Management Interim Report for the three-month period ended September 30, 2012

Sirios Resources Inc.

TSX V : SOI

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SIRIOS

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MANAGEMENT INTERIM REPORT
FOR THE THREE-MONTH PERIOD
ENDED SEPTEMBER 30, 2012

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This Management Discussion and Analysis is dated November 28, 2012 and provides an analysis of our financial results for the quarter ended September 30, 2012. This discussion and analysis of the financial position and results of operation should be read in conjunction with the unaudited interim financial statements for the three-month period ended September 30, 2012 and the audited financial statements for the years ended June 30, 2012, 2011 and 2010. The interim financial statements for the period ended September 30, 2012 were not reviewed by the external auditors.

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

CORPORATE PROFILE AND MISSION

Sirios Resources Inc.'s ("Sirios" or the "Company") mission is to discover world-class gold or base metals deposits in the James Bay region of Eastern Canada. Sirios' efforts have led to the discovery of numerous gold, silver, copper, zinc and molybdenum showings and occurrences in that region of Quebec. In 2001, Sirios was granted the Prospector's Award by the Quebec Prospectors Association.

On September 30, 2012, Sirios holds 5,393,931 shares of Khalkos Exploration Inc. ("Khalkos"), consisting of 29,88% of its share capital.

Common shares of Sirios, a Tier 1 company, trade on the TSX Venture Exchange under the symbol SOI. As of September 30, 2012, there are 121,726,758 ordinary shares issued and outstanding.

Sirios owns numerous high potential properties such as :

- AQUILON (40 %, increasing ownership to 50%), hosting a high-grade gold vein system;

- CHEECHOO (40 %, increasing ownership to 45% and after possible option to acquire 100%), gold project located in the vicinity of the Opinaca Mines (Goldcorp) Eleonore gold deposit;

- PONTAX, polymetallic project with high grade silver and gold;

- KUKAMES, gold project located in the vicinity of the Opinaca Mines (Goldcorp) Eleonore gold deposit.

SUMMARY OF THE ACTIVITIES FOR THE PERIOD

- Exploration and evaluation expenses of $442,022 were incurred mostly on the Cheechoo project ($326,627 in 2011-2012-T1).

RESULTS OF OPERATION

Summary of exploration activities

The following table consists of the main exploration and evaluation expenses incurred by the Company on its properties during the period:

Properties	Geology-prospecting $	Geo-chemistry, analysis $	Geophysics, line-cutting $	Transport, helicopter, lodging $	Drilling $	General expenses, drafting $	Total $
Aquilon	2,571	-	-	-	-	-	**2,571**
Cheechoo & Sharks	11,265	-	177,312	218,289	-	-	**405,242**
Nasa	642	10,803	-	-	-	-	**11,445**
Autres	9,981	9,513	-	1,023	-	623	**21,140**
TOTAL	**24,459**	**20,316**	**177,312**	**219,312**	**-**	**623**	**442,022**

The technical data included in the following text have been revised by Dominique Doucet, Engineer and President of Sirios. M. Doucet is a qualified person, as defined by National Instrument 43-101. This document describes only the properties that have been subject to exploration activities during the quarter

PROJECTS

CHEECHOO Project

The property consists of 242 claims, covering 126 km2 in the 33B12 NTS sheet (218 claims) and 33C09 NTS sheet (24 claims) and is located 320 km north of Matagami, in James Bay (Qc).

During the period, the firm **IOS** Service Geoscientifiques Inc. from Saguenay has, on the behalf of Sirios, established a basic camp, supervised the line cutting as well as the executions of a geological survey, surface magnometric and induced polarization. The geological surveying was done by the firm Abitibi Géophysique inc. of Val-d'Or and the line cutting by the team of J. M. MacLeod Exploration of Mistissini. These works were continued onto the next trimester and allowed the initiation of a diamond drilling campaign at the end of last October. The group of claims where the works were performed are mostly situated directly or adjacent to the east of the gold Éléonore property of Mines Opinaca Ltd. (subsidiary of Goldcorp inc.) and at 13 km east of the deposit itself.

As at October 30, 2012, three drill holes have been completed, totaling 428 metres. The type of rock is sought, which is a silicified intrusive (tonalite) rock, mineralized with trace amounts of sulfides (arsenopyrite, pyrrhotite).

Two main metallogenic models are used for the exploration work on Cheechoo; first, a Reduced Intrusion-Related model, and second, an atypical gold deposit in meta-sedimentary rocks model of the Eleonore type, like the future mine of the same name located at less than 15 km of the area currently being drilled by Sirios. The first model consists of deposits that are high in tonnage with relatively low gold grades, whereas the second model has high gold grades.

The Cheechoo project is own in a joint venture between Sirios (40%) and Golden Valley Mines Ltd. ("Golden Valley") (60%). In June 2012, Sirios signed a new agreement with Golden Valley allowing Sirios to increase its current interest in the project from 40% to 45% by undertaking fieldwork for a minimum of $800,000 by the end of 2012. Moreover, the completion of this program then gives Sirios until June 15, 2013 the possibility to inform Golden Valley of its intent to acquire the total remaining 55% interest from Golden Valley. In that case, Sirios would have to pay or issue to Golden Valley the lesser of 9.9% of its share capital or $1M in cash or shares. Sirios would also have to undertake $4.2M in exploration work and pay $500,000 in cash or in shares to Golden Valley over a period of three years.

Should Sirios acquire full ownership of the Cheechoo Project, Golden Valley would keep a net return royalty relevant to gold mineral products varying between 2.5% and 4% depending on the price of gold as well as a 4% of the net returns from all mineral products mined or removed from the Cheechoo Project.

During the period, the fieldwork totalled $405,242.

PLANIFICATION – SUMMARY OF EXPLORATION PROGRAMS

PROPERTY	PLANNED WORK 2012-2013	BUDGET	NEXT STEP
CHEECHOO & SHARKS	Camp, line cutting, geophysics (P.P., Mag), diamond drilling	$800,000 to $1,000,000	To be determined depending on results
AQUILON	Permit requests, bulk sampling	To be determined with partner	To be determined depending on results
AAA	Remote-sensing surveying, translation, claim acquisition	$125,000	regional geophysical, geochemical, geological surveys
TOTAL 2012-2013		$925,000 to $1,125,000	

SUMMARY OF FINANCIAL ACTIVITIES

The net loss of the Company is $595,202 for the 2012-2013-Q1 in comparison with a net loss of $170,051 for the 2011-2012-Q1. The variation can be explained by the write-off of the Upinor project which increases the net loss by an amount of $335,628.

General and Administrative expenses Analysis

General and Administrative expenses went from $148,678 for the 2011-2012-Q1 to $85,916 for the 2012-2013-Q1.

	2012-2013	**2011-2012**
General and Administrative expenses	**Three-month period ended September 30, 2012 $**	**Three-month period ended September 30, 2011 $**
Professional fees	**32,405**	37,886
Salaries and employee benefits expenses	**27,002**	69,614
Trustees, registration fees and shareholders relations	**9,949**	10,956
Insurance	**5,970**	1,978
Rent expenses	**3,940**	5,081
Publicity, travel and promotion	**3,447**	8,518
Income taxes of section XII.6	**1,198**	-
Office expenses	**1,001**	3,151
Interest and bank charges	**725**	11,160
Amortization of property and equipment	**279**	334
Total	**85,916**	**148,678**

Comparing the general and administrative expenses for the three-month periods ended September 30, 2012 and 2011, we see a decrease in *Salaries and employee benefits expense* because since January 2012, the Company shares its employees and offices with Khalkos, thereby reducing the expense for the Company's salaries and *Rent expenses*. We can also see a decrease in Interest and bank charges for the three-month period ended September 30, 2012. It can be explained by the reimbursement of the convertible debenture in November 2011.

SUMMARY OF QUARTERLY RESULTS

	2013	2012				2011		
	Q1 $	Q4 $	Q3 $	Q2 $	Q1 $	Q4 $	Q3 $	Q2 $
Other revenues and expenses	(219,373)	(143,517)	(283,057)	(87,908)	(12,305)	39,741	(21,807)	(47,089)
Net loss	595,202	295,189	515,897	282,332	170,051	422,461	136,531	154,242
Net loss per share	0.005	0.003	0.004	0.002	0.001	0.005	0.001	0.002

Other revenues and expenses consist mainly of changes in value of listed shares as well as interest income on cash of the Company. For 2012 and 2013, it also includes the devaluation of Khalkos' shares, as well as the Company's share of Khalkos' loss, which is recorded using the equity method.

In the last eight quarters, the quarterly net loss varies from $136,531 to $595,202.

During Q3-2011, Q2-2012, Q3-2012, Q4-2012 and Q1-2013, there is a variation in the value of the listed shares for an amount of $46,363, $92,822, $563,265, $729,706 and $217,550 respectively, which significantly reduce the revenue to a negative amount of $21,807, $87,908, $283,057, $526,787 and $219,373 respectively.

The net loss of $422,261 in the Q4-2011 can be explained by the write-off of the Cognac property, for an amount of $97,401 and an increase in the three following elements: Salaries and employee benefits expense, Professional fees and Publicity, travel and promotion. The increase to those three categories of expenses are related to an increase in publicity and promotion undertaken by the Company on Toronto, Calgary and Vancouver, which assisted in completing private placements during the same quarter.

The net loss during Q4-2012 can be explained by the write-off of the Baleine, Koala, Hipo properties and embryonic projects for a total amount of $402,637.

The net loss during Q1-2013 can be explained by the write-off of the Upinor property for an amount of $335,628.

WORKING CAPITAL AND CASH FLOW

The working capital, cinluding cash held for exploration expenses, varies from an amount of $885,437 on June 30, 2012 to an amount of $437,848 on September 30, 2012. During the period, cash was used for exploration and administrative activities.

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

As at September 30, 2012:

- 121,726,758 common shares were issued.
- 4,999,000 options were granted and 3,791,500 of which can be exercised, at price between $0.10 to $0,18 between 2013 and 2017. Each option can be exchanged by its holder thereof for one common share of the Company.
- 12,477,210 warrants were issued. Each warrant can be exchanged by its holder thereof for one common share of the Company.

As at November 28, 2012 :

- Following the consolidation of the Company's shares, on October 12, 2012, shareholders received one (1) common share of the new company for each tranche of seven (7) shares of the previously issued and outstanding shares of the Company (see SUBSEQUENT EVENT).
- The consolidation reduced the number of Sirios' shares issued and outstanding to around $17,389,537.

Variation in share capital as at November 28, 2012:

Description	Number of shares	Amount $
As at June 30, 2012	121,726,758	18,972,281
As at September 30, 2012	121,726,758	18,972,281
Consolidation	(104,337,246)	-
Private placement	24,999	2,500
Flow-through private placement	1,070,847	107,085
As at November 28, 2012	**18,485,358**	**19,081,866**

Pursuant to the Prospectus, dated December 7th, 2011, 4,257,568 shares held by Sirios were subject to escrow provisions during the Initial Public Offering of the Company. Sirios received 10% of the escrowed shares when the Company began trading on the Stock Exchange; thereafter, 15% of these shares will be released every six months. As at September 30, 2012, 1,064,392 shares were released.

See SUBSEQUENT EVENTS, for details of the private placement closed on November 23, 2012.

Options

Variation in outstanding options as at November 28, 2012 :

Date	Number of options	Average exercise price ($)
As at June 30, 2012 and September 30, 2012	4,999,000	0.12
Consolidation	(4,284,857)	0.12
As at November 28, 2012	**714,143**	**0.78**

Options granted to employees, directors, and officers and exercisable as at November 28, 2012:

Expiry date	Options granted	Options exercisable	Exercise price ($)
February 14, 2013	107,714	107,714	1.26
February 3, 2014	124,284	124,284	0.70
April 22, 2015	132,143	132,143	0.70
May 11, 2016	150,000	127,500	0.70
June 17, 217	200,000	50,000	0.70
	714,143	**541,641**	**0.78**

Warrants

Date	Number of warrants	Average exercise price ($)
As at June 30, 2012 and September 30, 2012	12,477,210	0.18
Consolidation	(10,694,751)	-
Private placement	24,999	0.18
Flow-through private placement	254,898	0.18
As at November 28, 2012	**2,062,356**	1.11

SUBSEQUENT EVENT

During a Special Meeting of shareholders held on October 12, 2012, shareholders of the Company approved the resolution allowing the consolidation of the common shares of the Company. The consolidation was made on the basis of one new share of Sirios for each tranche of seven common shares of Sirios previously held. The consolidation reduced the number of Sirios' common shares issued and outstanding to around $17.4M. On October 17, 2012, the new shares of Sirios began trading on the TSX Venture Exchange, whose name and symbol will remain unchanged.

On November 1st, 2012, the Company announced a private placement up to $950,000 with accredited investors. MGI Securities Inc. will act as agent for this financing. The private placement consists of a maximum of 700 flow-through units and 250 hard cash units. Each flow-through unit, offered at $1,000, is composed of 5,333 flow-through common shares at $0.15 each, 1,666 common shares at $0.12 each and 1,666 warrants. Each hard cash unit, offered at $1,000, is composed of 8,333 common shares at $0.12 each and 8,333 warrants. Each warrant will entitle its holder to subscribe for one common share at $0.18 per share for a period of 24 months after the closing date.

Sirios will pay to the agent a cash fee of 8% of the proceeds of the placement, and will issue to the agent warrants entitling the agent to purchase a number of common shares equal to 8% of the shares sold pursuant to the offering, at a price of $0.18 per share for a period of 24 months after the closing date.

On November 23, 2012, the Company completed the first closing of the private placement. An amount of $156,000 was subscribed and is composed of 153 flow-through units and 3 hard cash units. A total of 1,095,846 common shares were issued as well as 279,897 warrants.

Sirios paid to the agent a cash fee of $6,240 and issued brokers' warrants entitling the agent to purchase 43,833 Common Shares at a price of $0.18 per share for a period of 24 months after the closing date.

RELATED PARTY TRANSACTIONS

The remuneration paid or payable to key management (Board of Directors, President and CFO) is as follows

	Three-month period ended	
	September 30, 2012	**September 30, 2011**
Salaries and employee benefits expense	12,247	43,429
Share-based payments	9,004	8,189
	21,251	**51,618**

SUSTAINABLE DEVELOPMENT PRINCIPALES

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

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

Moreover, on February 7, 2012, the Company's Board of Directors signed a resolution with the following commitments about sustainable development governance:

- Concerning governance and responsible management, the Company must ensure:
  - → That employees, of all levels, understand their social and environmental responsibilities, and that they work towards improving their workplace environmental.
  - → To plan, evaluate and manage all its projects with rigor in order to minimize the negative effects on the environment and local communities.

- Maintaining an open dialogue is key to responsible management of projects on lands used by others. The Company must ensure:
  - → To develop a proactive, open and transparent communication with local authorities (including Native communities), municipal authorities, as well as governmental organizations.
  - → To develop a proactive communication with other parties involved from the region.

- Concerning health and safety, the Company must ensure:
  - → To diligently apply the regulations, in terms of health and safety in all of its exploration activities.

- Concerning the environment, the Company must ensure:
  - → To apply with diligence the environmental regulations in all of its exploration activities.

- Concerning socio-economic implications, the Company must ensure:
  - Whenever possible, to generate benefits on a local level and to contribute to the local development by constructively partnering with native and non-native communities in order to respectively consider the interests of all parties involved.

ACCOUNTING POLICIES

These consolidated interim financial statements, on September 30, 2012, of the Company were prepared in accordance with IFRS, as issued by the International Accounting Standards Board (IASB) under International Accounting Standards (IAS) 34 - Interim Financial Reporting. These consolidated 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 annual financial statements on June 30, 2012.

Accounting Estimates
The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. Significant estimates include the recoverability of exploration and evaluation assets, future income taxes and stock-based compensation. Actual results may differ from those estimates.

Impairment of exploration and evaluation assets and property and equipment
Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses are a subjective process involving judgment and a number of estimates and interpretations 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 cash-yielding units must be estimated. In testing an individual asset or cash-generating units for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available.

For the three-month period ended September 30, 2012, an amount of $335,628 ($0 for the three-month period ended September 30, 2011) was recorded for the write-off of the Upinor property.o reversal of impairment losses has been recognized for the reporting periods. No impairment losses of the property and equipment have been recognized for the three-month period ended September 30, 2012 and 2011.

For the other properties, no testing for impairment was conducted despite the fact that the carrying value of the company's net asset is superior to its market capitalization and despite the fact that no significant fieldwork was undertaken on certain properties during the year.

Management judged that there was no testing for impairment required this year on those properties because despite an unfavourable change of the overall climate of the sector as well as the general situation of the economy that have had an impact on the company's capacity to raise additional capital in order to pursue its exploration activities, coupled with a decrease in the share price, the company has sufficient funds to respect its short term obligations and has both the intention and capacity to keep these properties until the economic context improves and the company can thus pursue exploration activities on these properties after raising additional capital.

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 share, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model.

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 exit 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.

Off-balance sheet arrangements

The Company did not set up any off-balance sheet arrangements, as at September 30, 2012.

RISK AND UNCERTAINTIES

Risk inherent to the industry

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

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

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

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

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

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

MANAGEMENT'S RESPONSABILITY FOR FINANCIAL INFORMATION

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

Montreal. November 28, 2012.

(signed) Dominique Doucet, President and CEO
(signed) Frederic Sahyouni, Chief Financial Officer