SIRIOS RESOURCES INC.
MANAGEMENT INTERIM REPORT
FOR THE THREE-MONTH PERIOD
ENDED SEPTEMBER 30, 2013

Table des matières

SIRIOS RESOURCES INC.
MANAGEMENT INTERIM REPORT
FOR THE THREE-MONTH PERIOD
ENDED SEPTEMBER 30, 2013

This Management Discussion and Analysis is dated November 28, 2013 and provides an analysis of our financial results for the quarter ended September 30, 2013. This discussion and analysis of the financial position and results of operation should be read in conjunction with the unaudited consolidated interim financial statements for the three-month period ended September 30, 2013 and the audited consolidated financial statements for the years ended June 30, 2013 and 2012. The unaudited consolidated interim financial statements for the period ended September 30, 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 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, 2013, Sirios holds 5,393,931 shares of Khalkos Exploration Inc. («Khalkos») consisting of 27.03% of its share capital.

Common shares of Sirios, a Tier 1 company, trade on the TSX Venture Exchange under symbol SOI. On September 30, 2013, there are 24,776,505 ordinary shares issued and outstanding.

Sirios owns numerous high potential properties such as:

- CHEECHOO (45%, increasing ownership to 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, following two drilling campaign, by Sirios.
- Closing of a private placement for an amount of $88,000. A total of 880,000 shares were issued.
- Exploration and evaluation expenses of $41,139 were incurred, mostly on the Cheechoo property.

RESULTS OF OPERTATIONS

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 $
Cheechoo & Sharks	31,634	-	-	4,048	-	538	36,220
Nasa	4,919	-	-	-	-	-	4,919
TOTAL	36,553	-	-	4,048	-	538	41,139

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.

PROJECTS

<u>CHEECHOO PROJECT</u>

The Cheechoo project is comprised of the Cheechoo and Sharks gold properties held by the Company (45%) and Golden Valley Mines Ltd. ("Golden Valley") (55%). The claims are located adjacently to the east of the Eleonore gold property of Opinaca Mines Ltd. (a subsidiary of Goldcorp Inc.), approximately 13 km east of the mine itself, and 320 km north of Matagami, in James Bay, Quebec. The Eleonore gold mine, currently under construction, should be starting production around the end of 2014. This mine will become one of the most important underground gold mines in North America. The Cheechoo and Sharks properties consist of 242 claims covering 126 km2 in the 33B12 NTS sheet (218 claims) and 33C09 NTS sheet (24 claims).

Sirios acquired claims forming the Cheechoo and Shark properties by map designation in 2004. In the December of the same year, an option agreement was signed with Golden Valley who, after the execution of fieldwork totalizing close to four millions dollars, acquired in 2009, 60% interest of the properties.

In June 2012, Sirios concluded a new agreement with Golden Valley with the purpose to re-acquire the properties. The agreement allowed Sirios to increase its participation from 40% to 45% by executing fieldworks worth a minimum of $800,000 in 2012. The completion of this program led Sirios, in June 2013, to inform Golden Valley of its intent to acquire the total remaining 55% interest. In order to do so, Sirios would have to pay or issue to Golden Valley the lesser between 9.9% of its share capital or $1M in cash or shares, before December 31, 2013. Sirios would also have to undertake $3,888,440 in exploration work (after amounts already incurred by Sirios at June 13, 2013) and pay $500,000 in cash or in shares to Golden Valley on or before June 13, 2016.

Should Sirios acquire full ownership of the 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. The net return royalty for the gold mineral would be 3% if the price of gold happens to be between $1,200 and $2,400 for an ounce.

Between June and October 2012, line cutting and geophysical survey, induced polarization and surface magnetometric were performed on a region of around 12 km2. The region is located around 10 km south-east of the future Eleonore gold mine. A total of eight diamond drill holes of NQ calibre were completed for a total of 938 metres during the first diamond drilling campaign on November 2012. The results from the first three drill holes confirmed a significant gold discovery. A NI 43-101 technical report was filed on June 14, 2013. In the report, Mr. Réjean Girard, an independent consulting geologist of the firm IOS Services Géophysiques Inc., from Saguenay, mentioned, among other things: «The autumn 2012 drill discovery made By Sirios Resources in Cheechoo-B-West might be the most significant gold occurrence in James Bay after Eleonore mine".

During the period, for the first time, a trail that allows land access to the Cheechoo property was completed as well as a camp that enabled the drilling campaign of 2013 to be executed was established. Also, in September 2013, following a new visual exam of some drilling samples from the 2012-2013 campaign of the Cheechoo project, the presence of visible gold had been detected in three witness half drill core samples. The most remarkable observation came from a sample that yielded 2.52 g/t in gold at depth from 86.00 m to 87.50 m in hole #02*. The sample displayed a several millimetre cluster composed of multiple points of free gold of which the individual size can reach up to half of a millimetre. Visible gold was also detected in two separate sections in hole #03. It was observed in a sample yielding 25.90 g/t in gold and again, in a sample yielding 10.70 g/t in gold.

The presence of relatively abundant coarse gold in a rather low grade sample (2.52 g/t) confirmed a heterogeneous gold distribution, commonly known as the "nugget effect". Consequently, all the samples from the drilling #03 were re-analysed, but using the gold fire-assay with Metallic Seives process. From the preliminary results of these re-assaying received recently, no significant variations were observed.

*The prefixes CH-919-12 were removed from the # of the drills to lighten the text.

The exploration fieldworks on Cheechoo totalized an amount of $36,220 for the trimester ended September 30, 2013.

SUBSEQUENT EVENTS CONCERNING THE CHEECHOO PROJECT

Drilling campaign 2013

The second drilling program of Sirios was finished at the end of October after the execution of four holes of NQ calibre (#2013-09 to 2013-12), totalizing 750 metres. Visible gold specks were observed at numerous locations in three of the four holes (#2013-09, #2013-10 and #2013-12). This phenomenon is exceptional and very encouraging for a “grass root” drilling exploration. More than 760 half core samples were recently shipped for assays. The totality of the results of assay will only be known at the end of the second trimester 2013-2014. (December 2013).

In the core #2013-09, ten gold specks have been located between depths of 63.4 m and 65.4 m. The 2013-09 drill hole is located in the west extent of the gold zone intersected in hole #03 drilled in 2012. With a total depth of 150 metres, it is made up entirely of silicified tonalite (granitic rock) mineralized with very low amount of sulfides (arsenopyrite, pyrrhotite and pyrite). Consequently, it increased the known size of the silicified and mineralized tonalitic body westward.

Photograph of a visible gold speck at 64.5m in hole 2013-09 is available on the following link: http://sirios.com/images/cheechoo/resized/Visible%20Gold%202013-09.jpg

Hole 2013-09 was being drilled westward (azimuth 270°) with a dip of 45°. It is located at Nad 83 UTM coordinates 18U 438352E 5830229N.

Gold specks had been located at four different depths in the second drill core (#2013-10): 1 speck at 32 m; 9 specks at 141m; 6 specks at 142.5m and around 5 specks at 216m. The 2013-10 drill hole is located in the south-west extent of the gold zone intersected in hole #01 drilled in 2012. It has a final length of 300 metres and is made up entirely of silicified tonalite mineralized with very low amount of sulfides (arsenopyrite and pyrrhotite). Hole 2013-10 was drilled south-westward (235°) with a dip of 45 °. It is located at Nad 83 UTM 18 U 438626E 5830252N.

Photograph of one of the visible gold specks at 142.5m in hole 2013-10 is available on the following link: http://sirios.com/images/cheechoo/resized/Visible%20Gold%202013-10.JPG

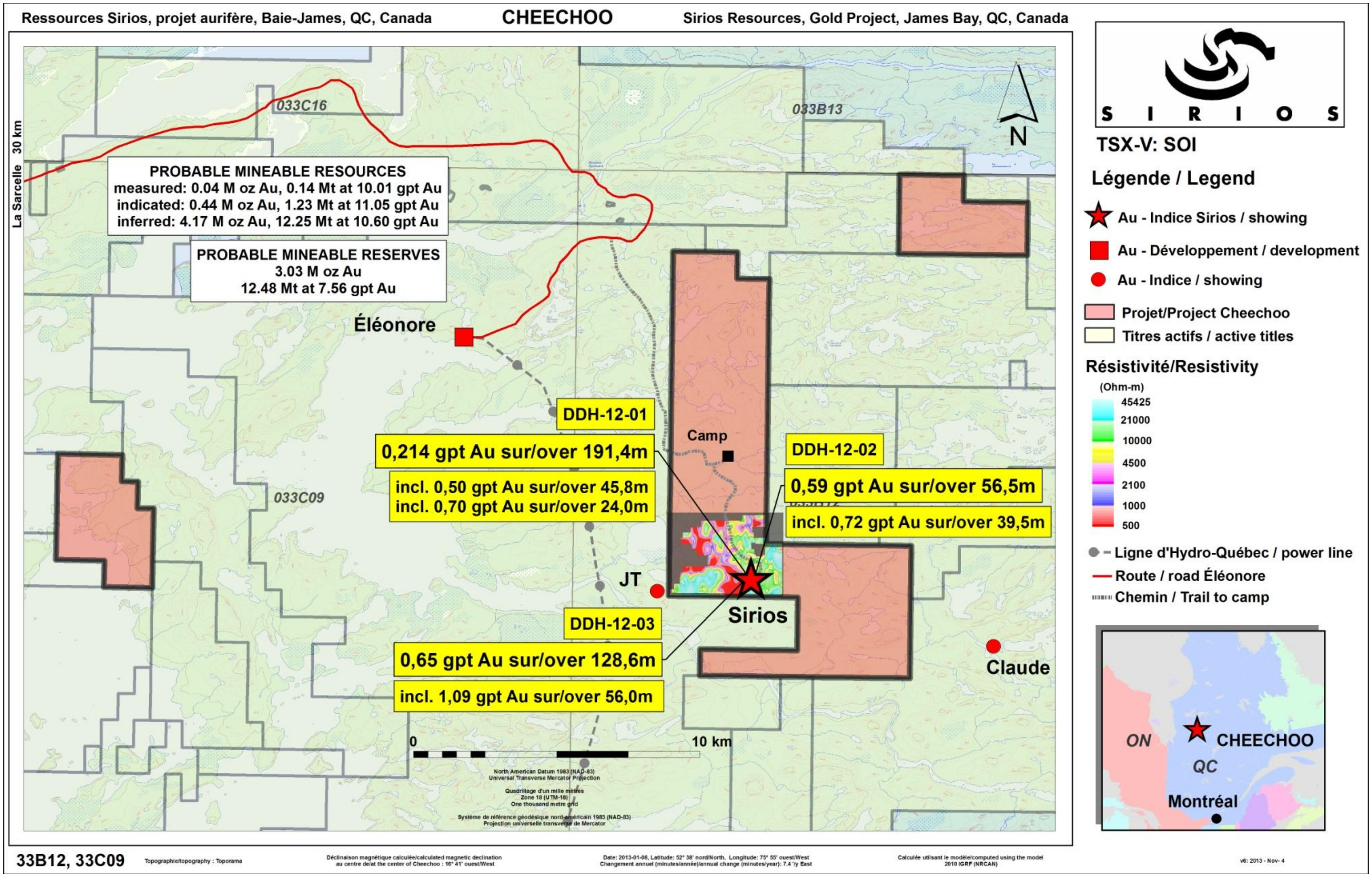
The third drill core (#2013-11) was completed with a final depth of 150 metres. It is composed of sedimentary rock of type graywacke at most of its length until 141.3 m before entering a zone of tonalitic mass. It is located at Nad 83 UTM 18 U 438790E 5830366N and was drilled south-westward (235°) with a dip of 45 °.

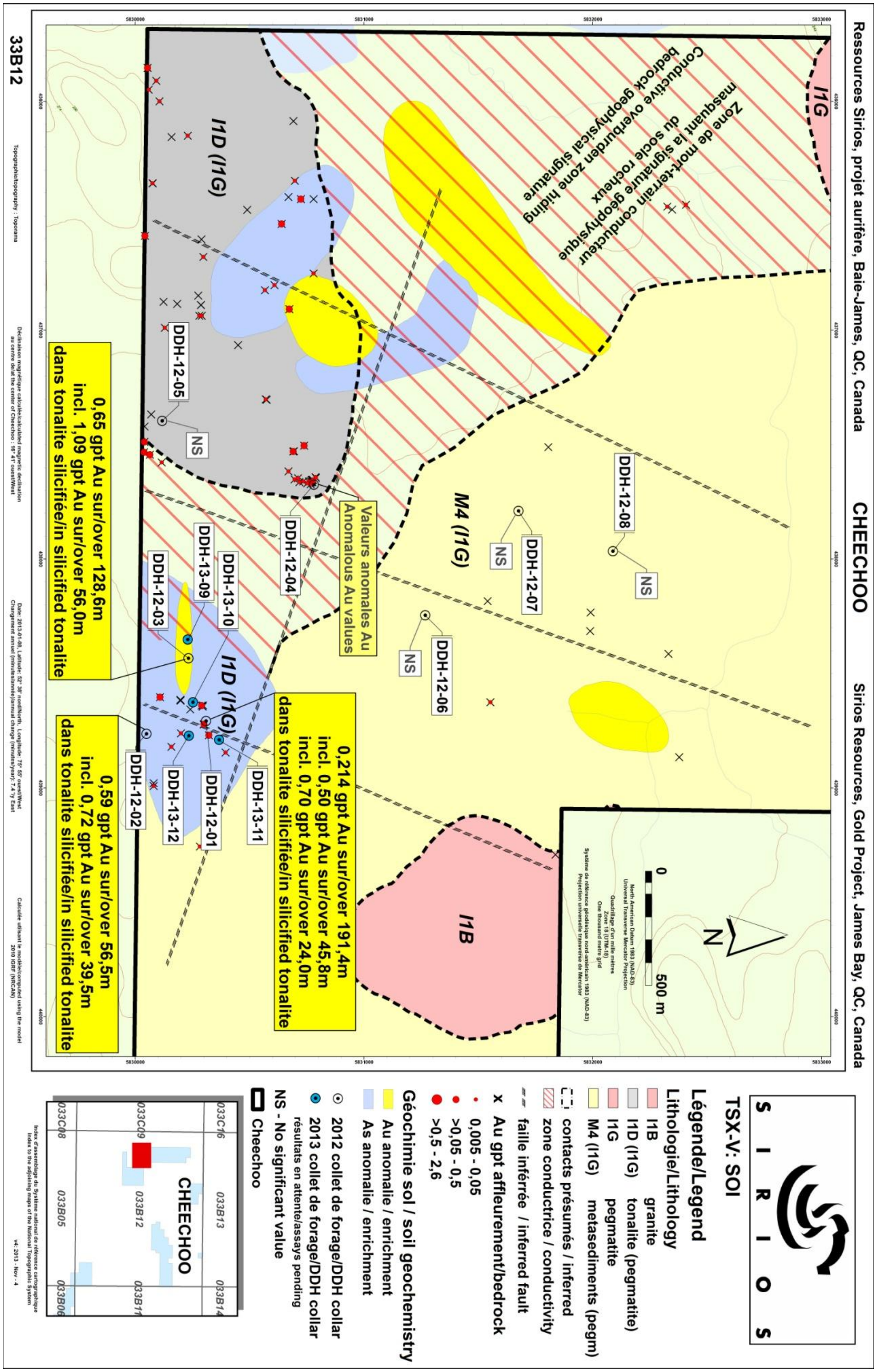
The fourth drill core (#2013-12) began in the graywacke up to 10.5m to then finish in tonalite with 150 metres of depth. It is located at Nad 83 UTM 18 U 438772E 5830234N and was drilled south-westward (235°) with a dip of 45 °. Visible gold specks were observed at two locations (10.7 m and 143.2 m) in this drill hole.

For the drilling campaign of 2013, the works of logistic support and of geological nature were carried out on the field by the independent firm IOS Service Geoscientifiques Inc. ("IOS") of Saguenay in the presence of a geologist of Sirios while the drilling was executed by the firm Forage Rouillier of Amos. The core samples were sent to Chicoutimi to the facilities of IOS to be sawed and prepared for shipment to the ALS laboratories of analysis at Val-d'Or.

In order to concentrate the effort uniquely on locations which were deemed to be the most promising, Sirios, on October 2013, notified its partner the intention to relieve two blocks of claims, totalizing 97 claims. The Cheechoo project, subject to the option agreement with Golden Valley, will therefore be reduced to a new total of 145 claims distributed into two non contiguous blocks situated in the 33C09 and 33B12 NTS sheets.

For the drilling campaign of 2013, the works of logistic support and of geological nature were carried out on the field by the independent firm IOS Service Geoscientifiques Inc. ("IOS") of Saguenay in the presence of a geologist of Sirios while the drilling were executed by the firm Forage Rouillier of Amos. The core samples were sent to Chicoutimi to the facilities of IOS to be sawed and prepared for shipment to the laboratories of analysis at Val d'Or.


Ressources Sirios, projet aurifère, Baie-James, QC, Canada
CHEECHOO
Sirios Resources, Gold Project, James Bay, QC, Canada
La Sarcelle 30 km
033C16
033B13
033C09
PROBABLE MINEABLE RESOURCES
measured: 0.04 M oz Au, 0.14 Mt at 10.01 gpt Au
indicated: 0.44 M oz Au, 1.23 Mt at 11.05 gpt Au
inferred: 4.17 M oz Au, 12.25 Mt at 10.60 gpt Au
PROBABLE MINEABLE RESERVES
3.03 M oz Au
12.48 Mt at 7.56 gpt Au
Éléonore
DDH-12-01
0,214 gpt Au sur/over 191,4m
incl. 0,50 gpt Au sur/over 45,8m
incl. 0,70 gpt Au sur/over 24,0m
Camp
DDH-12-02
0,59 gpt Au sur/over 56,5m
incl. 0,72 gpt Au sur/over 39,5m
JT
Sirios
DDH-12-03
0,65 gpt Au sur/over 128,6m
incl. 1,09 gpt Au sur/over 56,0m
Claude
N
0
10 km
North American Datum 1983 (NAD-83)
Universal Transverse Mercator Projection
Quadrillage d'un mille mètres
Zone 18 (UTM-18)
One thousand metre grid
Système de référence géodésique nord-américain 1983 (NAD-83)
Projection universelle transverse de Mercator
S I R I O S
TSX-V: SOI
Légende / Legend
Au - Indice Sirios / showing
Au - Développement / development
Au - Indice / showing
Projet/Project Cheechoo
Titres actifs / active titles
Résistivité/Resistivity
(Ohm-m)
45425
21000
10000
4500
2100
1000
500
Ligne d'Hydro-Québec / power line
Route / road Éléonore
Chemin / Trail to camp
ON
QC
CHEECHOO
Montréal
33B12, 33C09
Topographie/topography : Toporama
Déclinaison magnétique calculée/calculated magnetic declination
au centre de/at the center of Cheechoo : 16° 41' ouest/West
Date: 2013-01-08, Latitude: 52° 38' nord/North, Longitude: 75° 55' ouest/West
Changement annuel (minutes/année)/annual change (minutes/year): 7.4 '/y East
Calculée utilisant le modèle/computed using the model
2010 IGRF (NRCAN)
v6: 2013 - Nov- 4



Ressources Sirios, projet aurifère, Baie-James, QC, Canada
CHEECHOO
Sirios Resources, Gold Project, James Bay, QC, Canada
Zone de mort-terrain conducteur masquant la signature géophysique du socle rocheux
Conductive overburden zone hiding bedrock geophysical signature
I1G
I1D (I1G)
M4 (I1G)
I1B
Valeurs anomales Au
Anomalous Au values
DDH-12-08
DDH-12-07
DDH-12-06
DDH-12-05
DDH-12-04
DDH-12-03
DDH-12-02
DDH-12-01
DDH-13-09
DDH-13-10
DDH-13-11
DDH-13-12
NS
0,65 gpt Au sur/over 128,6m
incl. 1,09 gpt Au sur/over 56,0m
dans tonalite silicifiée/in silicified tonalite
0,214 gpt Au sur/over 191,4m
incl. 0,50 gpt Au sur/over 45,8m
incl. 0,70 gpt Au sur/over 24,0m
dans tonalite silicifiée/in silicified tonalite
0,59 gpt Au sur/over 56,5m
incl. 0,72 gpt Au sur/over 39,5m
dans tonalite silicifiée/in silicified tonalite
0
500 m
N
33B12
TSX-V: SOI
SIRIOS
Légende/Legend
Lithologie/Lithology
I1B granite
I1D (I1G) tonalite (pegmatite)
I1G pegmatite
M4 (I1G) metasediments (pegm)
contacts présumés / inferred
zone conductrice / conductivity
faille inférrée / inferred fault
Au gpt affleurement/bedrock
0,005 - 0,05
>0,05 - 0,5
>0,5 - 2,6
Géochimie sol / soil geochemistry
Au anomalie / enrichment
As anomalie / enrichment
2012 collet de forage/DDH collar
2013 collet de forage/DDH collar
résultats en attente/assays pending
NS - No significant value
Chechoo
CHEECHOO
033C16
033B13
033B14
033C09
033B12
033B11
033C08
033B05
033B06

PLANIFICATION – SUMMARY OF EXPLORATION PROGRAMS FOR 2013-2014

PROPERTY	PLANNED WORK 2013-2014	BUDGET	NEXT STEP
CHEECHOO	Diamond drilling, helicopter-borne detailed magnetic survey	$500,000 to $1,500,000	Continuing drilling
AQUILON	Permit requests, bulk samping	To be determined with partner	To be determined depending on results
AAA	Remote-sensing surveying, translation, claim acquisition	$125,000	Regional geophysical, geochemical and geological surveys
TOTAL 2013-2014		$625,000 to 1,625,000	

SUMMARY OF FINANCIAL ACTIVITIES

The net loss of the Company is $162,825 for the 2013-2014-Q1 in comparison with a net loss of $595,202 for the 2012-2013-Q1.

The decrease of the net loss can be mostly explained by the absence of devaluation and share of loss for the equity-accounted method investment during the quarter. Given that the investment has a carrying value of zero (but a fair value of $242,727), the Company can't record any of those item.

Also, the variation of the net loss can be explained by the difference, between the two years, of the write-off of exploration and evaluation assets. For the three-month period ended in September 30, 2012, the write-off amounts $335,628 in comparison with an amount of $4,919 for the three-month period ended in September 30, 2013.

General and Administrative expenses Analysis

General and Administrative expenses went from $85,916 for the 2012-2013-Q1 to $104,569 for the 2013-2014-Q1.

General and Administrative expenses	Three-month period ended September 30, 2013 $	Three-month period ended September 30, 2012 $
Salaries and employee benefits expenses	36,849	27,002
Publicity, travel and promotion	22,868	3,447
Professional fees	22,399	32,405
Interest and bank charges	12,357	725
Rent expenses	4,061	3,940
Trustees, registration fees and shareholder relation	2,878	9,949
Insurances	1,926	5,970
Office expenses	867	1,001
Property and equipment amortization	263	279
Income taxes of section XII.6	101	1,198
Total	**104,569**	**85,916**

Comparing the general and administrative expenses for the three-month period ended September 30, 2013 and 2012, we observe a difference in *Salaries and employee benefits expenses*. Even though the Company shares its employee with Khalkos since January 2012 which reduce the expense for the Company, this item increased compared to last year because employees worked more on the Company's project than on Khalkos'.

We can see a difference in the expense for *Publicity, travel and promotion* since the Company signed a contract with an investor's relation firm, such that its cost increased during the trimester.

Since the Company reimbursed its loans during the quarter, the *Interest and bank charges* item is higher than last year because the Company had no loans at that time.

SUMMARY OF QUARTERLY RESULTS

	2014	2013				2012		
	Q1 $	Q4 $	Q3 $	Q2 $	Q1 $	Q4 $	Q3 $	Q2 $
Other revenues and expenses	(61,453)	(296,127)	31,512	(61,390)	(219,373)	(143,517)	(283,057)	(87,908)
Net loss	162,825	1,514,885	238,600	265,465	595,202	295,189	515,897	282,332
Net loss per share	0.007	0.11	0.01	0.015	0.005	0.003	0.004	0.002

Other revenues and expenses consist mainly of changes in value of listed shares, interest income on cash of the Company as well as the devaluation of Khalkos' shares and 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 $162,825 to $1,514,885.

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

For the Q1-2013 and Q4-2013, the devaluation of Khalkos' shares as well as the Company's share of Khalkos' loss, which is recorded using the equity method, of $195,109 and $47,618 for the Q1-2013 and $38,460 and $196,548 for the Q4-2013, decrease the revenues for those quarters.

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.

For the Q4-2012 and Q4-2013, net losses can be explained by the write-offs of Baleine, Koala and Hipo properties, in 2012, for an amount of $402,637 and Kukames, Upinor, Nasa and AAA, in 2013, for an amount of $1,067,538.

WORKING CAPITAL AND CASH FLOW

The working capital, including cash held for exploration expenses, varied from an amount of $316,407 on June 30, 2013 to an amount of $200,881 on September 30, 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**.

As at September 30, 2013:

- 24,776,505 common shares were issued
- 1,695,714 options were granted and 1,670,000 of which can be exercised, at prices of \$0.24 and \$0.70 between 2014 and 2018. Each option can be exchanged by its holder thereof for one common share of the Company.
- 5,326,355 warrants were issued. Each warrant can be exchanged by its holder thereof for one common share of the Company.
- 84,413 brokers' warrants were issued. Each brokers' warrant can be exchanged by its holder thereof for one common share of the Company.

Share capital

Variation in share capital as at November 28, 2013:

Description	Number of shares	Amount $
As at June 30, 2013	23,896,505	19,666,439
Private placement	880,000	70,400
As at September 30, 2013	**24,776,505**	**19,736,839**
Private placement	2,500,000	210,207
Flow-through private placement	2,000,000	178,793
As at November 28, 2013	**29,276,505**	**20,125,839**

On July 4th, 2013, the Company completed the closing of a private placement for a total of \$88,000. In total, 880,000 shares were issued as well as 880,000 warrants.

On October 16 and November 5, 2013, the Company completed two closings of a flow-through private placement for a total of \$400,000. In total 4,500,000 common shares were issued as well as 2,500,000 warrants. The Company also issued 100,000 brokers' warrant at a price of \$0.10 per share for a period of 12 months.

Options

Variation in outstanding options as at November 28, 2013:

Description	Number of options	Average exercise price ($)
As at June 30, 2013 and **September 30, 2013**	1,695,714	0.38
Granted	25,000	0.12
As at November 28, 2013	**1,720,714**	**0.38**

The Board of Directors of Sirios has granted, on October 25, 2013, 25,000 stock options under its Stock Option Incentive Plan to an employee at an exercise price of $0.12 per share. The options expire five (5) years from the date of grant.

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

Expiry date	Options granted	Options exercisable	Exercise price ($)
February 3rd, 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	145,715	0.70
January 18, 2018	1,175,000	1,175,000	0.24
October 24, 2018	25,000	25,000	0.12
	1,720,714	**1,695,000**	**0.38**

Warrants

Variation of warrants as at November 28, 2013:

Description	Number of warrants	Average exercise price ($)
As at June 30, 2013	4,530,768	0.19
Issued	880,000	0.18
As at September 30, 2013	**5,410,768**	**0.19**
Issued	2,600,000	0.12
As at November 28, 2013	**8,010,768**	**0.17**

On July 4th, 2013, the Company completed the closing of a private placement for a total of $88,000. In total, 880,000 shares were issued as well as 880,000 warrants.

On October 16 and November 5, 2013, the Company completed two closings of a flow-through private placement for a total of $400,000. In total 4,500,000 common shares were issued as well as 2,500,000 warrants. The Company also issued 100,000 brokers' warrant at a price of $0.10 per share for a period of 12 months.

RELATED PARTY TRANSACTIONS

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

	Three-month period ended	
	September 30, 2013	September 30, 2012
Salaries and employee benefit expenses	24,238	12,247
Share-based payments	621	9,004
	24,859	**21,251**

SUBSEQUENT EVENTS

On October 16, 2013 and November 6, 2013, the Company completed two closings of a flow-through private placement. A total amount of $400,000 was subscribed and is composed of 2,500,000 units at $0.08 each including one common share and one warrant, for an amount of $200,000, as well as 2,000,000 flow-through shares at $0.10 totalising $200,000. In total, 4,500,000 shares were issued (2,500,000 common shares and 2,000,000 flow-through shares), as well as 2,500,000 warrants. There is a hold period of four months on all securities issued. Each warrant entitles its holder to subscribe for one common share at $0.12 per share for a period of 12 months after the closing date. Two directors of the Company participated in the placement for an amount of $37,400. Also, a finder's fee in cash of $11,200 was paid and the Company issued finder's warrants entitling the holder to purchase 100,000 common shares at a price of $0.10 per share for a period of 12 months.

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:

- <u>Apply ethical business practices</u>: Sirios continues to abide by management procedures that promote honesty, integrity, transparency and accountability.
- <u>Engage host communities and other affected and interested parties</u>: 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.
- <u>Protect the environment</u>: 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.

CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

Significant management judgment

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 managements 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.

Going concern
The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on

historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

Estimation uncertainty

Impairment of exploration and evaluation assets

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 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.

In assessing impairment, the Group must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recover from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Group'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 expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

For the three-month period ended September 30, 2013, the total impairment loss of the exploration and evaluation assets recognized in profit or loss amounts $4,919 (nil for the three-month period ended September 30, 2012). No reversal of impairment losses has been recognized for the reporting periods.

Impairment of 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 assumptions in many cases.

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows, and use an interest rate to discount them. Estimation uncertainty relates to assumptions about operating results and the determination of a suitable discount rate. As at September 30, 2013 and 2012, the Company did not recognize any impairment of property and equipment.

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.

Provisions
Judgments are made as to whether a past event has led to a liability that should be recognized in the consolidated financial statements or disclosed as a contingent liability. Quantifying any such liability and provisions involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received previous experience and the probability of a loss being realized. Several of these factors are source of estimation uncertainty.

Tax credits receivable
The calculation of the Group’s refundable tax credit on qualified exploration expenditure 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. Difference 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.

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

Mining claims and title risks

Although the Company has taken steps to verify title to mining properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may subject to unregistered prior agreements and non-compliance with regulatory requirements.

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 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 September 30, 2013 should be read in conjunction with the unaudited consolidated interim financial statements for the three-month period ended September 30, 2013 and 2012 and the audited consolidated financial statements for the years ended June 30, 2013 and 2012 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. November 28, 2013

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