From \$0.16 to \$0.30	8,425,000	2.04
	14,325,000	

In total, \$89,250 of share-based payments (all of which related to equity-settled share-based payment transactions) was recorded (\$51,000 in profit or loss as salaries and employee benefit expenses and \$38,250 capitalized in exploration and evaluation assets) for the six-month period ended December 31, 2021 (\$149,468 in profit or loss as salaries and employee benefit expenses and \$55,282 capitalized in exploration and evaluation assets for the six-month period ended December 31, 2020) and credited to contributed surplus.

10. FINANCE COSTS AND INCOME

Finance costs can be analyzed as follow for the reporting periods presented:

	Three-month period ended December 31,		Six-month period ended December 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Change in fair value of listed shares	(32,893)	(134,397)	(89,177)	(310,066)
Interests on trade accounts	-	(678)	(52)	(708)
	(32,893)	(135,075)	(89,229)	(310,774)

Finance income can be analyzed as follow for the reporting periods presented:

	Three-month period ended December 31,		Six-month period ended December 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Interests income from cash	485	686	1,875	1,565

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11. LOSS PER SHARE

In calculating the diluted loss per share, dilutive potential common shares such as share options and warrants have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in Notes 8.2 and 9.2.

Both the basic and diluted loss per share have been calculated using the net loss as a numerator, i.e. no adjustment to the net loss was necessary in 2021 and 2020.

	Three-month period ended December 31,		Six-month period ended December 31,	
	2021	2020	2021	2020
Net loss	(266,864) \$	(916,907) \$	(2,508) \$	(1,196,696) \$
Weighted average number of shares	212,956,760	183,480,952	208,947,816	181,026,260
Basic and diluted loss per share	(0.001) \$	(0.005) \$	- \$	(0.007) \$

12. ADDITIONAL INFORMATION - CASH FLOWS

The changes in working capital items are detailed as follows:

	Six-month period ended December 31,	
	2021	2020
	\$	\$
Amounts receivable from listed companies	4,481	-
Good and services tax receivable	19,973	44,299
Prepaid expenses	131,313	43,054
Trade and other payables	(235,594)	(166,648)
	(79,827)	(79,295)

Non-monetary operations in the statement of financial position are as follows:

	Six-month period ended December 31,	
	2021	2020
	\$	\$
Trades related to exploration and evaluation assets	215,652	24,288
Amortization of property and equipment included in exploration and evaluation assets	274,744	227,527
Share-based payments included in exploration and evaluation assets	38,250	55,283
Subscriptions to receive included in share capital	-	15,000
Tax credits receivable credited to exploration and evaluation assets	-	11,773

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13. RELATED PARTY TRANSACTIONS

The Company's related parties includes its key management personnel. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled in cash.

13.1 Transactions with key management personnel

The remuneration of the Company's key management personnel and members of the Board of Directors includes the following expenses:

	Three-month period ended December 31,		Six-month period ended December 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Salaries and benefits	50,193	85,499	117,002	153,232
Share-based payments	45,750	122,500	45,750	122,500
Total remuneration	95,943	207,999	162,752	275,732

For the six-month period ended December 31, 2021, an amount of \$28,188 of salaries and benefit expenses was recorded in Exploration and evaluation assets (\$28,332 for the six-month period ended December 31, 2020).

14. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to increase the value of the assets of the business; and
- to provide an adequate return to shareholders.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flows, either with partners or by the Company's own means.

The Company monitors capital on the basis of the carrying amount of equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues flow-through shares for which an amount should be used for exploration work. See all details in Notes 8.1 and 15.

The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its activities or may slow its activities until conditions improve.

15. CONTINGENCIES AND COMMITMENTS

The Company is partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Company is engaged in realizing mining exploration work.

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15. CONTINGENCIES AND COMMITMENTS (cont'd)

These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- Two years following the flow-through placements (three years for placements completed in 2020);
- One year after the Company has renounced the tax deductions relating to the exploration work (two years for placements completed in 2020).

However, there is no guarantee that the Company's exploration expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in the regard. Refusal of certain expenses by the tax authorities could have a negative tax impact for investors.

As of December 31, 2021, the product of unspent funding related to flow-through financings totals \$1,242,544 (\$4,076,080 on December 31, 2020).

16. SUBSEQUENT EVENTS

- (a) On January 25, 2022, the Board of Directors of the Company has granted 250,000 options under its stock option incentive plan to a new director, at an exercise price of \$0.08. The options expire five (5) years from the date of grant.
- (b) 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 an consideration of \$210,000.