Management Interim Report for the nine-month period ended March 31, 2013

Sirios Resources Inc.

TSX V: SOI
www.sirios.com

SIRIOS RESOURCES INC.
MANAGEMENT INTERIM REPORT
FOR THE NINE-MONTH PERIOD
ENDED MARCH 31, 2013

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This Management Discussion and Analysis is dated May 28, 2013 and provides an analysis of our financial results for the quarter ended March 31, 2013. 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 nine-month period ended March 31, 2013 and the audited financial statements for the year ended June 30, 2012 and 2011. The unaudited interim financial statements for the period ended March 31, 2013 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 March 31, 2013, 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 symbol SOI. As of March 31, 2013, there are 19,899,122 ordinary shares issued and outstanding.

Sirios owns numerous high potential properties such as:

- CHEECHOO, (45%, possible option to acquire 100%), new significant gold discovery in the vicinity of the Opinaca Mines (Goldcorp) Eleonore gold deposit;

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

- AAA, generating exploration project over a 10,000 km^2 area;

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

SUMMARY OF THE ACTIVITIES FOR THE PERIOD

- Significant gold discovery on the Cheechoo project.
- Closing of a private placement of $175,600. A total of 798,181 shares were issued.
- Exploration and evaluation expenses of $102,081 were incurred mostly on a drilling program on the Cheechoo project ($57,754 in 2011-2012-Q3).

RESULTS OF OPERATION

Summary of exploration activities

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

Properties	Geology-prospecting	Geochemistry, analysis	Geophysics, line-cutting	Transport, helicopter, lodging	Drilling	General expenses, drafting	Total
	$	$	$	$	$	$	$
Aquilon	-	-	-	-	-	2,031	2,031
Cheechoo & Sharks	22,209	14,828	20,057	1,548	-	10,162	68,805
Kukames	2,415	-	-	-	-	107	2,522
AAA	2,478	-	1,052	-	-	192	3,722
Nasa	2,996	-	-	-	-	367	3,363
Others	17,559	-	-	-	-	4,079	21,638
	47,657	**14,828**	**21,109**	**1,548**	**-**	**16,939**	**102,081**

The technical data included in the following text have been revised by Dominique Doucet, Engineer and President of Sirios. He 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

<u>CHEECHOO project</u>

After the end of the period, the Company announced it had increased its interest in the Cheechoo project from 40% to 45% by completing exploration expenses for an amount of $800,000 by December 31, 2012. As at March 31, 2013, and since the signature of the agreement, the total expenses by Sirios on this project totalled $1,087,984.

Sirios has now until June 15, 2013 to indicate its intent to acquire the total remaining 55% interest from Golden Valley. Sirios would then have until December 31, 2013 to issue shares to Golden Valley for a value of the lesser of 9.9% of its share capital or $1M. In addition, Sirios will have a period of three years to complete around $4M in exploration expenditures, including the $800,000 already completed, in addition to paying $500,000 in cash or in shares to Golden Valley.

Sirios recently obtained very encouraging drill results from the first three holes of a drilling campaign. The holes demonstrated the presence of large gold zones with minimum lengths varying between several tens of metres to the entire length of certain drill holes of almost 200 metres, with grades varying between 0.21 and 1.09 g/t in gold (see February 12, 2013 press release). The last three drill holes (#6 to #8) did not yield any significant results. Refer to the December 31, 2012 Management Report available on Sirios' website for more information on the drill results. The drill holes completed by Sirios on the Cheechoo gold project are located at less than 15 km from the future Eleonore gold mine, currently under construction by a subsidiary of producer Goldcorp.

Sirios recently announced its intention to start a drilling program on this property. At the date of this report, a private placement is still open and a first closing was completed on May 14, 2013, for a total of $267,180. The drilling program is expected to take place in summer 2013.

PLANIFICATION – SUMMARY OF EXPLORATION PROGRAMS

PROPERTY	PLANNED WORK 2012-2013	BUDGET	NEXT STEP
CHEECHOO & SHARKS	Camp, line cutting, geophysics (I.P., Mag), diamond drilling	$800,000 to $1,000,000	Additional drilling
AQUILON	Permit requests, bulk sampling, drilling	To be determined with partner	To be determined depending on results
AAA	Remote-sensing surveying, translation, claim acquisition	$125,000	Partnership, 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 $238,600 for the 2012-2013-Q3 in comparison with a net loss of $515,897 for the 2011-2012-Q3. The variation can be explained by the fluctuation in the finance costs, which mainly consists of the variation of listed shares, and, for the previous period, the loss on disposal of a part of those listed shares.

General and Administrative expenses Analysis

General and Administrative expenses went from $71,785 for the 2011-2012-Q3 to $286,325 for the 2012-2013-Q3.

	2012-2013	2011-2012
General and Administrative expenses	**Nine-month period ended March 31, 2013 $**	**Nine-month period ended March 31, 2012 $**
Salaries and employee benefits expenses	295,472	133,802
Professional fees	125,543	83,039
Income taxes of section XII.6	88,320	-
Trustees, registration fees and shareholders relations	49,181	32,108
Publicity, travel and promotion	17,041	16,417
Rent expenses	10,460	14,314
Insurances	6,157	6,353
Office expenses	4,604	5,628
Interests and bank charges	2,956	26,770
Amortization and property and equipment	836	904
Write-off of exploration and evaluation assets	335,628	-
Total	**936,198**	**319,335**

Comparing the general and administrative expenses for the nine-month periods ended March 31, 2013 and 2012, we see a significant difference in *Salaries and employee benefits*. Even though the Company shares its employees with Khalkos since January 2012, which reduces the expense for the Company's salaries, this item increased greatly since last year because of a change in the Stock Option Incentive Plan by the Board of Directors during the quarter. Before, options were vested over a period of 18 months, but since January 18, 2013 they are fully exercisable at the date of grant. Therefore, a share-based payment is higher in the quarter of options' grant, which is the case for this quarter.

We can also see a variation in *Rent expenses* because the Company now shares its offices with Khalkos.

The *Income taxes of section XII.6* represent an income tax payable which is calculated on a monthly basis, on the amount of unspent exploration expenses which were renounced for tax deductions to investors the previous year. During the period, the Company revised its tax credits relating to resources of its tax declarations, thus increasing the income taxes receivable as well as *Income taxes of section XII.6*.

For the *Professional fees*, the variation can be explained by the transition of the Company to IFRS for the financial year ended June 30, 2012. External auditors required additional auditing in order to finalize the transition.

During the period, the Company held a Special Shareholders' Meeting to approve the consolidation of the share capital of the Company. This meeting exceptionally increased *Trustees, registration fees and shareholders relations* in comparison with the same period last year.

For *Publicity, travel and promotion*, the decrease can be explained by the decision of the Company to reduce its participation in Gold shows, thereby reducing its administrative expenses.

We can also see a decrease in *Interest and bank charges*. It can be explained by the reimbursement of the convertible debenture in November 2011, decreasing the amount for the period ended March 31, 2013.

SUMMARY OF QUARTERLY RESULTS

	2013			2012				2011
	Q3 $	Q2 $	Q1 $	Q4 $	Q3 $	Q2 $	Q1 $	Q4 $
Other revenues and expenses	31,512	(61,390)	(219,373)	(143,517)	(283,057)	(87,908)	(12,305)	(21,807)
Net loss (Net gain)	238,600	265,465	595,202	295,189	515,897	282,332	170,051	422,461
Net loss (Net gain) per share	0.01	0.015	0.005	0.003	0.004	0.002	0.001	0.005

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 $170,051 to $595,202.

During Q2-2012, Q3-2012, Q4-2012 and Q1-2013, there is a variation in the value of the listed shares for an amount of $92,822, $563,265, $729,706 and $217,550 respectively, which significantly reduce the revenue to a negative amount of $87,908, $283,057, $143,517 and $219,373 respectively.

For the Q3-2013, the increase in the value of the listed shares of $60,874 increased the revenue to an amount of $31,512.

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 in 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, including cash held for exploration expenses, varies from an amount of $885,437 on June 30, 2012 to an amount of $548,339 on March 31, 2013. 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.**

During the nine-month period, the Company consolidated its share capital on the basis of one new share of the Company for each tranche of seven common shares previously issued and outstanding.

As at March 31, 2013:

- 19,899,122 common shares were issued.
- 1,695,714 options were granted and 1,618,571 of which can be exercised, at prices between $0.24 and $0.70 between 2014 and 2017. Each option can be exchanged by its holder thereof for one common share of the Company.
- 2,434,190 warrants were issued. Each warrant can be exchanged by its holder thereof for one common share of the Company.

Variation in share capital as at May 28, 2013:

Description	Number of shares	Amount $
As at June 30, 2012	121,726,758	18,972,281
Share consolidation	(104,337,246)	-
Private placement	1,256,355	150,079
Flow-through private placement	1,253,255	125,325
As at March 31, 2013	**19,899,122**	**19,247,685**
Private placement	2,480,000	139,500
Flow-through private placement	147,538	13,278
As at May 28, 2013	**22,526,660**	**19,400,463**

Options

Variation in outstanding options as at May 28, 2013:

Description	Number of options	Average exercise price ($)
As at June 30, 2012	4,999,000	0.78
Consolidation	(4,284,857)	-
Granted	1,175,000	0.24
Expired	(107,714)	(1.26)
Cancelled	(85,715)	(0.70)
As at March 31, 2013 and May 28, 2013	**1,695,714**	**0.38**

The Board of Directors of Sirios has granted, on January 18, 2013, 1,175,000 stock options under its Stock Option Incentive Plan to directors, officers and employees at an exercise price of $0.24 per share. The options expire five (5) years from the date of grant.

Options granted to employees, directors and officers and exercisable as at May 28, 2013:

Expiry date	Options granted	Options exercisable	Exercise price ($)
February 3, 2014	102,857	102,857	0.70
April 22, 2015	117,857	117,857	0.70
May 11, 2016	128,571	128,571	0.70
June 17, 2017	171,429	94,286	0.70
January 18, 2018	1,175,000	1,175,000	0.24
	1,695,714	**1,618,571**	**0.38**

Warrants

Date	Number of warrants	Average exercise price ($)
As at June 30, 2012	12,477,210	1.26
Consolidation	(10,694,752)	-
Granted	1,252,355	0.24
Expired	(604,623)	-
As at March 31, 2013	**2,434,190**	**0.74**
Granted	2,480,000	0.18
Expired	(127,359)	(1.26)
As at May 28, 2013	**3,736,355**	**0.20**

During the period of nine-month, the Company issued 1,256,355 warrants through two private placements (458,174 for the first and 798,181 for the second). Each warrant will entitle its holder thereof to subscribe for one common share at $.18 and $0.28 per share respectively for a period of twenty-four and twelve months after the closing date of the private placement, respectively.

Also, at the closing of a private placement on May 14, 2013, the Company issued 2,480,000 warrants. Each warrant will entitle its holder thereof to subscribe for one common share at $0.18 per share for a period of twelve months after the closing date of the private placement.

SUBSEQUENT EVENT

On April 11, 2013, the Company incurred a series of four secured loans, with R&D Capital, totalling $803,500. The loans are divided in two gross tranches, $487,400 and $316,100, bearing an annual interest rate of 20.4%, and are secured against assets, including Company's tax credits receivable. The first tranche was disbursed at signing whereas the second tranche will be disbursed once a portion of the first tranche is reimbursed. Interest is payable monthly in cash.

On May 14, 2013, the Company completed a first closing of the non brokered private placement announced on May 6, 2013. A total of 2,480,000 units, at a price of $0.10, were subscribed, each composed of one common share and one warrant, in addition to the 147,538 flow-through shares, at a price of $0.13, for a total amount of $267,180. Each warrant will entitle its holder thereof to subscribe for one common share at $0.18 per share for a period of 12 months after the closing date.

RELATED PARTY TRANSACTIONS

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

	For the nine-month period ended March 31, 2013	March 31, 2012
Salaries and employee benefits expenses	60,160	86,177
Share-based payments	199,879	15,575
	260,039	**101,752**

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 principales of E3 Plus and asks its consultants and suppliers to also respect them. Here are the main principales 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 March 31, 2013, 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 nine-month period ended March 31, 2013, there was a write-off of exploration and evaluation assets recognized in profit or loss, for an amount of $335,628 for the Upinor property ($0 for the nine-month period ended March 31, 2012). No impairment losses of the property and equipment have been recognized for the periods ended March 31, 2013 and 2012.

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 March 31, 2013.

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 it 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 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.

OTHER INFORMATION

This discussion and analysis of financial position and operating results as at March 31, 2013 should be read in conjunction with the unaudited consolidated interim financial statements for the nine-month period ended March 31, 2013 and 2012 and the audited consolidated financial statements for the years ended June 30, 2012 and 2011 of Sirios where necessary. The unaudited quarterly statements have not been reviewed by external auditors. More information can be found at the website www.sedar.com under Sirios' section in "Sedar filing" or on the Sirios website www.sirios.com under section "Financial Reports" and section "Interim Reports".

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. May 28, 2013.

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