



SIRIOS RESOURCES INC.
TSX-V: SOI

Interim Financial Statements (unaudited)

MARCH 31, 2022

Table of content

Interim Statement of Financial Position	2
Interim Statement of Comprehensive Loss	3
Interim Statement of Changes in Equity	4
Interim Statement of Cash Flows	5
Notes to Interim Financial Statements	6-18

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	March 31, 2022	June 30, 2021
		\$	\$
ASSETS			
Current			
Cash		1,108,822	3,107,538
Term deposit	4	53,294	53,294
Amounts receivable from listed companies		-	4,481
Listed shares		49,159	490,655
Good and services tax receivable		56,282	100,556
Tax credits receivable		-	31,181
Prepaid expenses		76,590	225,424
		1,344,147	4,013,129
Non-current			
Property and equipment	5	397,288	296,372
Advances on exploration and evaluation assets		-	197,592
Exploration and evaluation assets	6	31,943,602	27,775,111
Total assets		33,685,037	32,282,204
LIABILITIES			
Current			
Trade and other payables		102,215	418,957
Other liabilities		186,580	611,672
		288,795	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		827,729	1,591,446
EQUITY			
Share capital	8.1	55,195,143	52,968,542
Contributed surplus		5,168,221	4,998,971
Deficit		(27,506,056)	(27,276,755)
Total equity		32,857,308	30,690,758
Total liabilities and equity		33,685,037	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 May 20, 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		Nine-month period ended	
		March 31,		March 31,	
		2022	2021	2022	2021
		\$	\$	\$	\$
EXPENSES					
Salaries and employee benefit expenses	9.1	78,659	85,544	280,926	383,767
Investors and shareholders' relations		27,009	16,989	100,843	117,166
Professional fees		22,054	17,499	104,973	74,933
Insurances, taxes and permits		20,406	4,514	47,615	10,691
Office expenses		6,107	6,367	19,760	23,900
Rent expenses		4,500	4,500	14,874	14,558
Trustees and registration fees		3,709	1,136	42,090	28,263
Publicity and sponsorship		2,946	849	20,487	19,214
Income taxes of section XII.6		1,200	-	1,200	-
Bank charges		411	419	1,251	1,585
Amortization of property and equipment		352	229	1,072	1,400
Training		350	2,950	1,250	15,445
Project generation expenses		21,272	26,163	49,218	84,205
Gain on disposal of exploration and evaluation assets	6	(9,766)	-	(9,766)	-
Write-off of exploration and evaluation assets	6	3,857	38,805	3,857	38,805
OPERATIONAL LOSS		183,066	205,964	679,650	813,932
OTHER REVENUES AND EXPENSES					
Finance costs	10	(22,354)	(34,204)	(111,583)	(344,978)
Finance income	10	1,945	23,358	3,820	24,923
		(20,409)	(10,846)	(107,763)	(320,055)
LOSS BEFORE INCOME TAX		(203,475)	(216,810)	(787,413)	(1,133,987)
Deferred income taxes		74,936	174,644	656,366	(104,875)
NET LOSS AND COMPREHENSIVE LOSS	11	(128,539)	(42,166)	(131,047)	(1,238,862)
NET LOSS PER SHARE - basic and diluted		(0.0005)	(0.0002)	(0.0006)	(0.0070)

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		-	-	(1,237,699)	(1,237,699)
Share-based payments	9.2	-	204,750	-	204,750
Issuance cost of shares (a)		-	-	(307,511)	(307,511)
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 March 31, 2021		52,968,542	4,998,971	(27,429,185)	30,538,328
As of July 1st, 2021		52,968,542	4,998,971	(27,276,755)	30,690,758
Net loss and comprehensive loss		-	-	(131,047)	(131,047)
Share-based payments	9.2	-	99,250	-	99,250
Issuance cost of shares (b)		-	-	(98,254)	(98,254)
Issuance of units and shares	8.1	2,226,601	70,000	-	2,296,601
As of March 31, 2022		55,195,143	5,168,221	(27,506,056)	32,857,308

(a) Net of a deferred tax assets of an amount of \$61,005.

(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)

	Nine-month period ended March 31,	
Notes	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Net loss	(131,047)	(1,237,699)
Adjustments		
Share-based payments	61,000	149,468
Amortization of property and equipment	1,072	1,400
Change in fair value of listed shares	107,357	344,261
Deferred income taxes	(656,366)	104,875
Gain on disposal of exploration and evaluation assets	(9,766)	-
Write-off of exploration and evaluation assets	3,857	38,805
Changes in working in capital items	12 (131,795)	(181,648)
Cash flows used in operating activities	(755,688)	(780,538)
INVESTING ACTIVITIES		
Tax credit received	(49,409)	245,427
Additions to listed shares	(2,140)	(12,401)
Disposal of listed shares	336,280	27,961
Additions to property and equipment	(433,854)	(421)
Disposal of advances on exploration and evaluation assets	197,592	-
Additions to exploration and evaluation assets	(3,887,532)	(1,075,609)
Cash flows used in investing activities	(3,839,063)	(815,043)
FINANCING ACTIVITIES		
Issuance of units and shares	2,714,761	4,004,356
Issuance cost of shares	(118,726)	(246,504)
Loan guaranteed by the Government of Canada	-	60,000
Cash flows from financing activities	2,596,035	3,817,852
NET CHANGE ON CASH	(1,998,716)	2,222,271
CASH, BEGINNING OF THE PERIOD	3,107,538	1,585,502
CASH, END OF THE PERIOD	1,108,822	3,807,773
Supplementary information		
Interest paid related to operating activities	4,227	717
Interest received related to operating activities	3,822	4,923

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

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the nine-month period ended March 31, 2022 (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 of 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 nine-month period ended March 31, 2022 (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 March 31, 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, meet 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 recovered 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 are 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 nine-month period ended March 31, 2022, the Company wrote-off the Goldorak property (and wrote-off the Solo property on March 31, 2021). Total impairment of write-off recognized in profit or loss amounts to \$3,857 (amount of \$38,805 on March 31, 2021). No reversal impairment losses have 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.

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.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the nine-month period ended March 31, 2022 (unaudited)

(in Canadian dollars)

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

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 2021), 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 March						
31, 2022	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	509	4,781	327,085	-	563	332,938
Balance on March						
31, 2022	2,949	29,122	1,740,294	36,683	121,522	1,930,570
Carrying amount on March 31, 2022	439	2,724	392,796	-	1,329	397,288

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 nine-month period ended March 31, 2022 (unaudited)

(in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

<i>Mining rights</i>	June 30, 2021	Additions	Write-off/ Disposal	March 31, 2022
	\$	\$	\$	\$
(a) Aquilon ⁽¹⁾	908,598	21,612	(110,000)	820,210
(b) Cheechoo	1,031,348	5,600	-	1,036,948
(c) Cheechoo-extension	4,674	-	-	4,674
(d) Pontax ⁽¹⁾	1	-	-	1
(e) Goldorak ⁽²⁾	1	-	(1)	-
(f) Niska ⁽¹⁾	35,205	-	(10,000)	25,205
(g) Tilly 2 ⁽¹⁾	7,949	10,560	(15,000)	3,509
(h) Maskwa ⁽¹⁾	57,288	-	(25,000)	32,288
	<u>2,045,064</u>	<u>37,772</u>	<u>(160,001)</u>	<u>1,922,835</u>

Exploration and evaluation expenses

	June 30, 2021	Additions	Write-off/ Disposal	Tax credits	March 31, 2022
	\$	\$	\$	\$	\$
(a) Aquilon ⁽¹⁾	2,123,907	202,798	-	-	2,326,705
(b) Cheechoo	23,258,366	4,042,554	-	80,590	27,381,510
(d) Pontax ⁽¹⁾	38,796	1,438	(40,234)	-	-
(e) Goldorak ⁽²⁾	-	3,856	(3,856)	-	-
(f) Niska ⁽¹⁾	165,862	-	-	-	165,862
(g) Tilly 2 ⁽¹⁾	11,088	3,574	-	-	14,662
(h) Maskwa ⁽¹⁾	132,028	-	-	-	132,028
	<u>25,730,047</u>	<u>4,254,220</u>	<u>(44,090)</u>	<u>80,590</u>	<u>30,020,767</u>
TOTAL	<u>27,775,111</u>	<u>4,291,992</u>	<u>(204,091)</u>	<u>80,590</u>	<u>31,943,602</u>

All write-off expenses are presented in *Write-off of exploration and evaluation assets* in profit or loss.

- (1) During the nine-month period ended March 31, 2022, the Company signed a strategic agreement with an investor and granted royalties, between 0.5% and 1% NSR, on some of its properties.
- (2) During the nine-month period ended March 31, 2022, management wrote-off the mining rights and exploration and evaluation expenses for the Goldorak property for the following reason: abandonment of the claims.

(a) Aquilon

This 140-claim gold property, owned at 100%, is located near LA-1 hydro-electric complex in the James Bay area (Qc) and is fully owned by the Company.

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

A private investor holds a 1% NSR royalty, three-quarters of which is redeemable for \$200,000 at any time before June 30, 2022.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the nine-month period ended March 31, 2022 (unaudited)

(in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

(b) Cheechoo

The Cheechoo gold project consists of 180 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.

(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.

A private investor holds a 0.5% NSR royalty, half of which is redeemable for \$200,000.

(e) Goldorak

The property, owned at 100% by the Company, consists of 6 claims in the James Bay area (Qc). During the period, the Company wrote-off the mining rights and exploration and evaluation expenses for this property.

(f) Niska

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

A private investor holds a 0.5% NSR royalty, half of which is redeemable for \$200,000.

(g) Tilly 2

The property, owned at 100% by the Company, consists of 66 claims in the James Bay area (Qc).

A private investor holds a 0.5% NSR royalty, half of which is redeemable for \$200,000.

(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).

A private investor holds a 0.5% NSR royalty, half of which is redeemable for \$200,000.

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.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the nine-month period ended March 31, 2022 (unaudited)

(in Canadian dollars)

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.

	Number of shares Nine-month period ended March 31,	
	2022	2021
Common shares issued and fully paid at beginning of the period	202,069,527	178,558,525
Private placement (a) (b) (c)	25,000,000	3,469,996
Flow-through private placement (d) (e) (f)	7,387,233	19,341,006
Exercise of options (g)	-	700,000
Common shares issued and fully paid at the end of the period	234,456,760	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, 3,500,000 shares, 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 January 26, 2022, the Company completed the closing of a private placement. The strategic 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 for a consideration of \$210,000. An amount of \$1,290,000 was recorded as an increase in share capital and an amount of \$9,766, related to the sale of royalties, was recorded in profit or loss as a gain on disposal of exploration and evaluation assets.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the nine-month period ended March 31, 2022 (unaudited)

(in Canadian dollars)

8.1 Share capital (cont'd)

- (d) 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.
- (e) 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.

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	61 %
Average risk-free interest rate	0,35 %
Expected average life	1,5 an
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.

- (f) 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.
- (g) During the nine-month period ended March 31, 2021, 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.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the nine-month period ended March 31, 2022 (unaudited)

(in Canadian dollars)

8.2 Warrants

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

	Nine-month period ended March 31, 2022		Year ended June 30, 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	14,905,501	0.21	11,405,501	0.23

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

Expiration date	March 31, 2022	
	Number of warrants	Exercise price
		\$
June 13, 2022	11,405,501	0.23
March 17, 2023	3,500,000	0.15
	14,905,501	0.21

9. EMPLOYEE REMUNERATION

9.1 Salaries and employee benefit expenses

Salaries and employee benefit expenses recognized are analyzed below:

	Three-month period ended March 31,		Nine-month period ended March 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Salaries and benefits	219,151	181,813	689,326	574,297
Share-based payments	10,000	-	99,250	204,750
	229,151	181,813	788,576	779,047
Less: salaries and share-based payments capitalized in Exploration and evaluation assets or presented in Project generation expenses	(150,492)	(96,320)	(507,650)	(395,331)
Salaries and employee benefit expenses	78,659	85,493	280,926	383,716

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the nine-month period ended March 31, 2022 (unaudited)

(in Canadian dollars)

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:

- i) 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 23,445,676 on March 31, 2022 (maximum of 20,206,953 on June 30, 2021);
- ii) the maximum number of shares that can be reserved for a beneficiary is limited to 5% of issued and outstanding shares;
- iii) 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;
- 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 maybe 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:

	Nine-month period ended March 31, 2022		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	3,225,000	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	14,575,000	0.18	13,775,000	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 years from the date of grant.

On January 25, 2022, the Board of Directors of the Company 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 years from the date of grant.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the nine-month period ended March 31, 2022 (unaudited)

(in Canadian dollars)

9.2 Share-based payments (cont'd)

The weighted average fair value of stock options granted is \$0.03 (\$0.07 for the period ended March 31, 2021) and was estimated using the Black & Scholes model and based on the following weighted average assumptions:

	2022	2021
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	1.23%	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 date 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.

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

Range of exercise price	March 31, 2022	
	Number of options	Weighted average remaining contractual life (years)
De 0 \$ à 0,15 \$	11,350,000	4.24
De 0,16 \$ à 0,30 \$	3,225,000	1.80
	<u>14,575,000</u>	

In total, \$99,250 of share-based payments (all of which related to equity-settled share-based payment transactions) was recorded (\$61,000 in profit or loss as salaries and employee benefit expenses and \$38,250 capitalized in exploration and evaluation assets) for the nine-month period ended March 31, 2022 (\$149,468 in profit or loss as salaries and employee benefit expense and \$55,282 capitalized in exploration and evaluation assets for the nine-month period ended March 31, 2021) 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 March 31,		Nine-month period ended March 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Interests on trade accounts	(4,175)	(9)	(4,227)	(717)
Change in fair value of listed shares	(18,179)	(34,195)	(107,356)	(344,261)
	<u>(22,354)</u>	<u>(34,204)</u>	<u>(111,583)</u>	<u>(344,978)</u>

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the nine-month period ended March 31, 2022 (unaudited)

(in Canadian dollars)

10. FINANCE COSTS AND INCOME (cont'd)

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

	Three-month period ended March 31,		Nine-month period ended March 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Interests income from cash	1,945	3,358	3,820	4,923
Government assistance	-	20,000	-	20,000
	1,945	23,358	3,820	24,923

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 2022 and 2021.

	Three-month period ended March 31,		Nine-month period ended March 31,	
	2022	2021	2022	2021
Net loss	(128,539) \$	(42,166) \$	(131,047) \$	(1,237,699) \$
Weighted average number of shares	228,484,538	202,069,527	215,364,988	187,938,282
Basic and diluted loss per share	(0.0005) \$	(0.0002) \$	(0.0006) \$	(0.0070) \$

12. ADDITIONAL INFORMATION - CASH FLOWS

The changes in working capital items are detailed as follows:

	Nine-month period ended March 31,	
	2022	2021
	\$	\$
Amounts receivable from listed companies	4,481	-
Good and services tax receivable	44,274	48,491
Prepaid expenses	148,834	(86,557)
Trade and other payables	(329,384)	(143,582)
	(131,795)	(181,648)

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the nine-month period ended March 31, 2022 (unaudited)

(in Canadian dollars)

12. ADDITIONAL INFORMATION - CASH FLOWS (cont'd)

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

	Nine-month period ended March 31,	
	2022	2021
	\$	\$
Trades related to exploration and evaluation assets	12,642	25,636
Amortization of property and equipment included in exploration and evaluation assets	331,866	337,520
Share-based payments included in exploration and evaluation assets	38,250	55,282
Tax credits receivable credited to exploration and evaluation assets	80,590	11,773

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 March 31,		Nine-month period ended March 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Salaries and benefits	62,399	92,839	179,401	246,071
Share-based payments	10,000	-	55,750	122,500
Total remuneration	72,399	92,839	235,151	368,571

For the nine-month period ended March 31, 2022, an amount of \$44,610 of salaries and benefit expenses was recorded in *Exploration and evaluation assets* (\$47,299 for the nine-month period ended March 31, 2021).

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.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the nine-month period ended March 31, 2022 (unaudited)

(in Canadian dollars)

14. CAPITAL MANAGEMENT POLICIES AND PROCEDURES (cont'd)

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.

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 March 31, 2022, the product of unspent funding related to flow-through financings totals \$770,883 (\$3,941,482 on March 31, 2021).

16. SUBSEQUENT EVENT

In April 2022, Sirios added by map designation, 69 new claims to the Cheechoo property. A first block of 35 new claims is adjacent to the central-eastern part of the main block, and another block of 34 claims forms a third block not contiguous to the original blocks of the property. These 69 new claims are 100% owned by Sirios and are not subject to any royalties. The Cheechoo property is therefore now composed of 3 blocks of non-contiguous claims comprising 225 claims for a total area of 118 km².