



S I R I O S

SIRIOS RESOURCES INC.

TSX-V: SOI

OTCQB: SIREF

Management's Discussion and Analysis
Quarterly highlights
For the six-month period ended December 31, 2023

This quarterly Management Discussion and Analysis dated February 27, 2024, highlights Sirios Resources Inc.'s ("the Company" or "Sirios") operations and constitutes management's review of the factors that affected the Company's financial operating performance for the six-month period ended December 31, 2023.

This discussion and analysis should be read in conjunction with:

- The December 31, 2023, unaudited interim financial statements.
- The Company's audited financial statements for the years ended June 30, 2023, and 2022.
- The 2023 Annual Management report.

These documents and additional information are available through www.sedar.com website, under the Company's section "Sedar filing" or at www.sirios.com.

1. Nature of activities

Since its creation in 1994 under the Canada Business Corporations Act, Sirios' goal is to discover world-class precious metal deposits in the James Bay region, in Quebec. Over the years, Sirios has developed extensive expertise in the exploration of this region.

The address of the Company's registered office is 1400, Marie-Victorin, Suite 210, Saint-Bruno-de-Montarville, Quebec, Canada. The Company's shares are listed on the TSX Venture Exchange, under the symbol "SOI". As of December 31, 2023, there are 276,756,213 common shares of Sirios issued and outstanding.

2. Financing activities, other developments, and Board of Directors

2.1. Financing activities

On July 27, 2023, the Board of Directors of Sirios granted 300,000 stock options to a director, at an exercise price of \$0.07 per share.

On November 2, 2023, the Company completed a private placement for a total of \$40,000. In total, 800,000 shares were issued at a price of \$0.05 each.

On November 2, 2023, the Company completed a flow-through private placement for a total of \$110,000. In total, 1,375,000 flow-through shares were issued at a price of \$0.08 each. Management is required to fulfill its commitments within the prescribed period of one year from the date of renouncement.

On December 28, 2023, the Company completed a flow-through private placement for a total of \$500,000. The unit, offered at \$0.08, consisted of one flow-through share and one warrant. In total, 6,250,000 flow-through shares were issued as well as 6,250,000 warrants.

2.2. Other developments

On December 6, 2023, the Company announced that its common shares were now trading on the OTCQB Venture Market, a United States market operated by OTC Markets Group Inc. (the "OTC") in New York, under the symbol "SIREF". Trading on the OTCQB market will enable the Company to efficiently build broader investor awareness and provide U.S. investors with a seamless trading facility to trade through the broker of their choice more easily.

On December 21, 2023, the Company signed an option agreement on the Maskwa property with Hertz Lithium Inc. ("Hertz"). Pursuant to the agreement, Sirios has agreed to grant Hertz the option to acquire up to a 100% interest in the property, following an investment totaling \$2.55M, i.e.: \$2.25M in exploration expenses, \$100,000 in cash upon signing (received) and \$100,000 in cash on or before the first anniversary in addition to \$100,000 in cash or in shares. Sirios will receive a payment of \$250,000 either in cash or in shares upon the successful confirmation of drilling results indicating a lithium concentration of 1% or more over a minimum of 25 metres.

If the option is completed, Sirios will retain a 1.5% NSR royalty. In addition, Sirios will keep the right to buy back 100% of the mining rights on the non-critical minerals, which comprise among other metals, gold, silver, and PGE (Platinum Group Elements) and tungsten, by paying back to Hertz its incurred exploration expenditures capped to a maximum of \$2M.

On December 21, 2023, the Company signed an option agreement on the Li-52 and Niska properties with Bullrun Capital Inc. ("Bullrun"), a private investment company. Pursuant to the agreements, Sirios has agreed to grant Bullrun an option to acquire up to 100% interest in each of the properties, following an investment totaling \$5M, i.e.: \$2.25M in exploration expenses per property, \$100,000 in cash upon signing (received) and \$200,000 (\$100,000 per property) in cash on or before the first anniversary in addition to \$200,000 (\$100,000 per property) in cash or in shares. In addition, Sirios will receive a payment of \$250,000 either in cash or in shares upon the successful confirmation of drilling results indicating a lithium concentration of 1% or more over a minimum of 25 metres.

If the option is completed, Sirios will retain a 1.5% NSR royalty on Niska and a 1.75% NSR on Li-52. In addition, Sirios will keep the right to buy back 100% of the mining rights on the non-critical minerals, which comprise, among other metals, gold, silver, and PGE (Platinum Group Elements) and tungsten, by paying back to Bullrun its incurred exploration expenditures capped to a maximum of \$2M per property. Bullrun as a private entity intends to advance the projects and then assign them to a public exploration company.

2.3. Board of Directors

On July 27, 2023, Sirios announced the appointment of Mr. Robert Ménard as director of the Board of Directors of the Company.

On December 18, 2023, at the Annual Meeting of shareholders, the following directors were re-elected: Ms. Colinda Parent, Mr. Luc Cloutier, Dominique Doucet, Guy Le Bel, and Robert Ménard.

Moreover, during the Board meeting held after the shareholders' meeting, Mr. Frederic Sahyouni was re-appointed to the position of Chief Financial Officer and Secretary of the Company while Mr. Dominique Doucet and Robert Ménard were appointed as President, Chief Executive Officer, and Chairman of the Board respectively. Ms. Parent will chair the audit committee while Mr. Cloutier will chair the governance, environment, health/safety committee.

3. Investing activities

During the three-month period ended December 31, 2023 (the "Quarter"), the Company incurred \$745,991 in exploration expenses compared to \$583,885 for the same period in 2022.

Analysis of the Quarter ended December 31, 2023

| | Aquilon | Cheechoo | Maskwa | Li-52 | TOTAL |
|--------------|----------------|----------------|----------------|--------------|----------------|
| Geology | - | - | 119,396 | 4,132 | 123,528 |
| Drilling | - | 554,271 | - | - | 554,271 |
| Others* | (1,674) | 69,866 | - | - | 68,192 |
| TOTAL | (1,674) | 624,137 | 119,396 | 4,132 | 745,991 |

* The amount of \$68,192 in the "Others" category, does not constitute an outflow of money. It is composed of the charge for the granting of stock options as well as the amortization charge.

During the six-month period ended December 31, 2023, the Company incurred \$1,004,735 in exploration expenses compared to \$1,248,198 for the same period in 2022.

Analysis of the six-month period ended December 31, 2023

| | Aquilon | Cheechoo | Maskwa | Li-52 | TOTAL |
|---------------|------------|----------------|----------------|--------------|------------------|
| Geology | - | - | 121,058 | 4,132 | 125,190 |
| Geochemistry | - | 7,810 | - | - | 7,810 |
| Drilling | - | 608,386 | - | - | 608,386 |
| Bulk sampling | - | 45,078 | - | - | 45,078 |
| Others* | 505 | 217,766 | - | - | 218,271 |
| TOTAL | 505 | 879,040 | 121,058 | 4,132 | 1,004,735 |

* An amount of \$122,965, including in the "Others" category, does not constitute an outflow of money. It is 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.

■ SIRIOS RESOURCES' PROPERTIES IN EYYOU ISTCHEE JAMES BAY, QC



Figure 1: Location of Sirius 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 Sirius 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 3.5% for a price of gold between CAD\$2,400 and \$3,000 per ounce.

Expansion of the property

In 2022 and 2023, Sirius added, by map designation, 150 claims to the property, part of which (40 claims) forms a third block not contiguous to the original blocks of the property, in the NTS sheet 33C09. The other 110 claims have been added to the main block in sheet 33B12. These 150 additional claims are 100% owned by Sirius and are not subject to any royalties. **The Cheechoo property is now composed of 306 claims covering an area of 157 km², divided into three non-contiguous blocks** (Figure 2). The new claims were acquired, by Sirius, **for their lithium exploration potential**.

Gold resources

In December 2022, Sirius released the updated resource estimate. **The Cheechoo deposit now has 74% ounces of gold in the indicated category**. The technical report, produced for Sirius by BBA ([MRE Update for the Cheechoo Project](#), 07/20/2022) and compliant with Regulation 43-101, detailing the update of the resources of the Cheechoo property, was filed on Sedar on January 16, 2023 (ref. press release [January 16, 2023](#)).

This updated resource estimate indicates, for an open pit model, **indicated resources of 1.4 million ounces of gold contained in 46.3 million tonnes at an average grade of 0.94 g/t Au**, as well as **inferred resources of 0.5 million ounces of gold contained in 21.1 million tonnes grading 0.73 g/t Au**. Please note that the estimated resources exclude a significant amount of gold mineralization present on the property in the southern portion of the deposit but directly adjacent to a property boundary. Additionally, there is potential to increase the resources of the Cheechoo deposit if a heap leach mining scenario was considered. Finally, there is also the potential to define an additional gold resource outside the deposit to the west of it with the high-grade Eclipse zone. For more details on this subject, refer to chapter 14.11 of the BBA technical report available on the Sirius website or on SEDAR.

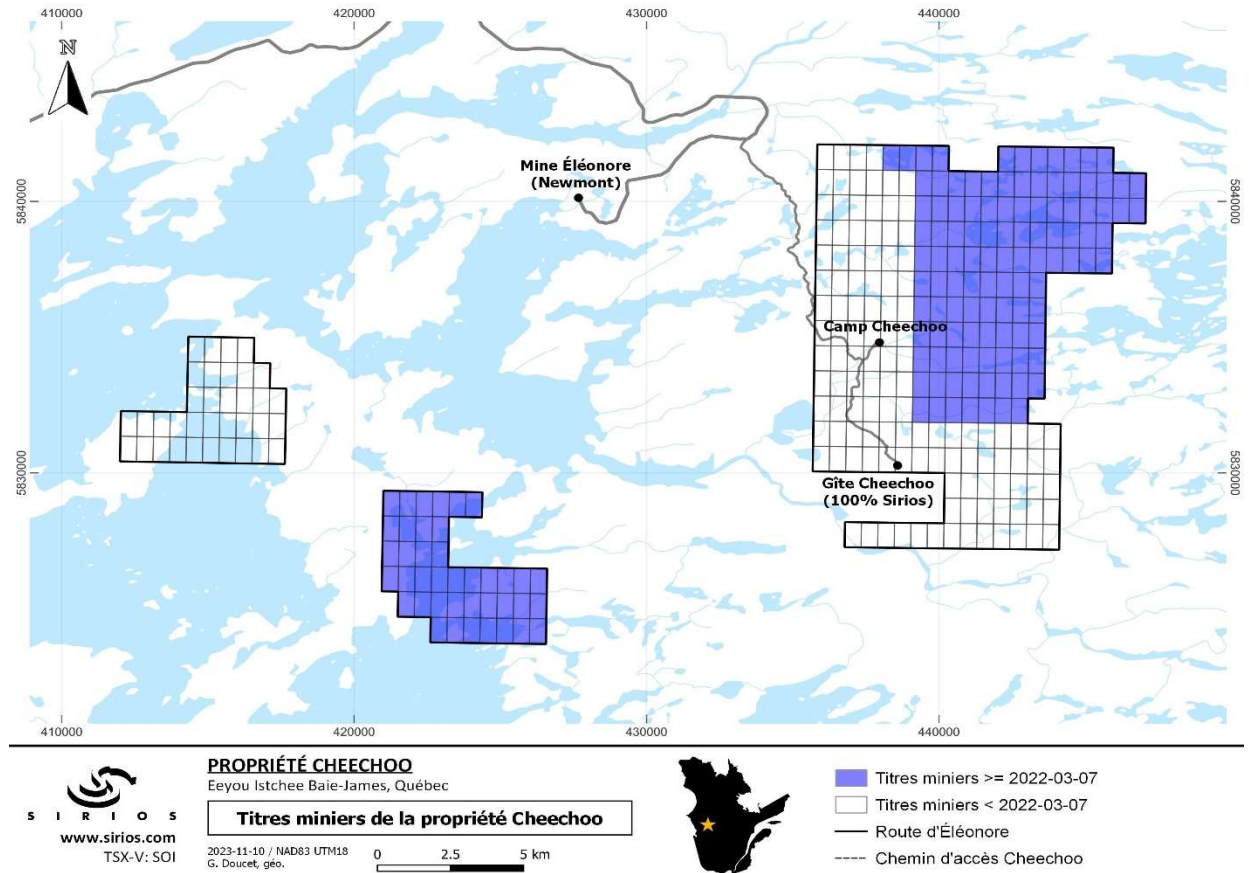


Figure 2: Location of the claims on the Cheechoo property

4.1.1. Executed work

4.1.1.1. Ongoing tests regarding tungsten (W) mineralization

Characterization and recovery testing of tungsten associated with gold mineralization on Cheechoo continued during the period. The first treatments and the study of ten samples totaling 570 kg of drill cores and trenches were carried out in the laboratories of the firm IOS Services Géoscientifiques in Saguenay. Preliminary results, obtained from petrographic studies and dense liquor separation tests, show that scheelite is the only tungsten-bearing mineral present at Cheechoo and that a tungsten concentrate can be produced. These favourable results justify continued studies and tests. The objective of these being to verify whether tungsten, in association with the gold mineralization of Cheechoo, could become a by-product of interest thus increasing the value of the deposit.

4.1.1.2. Diamond drilling

In November 2023, Sirios carried out a drilling program of nine drill holes totaling 1,108 metres, seven of which aimed to extend the mineralized zone discovered in 2022, in the metasediments sector (ref: press release [October 18, 2023](#)) and located at 300 metres east of the Cheechoo deposit. The seven drill holes, targeting the area, all intersected the mineralization (Table 1) with multiple significant gold results near the surface, thus demonstrating its strong continuity (ref: press release [December 12, 2023](#)).

Highlights of the November 2023 drilling campaign:

- **3.2 g/t Au over 9.0 metres** (hole #301) was intersected 50 metres below the trench, which had previously returned **2.7 g/t Au over 11.0 metres** at surface (Trench 2022-B).
- These results define a mineralized zone with a northwest-southeast orientation, **extending over 400 metres in length and with an average width of 10 metres** (Figure 1). This zone, present at the surface, has been traced to a depth of 100 metres and remains **open in all directions**.
- The 7 holes intersected the zone **outside the conceptual pit limits of the 2022 Mineral Resource Estimate (MRE)**.
- The Cheechoo metasediment mineralized zone is new gold zone that was discovered at surface in trenches during the summer of 2022. This zone shares geological characteristics similar to those of the neighboring Éléonore mine, including gold mineralization association with pyrrhotite and arsenopyrite in meta-greywackes near the boundary between the La Grande and Opinaca geological sub-provinces.

TABLE 1: SIGNIFICANT RESULTS

| Drill hole CH23- | From (m) | To (m) | Au (g/t) | Length* (m) | Inside/Outside of MRE Conceptual Pit |
|-----------------------------|-------------------|---------------|-----------------|------------------------|---|
| 269E | 121.0 | 132.5 | 0.85 | 11.5 | Outside |
| 298 | 11.0 | 15.5 | 0.64 | 4.5 | Outside |
| | 27.0 | 39.5 | 1.45 | 12.5 | Outside |
| | 81.5 | 86.7 | 0.59 | 5.2 | Outside |
| 299 | 52.0 | 56.0 | 1.19 | 4.0 | Outside |
| | 61.0 | 90.5 | 0.67 | 29.5 | Outside |
| 301 | 29.0 | 49.5 | 0.74 | 20.5 | Outside |
| | 56.5 | 65.5 | 3.18 | 9.0 | Outside |
| | Incl. 56.5 | 57.5 | 16.71 | 1.0 | Outside |
| 302 | 94.0 | 101.3 | 0.81 | 7.3 | Outside |
| 303 | 91.5 | 114.0 | 0.97 | 22.5 | Outside |
| | 121.0 | 128.5 | 1.38 | 7.5 | Outside |
| | 135.5 | 140.1 | 0.69 | 4.6 | Outside |
| 304 | 20.5 | 27.5 | 0.54 | 7.0 | Outside |
| | 38.5 | 63.0 | 0.66 | 24.5 | Outside |

* Length along drill hole. Not necessarily equal to true width.

Intervals greater than 0.35 g/t Au with a maximum of 3 consecutive metres of waste material.

Table of drill holes coordinates is available at: www.sirios.com/bd-coordinates-drilled-20231212

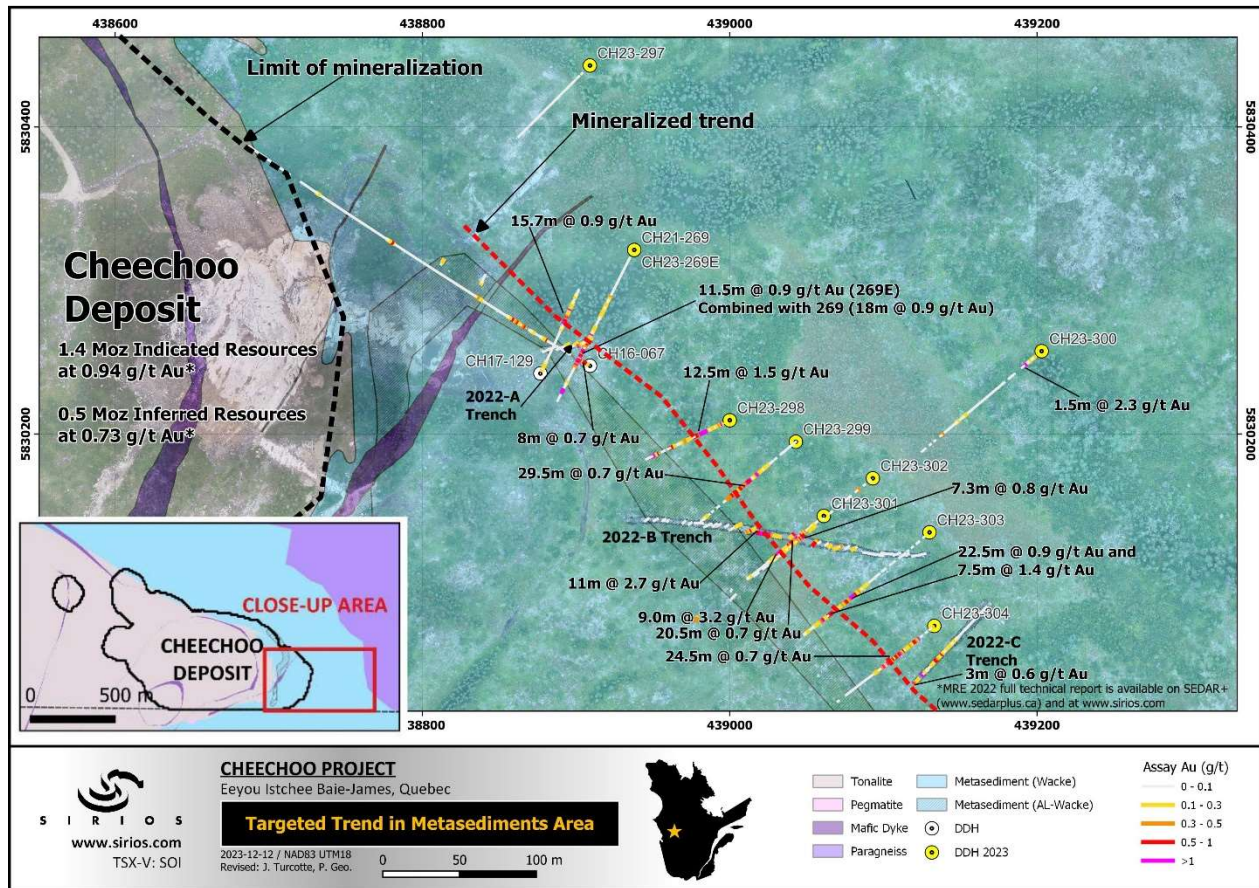


Figure 3: Location of drill holes completed in November 2023 in the metasediments area

Analytical quality control

The complete drilling campaign included nine holes for a total of 1,108 metres. All the drill core was described and sampled by Sirios staff at the Cheechoo exploration camp. The core was split into two halves, one sent to a certified commercial laboratory for analysis, and the other retained for future reference. Following a strict analytical quality assurance and control program, blanks and certified reference materials were integrated into the sampling sequence. A total of 627 samples were assayed for gold, on approximately 500 g of crushed material, with the Photon Assay™ method (PAAU02) at the MSALABS laboratory located in Val-d'Or. Samples with the presence of visible gold were analyzed until extinction with the Photon Assay™ method. Five samples with a background level too high in U/Th to be analyzed by Photon Assay™ were sent to the MSALABS laboratory in Langley, Ontario to be analyzed by fire assay with atomic absorption finish. Whole rock geochemical analysis was also carried out by ICP-MS and ICP-EOS on all samples.

The work carried out on the Cheechoo property during the three-month period ended December 31, 2023, totaled \$554,271 excluding the share-based payment expense as well as the amortization expense.

4.2. Aquilon property

The Aquilon property is 100% owned by Sirios. It consists of 140 claims and covers approximately 70 km², 10 km 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-Taïga 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.

Gold Royalty Corp. Inc. holds a 1% NSR ("Net Smelter Return") royalty on the Aquilon property, half of which is redeemable for \$500,000. In addition, an investor holds a 0.25% NSR royalty.

In December 2022, Sirios signed an option agreement with Sumitomo Metal Mining Canada Ltd. ("Sumitomo") giving it the option to acquire an interest of up to 80% of the Aquilon gold property, in return for an investment totaling \$14.8M (ref. press release [December 19, 2022](#)). According to the agreement, Sumitomo can earn a 51% interest in the property by paying Sirios an amount of \$200,000 (received) and after carrying out exploration work of \$4.6M on or before the third anniversary of the agreement. Sirios acts as project operator and receives 10% in management fees. A firm commitment of \$1.6M must be invested on the property during this first option phase. Sumitomo may obtain an additional 29% interest, for a total of 80%, by undertaking additional exploration work of \$10M on or before the sixth anniversary of the agreement. Once the 80% stake is acquired by Sumitomo, a joint venture will be formed with Sirios for the project. In the event a joint venture participant's interest is diluted to below 10%, it will convert its joint venture interest to a net smelter return (NSR) royalty of 2%.

4.2.1. Executed work

Exploration activities started in September 2023 continued in October, including the following work (ref. press release [August 31, 2023](#)):

- A geochemical soil survey at the scale of the property
- A structural study
- Geophysical surveys in boreholes
- Mapping and rock sampling work on a series of strippings
- A high-resolution magnetic survey by drone

The work, entirely financed by our partner Sumitomo, totaled \$244,097 for the three-month period ended December 31, 2023.

4.3. Maskwa property

The Maskwa property, 100% owned by Sirios, is located approximately 100 km southwest of Radisson and approximately 120 km east of Wemindji in Eeyou Istchee James Bay in Quebec. The property is composed of 396 claims, covering an area of approximately 201 km².

4.3.1. Executed work

Follow-up work targeting lithium, gold and tungsten on significant anomalies previously detected in till samples from the Maskwa property, as announced last September (ref: press release [September 6, 2023](#)) was completed in October 2023. The firm IOS Services Géoscientifiques Inc. in Saguenay is currently completing processing on nearly a hundred till samples (98) collected along sampling lines (WNW-ESE) focused mainly on two target sectors (Figure 4). Results are expected to be received in February-March 2024.

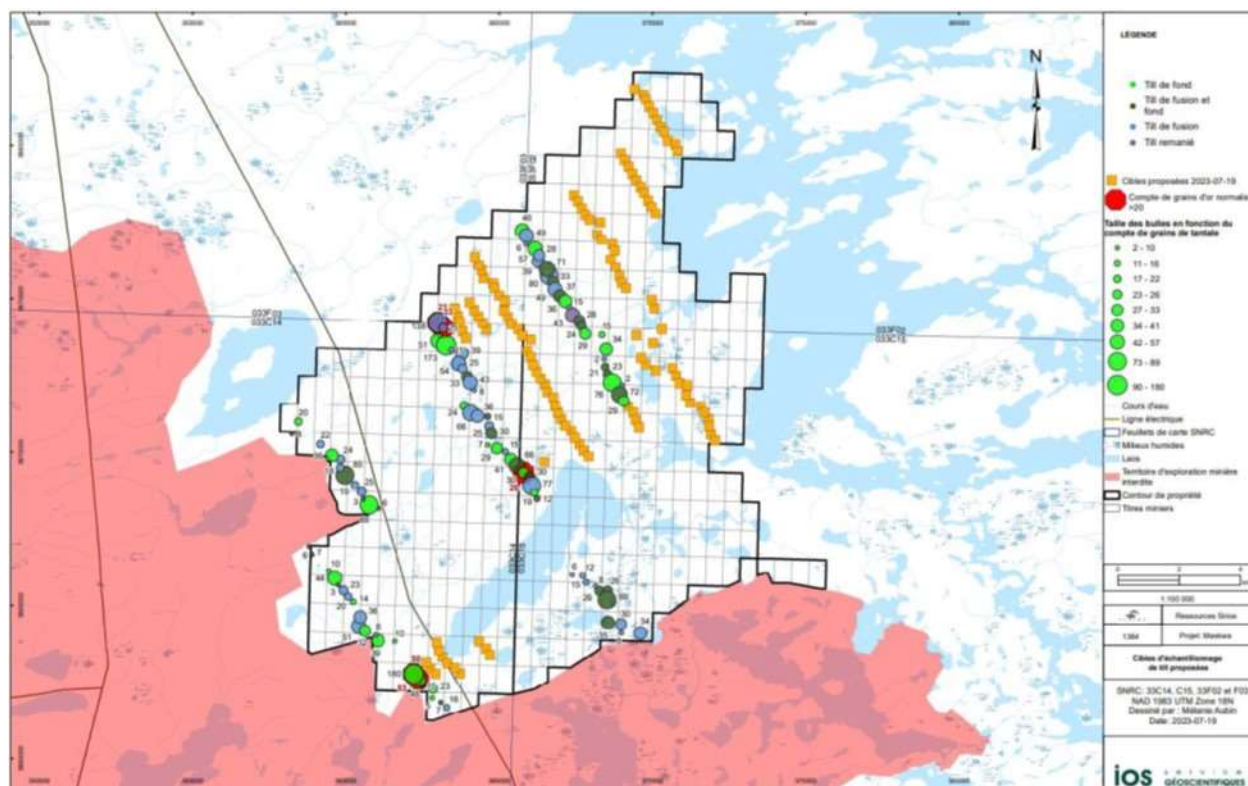


Figure 4: Till sampling lines on the Maskwa property

The work carried out on the Maskwa property during the three-month period ended December 31, 2023, totaled \$119,396.

5. Overall performance

5.1. Quarter ended December 31, 2023 (3 months)

The net loss of the quarter was \$230,107 (net loss of \$249,640 for the same period in 2022) whereas expenses for the quarter totalled \$282,968 (\$198,528 for the same period in 2022).

Analysis

- The increase in *Salaries and employee benefits expenses* can be explained by the resumption of the remuneration to members of the Board of Directors, who wanted to contribute to the reduction of general and administrative costs by suspending their remuneration temporarily.
- The increase in *Professional fees* can be explained by the increased work by the Company's consultants, during the period, for various activities, in comparison with the 2022 period.
- The increase in *Office expenses* can be explained by the relocation of the Company's head office.

Analysis of the non-monetary operations that does not required an outflow or an inflow of cash

| | Three-month period ended December 31, 2023 \$ | Three-month period ended December 31, 2022 \$ |
|--|---|---|
| Share-based payments | (60,000) | (46,000) |
| Deferred income taxes | 111,054 | (8,209) |
| Change in fair value of listed shares | (17,659) | 2,614 |
| Amortization of property and equipment | (164) | (535) |
| Depreciation of right-of-use asset | (8,803) | - |
| Interest on lease obligation | (2,098) | - |

5.2. Period ended December 31, 2023 (6 months)

The net loss for the six-month period was \$1,101,181 (net loss of \$659,884 for the same period in 2022) whereas expenses for the period totalled \$592,508 (\$358,326 for the same period in 2022).

Analysis

- The increase in *Salaries and employee benefits expenses* can be explained by the resumption of the remuneration to members of the Board of Directors, who wanted to contribute to the reduction of general and administrative costs by suspending temporarily their remuneration.
- The increase in *Professional fees* can be explained by the greater work of the Company's consultants, during the period, for various activities, in comparison with the 2022 period.
- The increase in *Office expenses* can be explained by the relocation of the Company's head office.
- The increase in *Trustees and registration fees* can be explained by the costs incurred during the period for the Company's registration to the OTCQB.

Analysis of the non-monetary operations that does not required an outflow or an inflow of cash

| | Six-month period ended December 31, 2023 \$ | Six-month period ended December 31, 2022 \$ |
|--|---|---|
| Share-based payments | (69,000) | (46,000) |
| Deferred income taxes | (422,114) | (252,682) |
| Change in fair value of listed shares | (99,023) | (4,977) |
| Amortization of property and equipment | (4,921) | (1,733) |
| Depreciation of right-of-use asset | (10,282) | - |
| Interest on lease obligation | (2,474) | - |

6. Financial position

- Working capital decreased by \$611,309, going from \$1,941,500 on June 30, 2023, to \$1,330,191 on December 31, 2023. The decrease can be explained by the payment for exploration activities and administrative activities during the period.
- Cash and term deposit totaled \$1,126,612 on December 31, 2023, in comparison with \$2,395,601 on June 30, 2023.
- The product of unspent funding related to flow-through financings is \$569,689 on December 31, 2023, and is to be spent by December 31, 2024. The Company is in the exploration stage; thus, it is dependent on obtaining regular financing to continue exploration. Despite previous success in acquiring sufficient financing, there is no guarantee of obtaining any future financing.
- On December 31, 2023, Sirios has accrued \$73,817 in refundable tax credits related to exploration expenditures. As of the date of this report, an amount of \$65,531 has been received.

7. Related party transactions

Key management personnel of the Company are members of the Board of Directors, as well as the President and the Chief Financial Officer.

For the quarter ended December 31, 2023, the compensation in salaries was \$131,308 (\$86,694 for the same period last year). Included in these amounts are share-based payments totaling \$52,500 (\$35,500 for the same period last year). An amount of \$13,014 (\$15,873 for the same period last year) was capitalized in *Exploration and evaluation assets*.

For the six-month period ended December 31, 2023, the compensation in salaries was \$295,323 (\$148,235 for the same period last year). Included in these amounts are share-based payments totaling \$61,500 (\$35,500 for the same period last year). An amount of \$28,201 (\$28,806 for the same period last year) was capitalized in *Exploration and evaluation assets*.

Montreal, Quebec.

February 27, 2024.