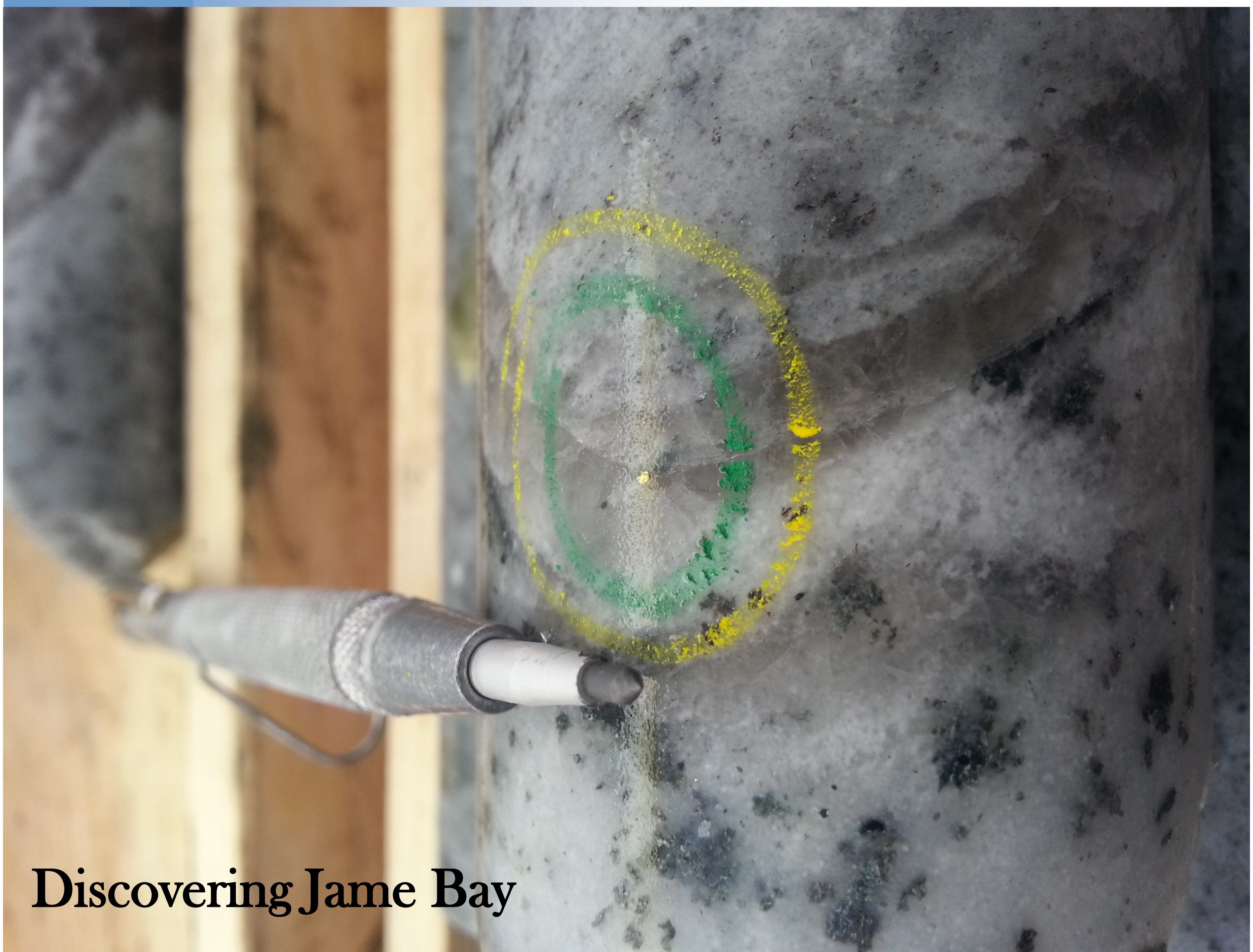
Management Interim Report for the six-month period ended December 31, 2013



Sirios Resources Inc.

TSX V: SOI
www.sirios.com

SIRIOS

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

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SIRIOS RESOURCES INC.
MANAGEMENT INTERIM REPORT
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This Management Discussion and Analysis is dated February 20, 2014 and provides an analysis of our financial results for the quarter ended December 31, 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 six-month period ended December 31, 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 December 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 deposits in the James Bay region of Eastern Canada.

On December 31, 2013, Sirios holds 5,393,931 shares of Khalkos Exploration Inc. ("Khalkos") consisting of 20.23% of its share capital.

Common shares of Sirios, a Tier 1 company, trade on the TSX Venture Exchange under symbol SOI. On December 31, 2013, there are 33,174,879 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

- More than eight gold zones intersected by drilling by Sirios on the Cheechoo property.
- Closing of private placements for a total amount of $600,000.
- Completion of a non-secured loan for an amount of $150,000.
- Issuance of 2,898,374 shares to Golden Valley Mines Ltd. in accordance with the option agreement that allows Sirios to wholly acquire the Cheechoo property.
- Exploration and evaluation expenses of $644,417 were incurred, mostly on the Cheechoo property.
- The holding of the annual meeting of shareholders.

RESULTS OF OPERATIONS

Summary of exploration activities

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

Property	Geology-prospecting $	Geochemistry, analysis $	Geophysics, line-cutting $	Transport, helicopter, lodging $	Drilling $	General expenses, drafting $	Total $
Cheechoo	14,658	5,305	453	94,838	503,366	25,797	644,417
TOTAL	**14,658**	**5,305**	**453**	**94,838**	**503,366**	**25,797**	**644,417**

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 originally consisted of 242 claims divided into four blocks. To focus its exploration only where it deems the most promising, Sirios abandoned, in October 2013, two blocks of claims, totaling 97 claims. The Cheechoo property, following the option agreement with Golden Valley, consist now of 145 claims divided in two non continuous blocks, in the 33C09 and 33B12 NTS sheet.

<u>Work performed during the period</u>

During fall 2013, for the first time, a trail that allows land access to the Cheechoo property was completed as well as a camp that enabled the second drilling campaign. Also, in September 2013, following a new visual exam of some drilling samples from the 2012-2013 campaign, 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 in hole #2*. The sample displayed a several millimeter cluster composed of multiple points of free gold of which the individual size can reach up to half of a millimeter. 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-analyzed, but using the gold fire-assay with Metallic Seives process. From the preliminary results of these re-assaying, no significant variations were observed.
* The prefixes CH-919-12 were removed from the # of the drills to lighten the text.

Drilling campaign of fall 2013

The second drilling program of Sirios was finished at the end of October after the execution of four holes of NQ caliber (#2013-09 to 2013-12), totalizing 750 metres. More than eight new gold zones were intersected by three drill holes that were aiming and that intersected tonalitic intrusion. These new holes confirmed a low grade gold envelope with a minimum area of 250 x 525 metres with a depth reaching up to 200 metres vertically. This envelope is open in depth and in every direction except for its south-east portion.

In the core #2013-09, ten gold specks have been located between depths of 63.4 m and 65.4 m. This 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.

Gold specks has been located at four different depths in the second drill core (#2013-10) : 1 speck at 32 m; 9 specks at 141 m; 6 specks at 142.5 m and around 5 specks at 216 m. This 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).

The third drill core (#2013-11) was completed with a final depth of 150 metres. Il is composed of sedimentary rock of type greywacke at most of its length until 141.3 m before entering a zone of tonalitic mass.

The fourth drill core (#2013-12) began in the greywacke up to 10.5 m to then finish in tonalite with 150 metres of depth. Visible gold specks were observed at two locations (10.7 m and 143.2 m) in this drill hole.

Visible gold was observed in 12 core samples of 0.5 metre to 1 metre taken from different zones in drill holes #9, 10 and 12 (ref. to press releases in October 2013). Seven of these samples graded between 11.5 g/t and 47.9 g/t Au while five others graded between 0.05 g/t and 3.72 g/t Au. The gold zones with a weighted average greater than 1 g/t are summarized in the following table:

Interval (metres)	Weighted average of gold grade (g/t)
2.0	15.25
2.0	7.37
20.8	2.00
14.0	1.74
29.4	1.45
6.8	1.41
26.0	1.28
34.0	1.08

Given that the orientation and the shape of the gold zone are not yet defined, it is impossible to know the true widths of the mineralized sections. Only by a systematic drilling can the orientation, the form and the continuity of the different gold zones be defined.

CHEECHOO 2013 DIAMOND DRILLING'S MAIN ASSAY RESULTS

Drill hole # CH-919-13-	Collar Position UTM Nad 83	Azimut	Plunge	From (m)	To (m)	Interval (m)	Au (g/t)
09	**438352E 5830237N**	**270°**	**45°**	**9.3**	**72.0**	**62.7**	**0.53**
			incl.	27.0	68.0	41.0	0.74
			incl.	63.4	65.4	2.0	7.37
			incl.	64.0	64.8	0.8	*12.70
				123.8	**(EOH)150.0**	**26.2**	**0.42**
	Total weighted average of the drill hole			**9.3**	**(EOH)150.0**	**140.7**	**0.37**
10	**438615E 5830263N**	**235°**	**45°**	**7.0**	**44.3**	**37.3**	***0.41**
			incl.	20.0	26.8	6.8	1.41
				58.0	**60.0**	**2.0**	**15.25**
			incl.	58.0	59.0	1.0	29.70
				114.5	**183.0**	**68.5**	**0.68**
			incl.	114.5	155.0	40.5	0.97
			incl.	129.0	155.0	26.0	1.28
			incl.	140.4	143.0	2.6	*5.91
			incl.	140.4	140.9	0.50	*16.65
				207.0	**221.0**	**14.0**	**1.74**
			incl.	213.4	219.0	5.6	4.10
			incl.	216.3	216.8	0.5	*28.00
				229.0	**(EOH)300.0**	**71.0**	**0.80**
			incl.	254.2	283.6	29.4	*1.45
			incl.	267.4	267.9	0.5	*47.90
	Total weighted average of the drill hole			**4.8**	**(EOH)300.0**	**295.2**	**0.61**
12	**438773E 5830233N**	**235°**	**45°**	**5.0**	**39.0**	**34.0**	**1.08**
			incl.	7.0	20.0	13.0	2.23
			incl.	11.3	14.2	2.9	6.69
			incl.	11.3	11.8	0.5	*30.20
				93.0	**(EOH)150.0**	**57.0**	**0.89**
			incl.	123.7	144.5	20.8	2.00
			incl.	136.0	143.5	7.5	4.70
			incl.	136.0	138.0	2.0	13.42
			incl.	136.0	137.0	1.0	25.90
			incl.	143.0	143.5	0.50	*11.05
	Total weighted average of the drill hole			**3.4**	**(EOH)150.0**	**146.6**	**0.64**

(EOH): End of hole   *: Visible gold

Similar to the drill holes undertaken in 2012, drill hole #9, #10 and #12 show a fine and weak dissemination of pyrrhotite and arsenopyrite over large widths in a silicified tonalite (granitic intrusive rock). Numerous quartz veinlets cross-cut the tonalite. The presence of localized gold bearing pegmatites was also observed in some drill holes. The meta-greywacke intersected on almost the whole length of drill #11, has gold anomalies ranging between 0.13 g/t and 0.34 g/t over intervals of 5 to 10 metres. It is also less mineralized than the tonalite.

During the period ended December 31, 2013, the fieldwork totaled $644,417.

Assaying Quality Control for the 2013 drilling campaign

A total of 728 drill core samples were collected sawed in half, with one half sent to commercial laboratories for analysis and other half retained for future reference. A strict QA/QC program was followed by integrating blanks and certified reference materials to the drill core samples, all of which were prepared by IOS Services Géoscientifiques Inc. of Chicoutimi, and assayed for gold by fire assay and atomic absorption finish (AA23) by the ALS Minerals laboratories in Val d'Or, Quebec. Assays on the highest grades were duplicated in the laboratory. Samples grading more than 10 g/t were re-assayed by fire assay with gravimetric finish.

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 Géoscientifiques Inc. 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 ALS laboratories of analysis at Val-d'Or.

Historic of the Cheechoo property and previous work

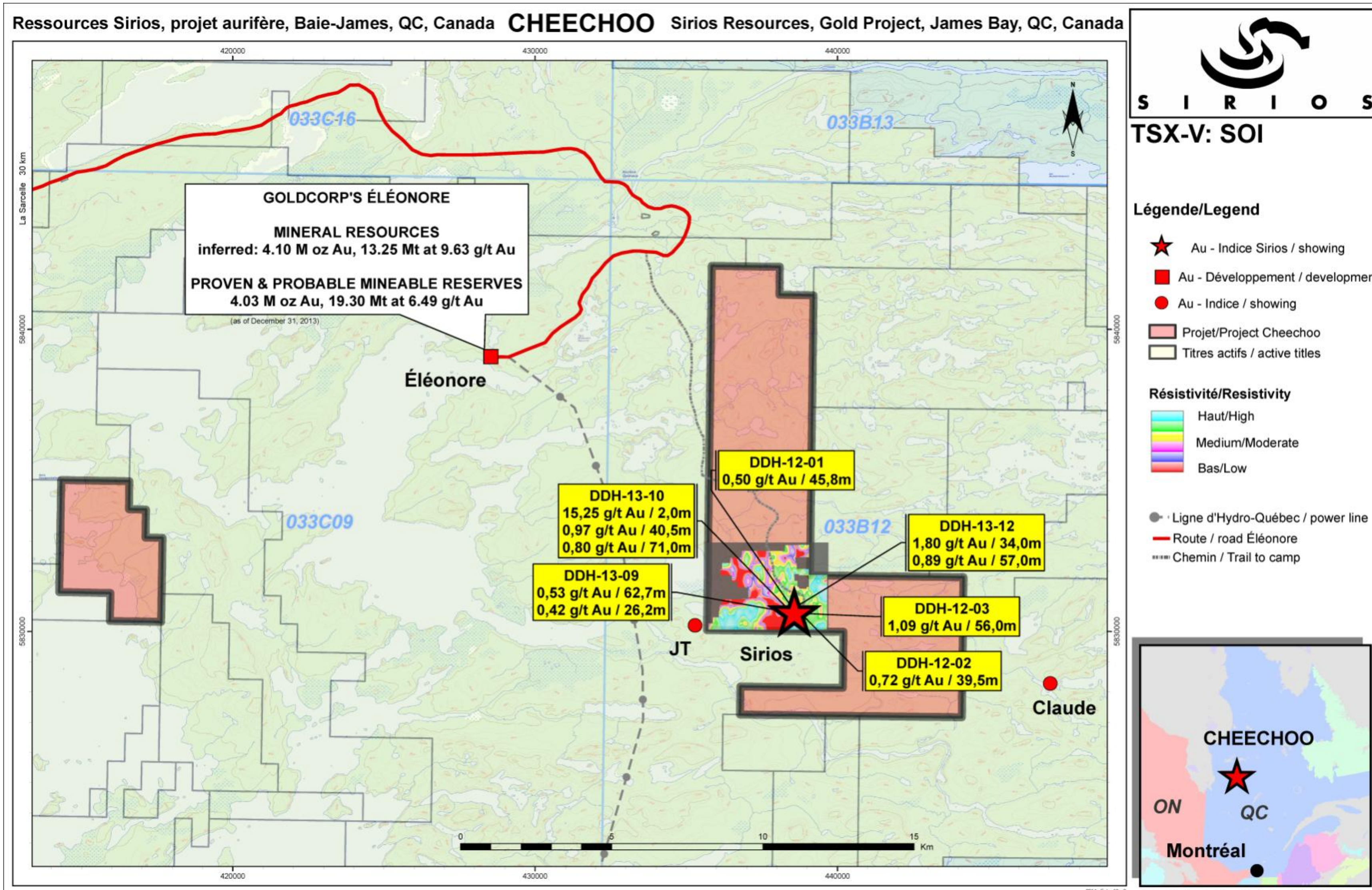
Sirios acquired claims forming the Cheechoo and Shark properties by map designation in 2004. In December of the same year, an option agreement was signed with Golden Valley who, after execution of fieldwork totalizing close to four millions dollars, acquired in 2009, 60% interest of the properties.

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 issued, in December 2013, 2,898,374 common shares to Golden Valley. Sirios also have to undertake $3,204,113 (after amounts already incurred by Sirios at December 31, 2013) and pay $500,000 in cash or in shares to Golden Valley on or before June 13, 2016.

Golden Valley will 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 km^2. The region is located around 10 km south-east of the future Eleonore gold mine. A total of eight diamond drill holes of NQ caliber 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".

Ressources Sirios, projet aurifère, Baie-James, QC, Canada **CHEECHOO** Sirios Resources, Gold Project, James Bay, QC, Canada

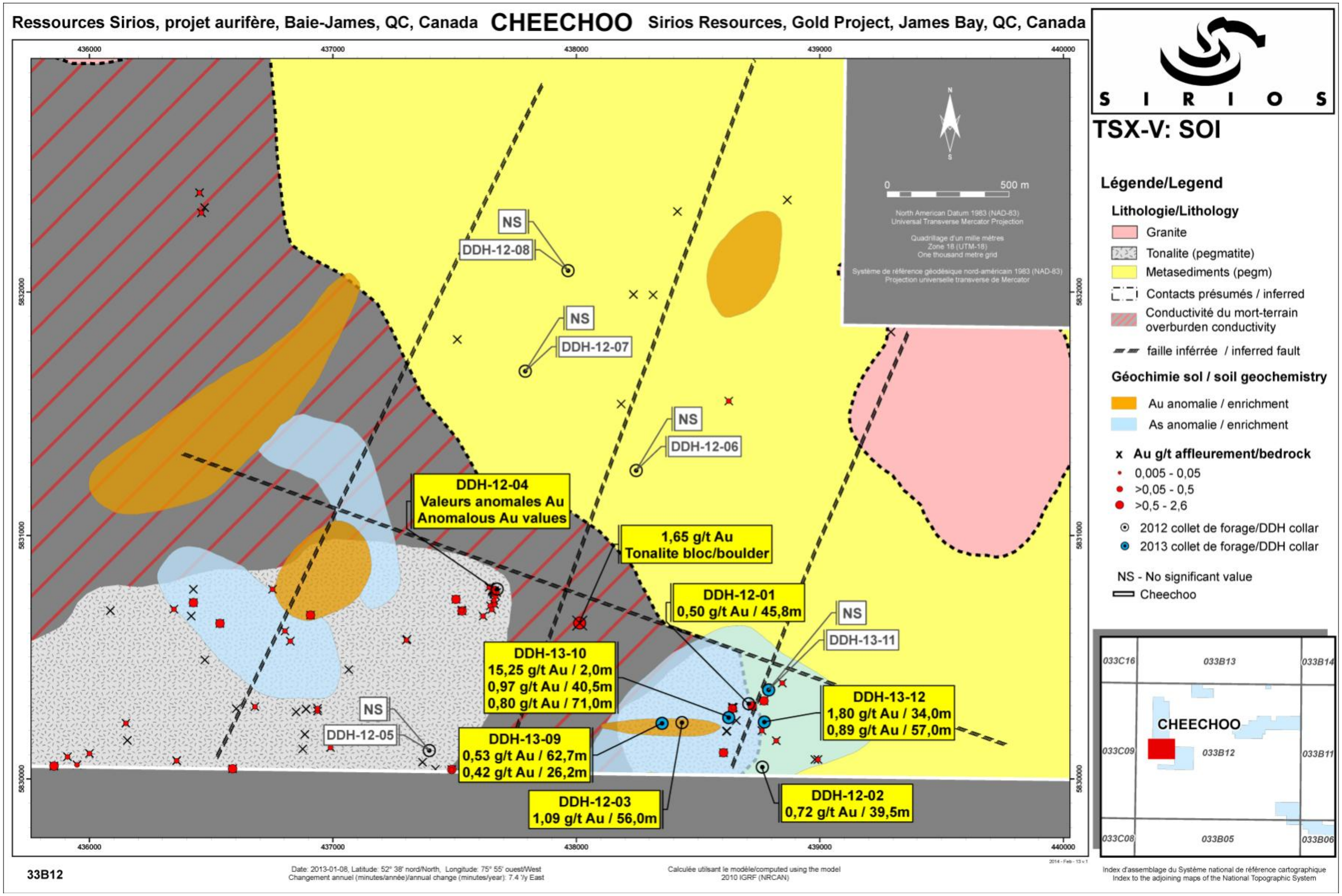


33B12 Topographie/topography : Toporama

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)



Ressources Sirios, projet aurifère, Baie-James, QC, Canada
CHEECHOO
Sirios Resources, Gold Project, James Bay, QC, Canada
SIRIOS
TSX-V: SOI
Légende/Legend
Lithologie/Lithology
Granite
Tonalite (pegmatite)
Metasediments (pegm)
Contacts présumés / inferred
Conductivité du mort-terrain overburden conductivity
faille inférrée / inferred fault
Géochimie sol / soil geochemistry
Au anomalie / enrichment
As anomalie / enrichment
x Au g/t affleurement/bedrock
0,005 - 0,05
>0,05 - 0,5
>0,5 - 2,6
2012 collet de forage/DDH collar
2013 collet de forage/DDH collar
NS - No significant value
Cheechoo
DDH-12-04
Valeurs anomales Au
Anomalous Au values
1,65 g/t Au
Tonalite bloc/boulder
DDH-12-01
0,50 g/t Au / 45,8m
DDH-13-10
15,25 g/t Au / 2,0m
0,97 g/t Au / 40,5m
0,80 g/t Au / 71,0m
DDH-13-09
0,53 g/t Au / 62,7m
0,42 g/t Au / 26,2m
DDH-12-03
1,09 g/t Au / 56,0m
DDH-13-12
1,80 g/t Au / 34,0m
0,89 g/t Au / 57,0m
DDH-12-02
0,72 g/t Au / 39,5m
NS
DDH-12-08
NS
DDH-12-07
NS
DDH-12-06
NS
DDH-13-11
NS
DDH-12-05
0
500 m
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
436000
437000
438000
439000
440000
5830000
5831000
5832000
033C16
033B13
033B14
CHEECHOO
033C09
033B12
033B11
033C08
033B05
033B06
33B12
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)
Index d'assemblage du Système national de référence cartographique
Index to the adjoining maps of the National Topographic System

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 sampling	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	

As mentioned in the annual management discussion and analysis report, the main efforts of exploration will be oriented towards the Cheechoo project in the foreseeable future.

SUMMARY OF FINANCIAL ACTIVITIES

The net loss of the Company is $217,228 for the three-month period ended December 31, 2013 in comparison with a net loss of $265,465 for the three-month period ended December 31, 2012. While, the net loss of the Company is $380,053 for the six-month period ended December 31, 2013 in comparison with a net loss of $860,667 for the six-month period ended December 31, 2012.

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 $269,697), the Company can not record any of those item.

Also, the variation of the net loss can be explained by the difference between the two years of the expense of the income taxes of section XII.6. Last year, an expense of $86,979 was recorded in comparison with $75 this year.

General and Administrative expenses Analysis

General and Administrative expenses went from $313,184 for the six-month period ended December 31, 2012 to $381,105 for the six-month period ended December 31, 2013.

General and Administrative expenses	2013-2014 Six-month period ended December 31, 2013 $	2012-2013 Six-month period ended December 31, 2013 $
Salaries and employee benefits expenses	206,812	53,730
Trustees, registration fees and shareholder relation	47,577	37,888
Professional fees	52,012	100,805
Publicity, travel and promotion	44,033	9,152
Office expenses	5,516	2,146
Rent expenses	7,322	7,200
Insurance	3,853	11,961
Interest and bank charges	13,280	1,568
Property and equipment amortization	526	577
Income taxes of section XII.6	177	88,177
Total	**381,105**	**313,184**

Comparing the general and administrative expenses for the six-month period ended December 31, 2013 and 2012, we observe a difference in *Salaries and employee benefits expenses*. Even though the Company shares its employee with an associated company since January 2012, which reduce the expense for the Company, this item increased compared to last year because employees worked almost exclusively on the Company's project and the Company completed many private placements. This item also increased because the Company's Board of Directors changed the Stock Option Incentive Plan since January 18, 2013. Before, options were vested over a period of 18 months, but since, they are fully exercisable at the date of the grant. Therefore, the share-based payment expense is higher during the quarters that options are granted (please note that this does not consist of an output of money for the Company). For the sic-month period ended December 31, 2013, share-based payments totaled $131,842 in comparison with an amount of $16,152 for the six-month period ended December 31, 2012.

The decrease in *Professional fees* can be explained by the fact that the Company held a Special Shareholders' Meeting and its Annual Meeting of Shareholders during the period of six-month ended December 31, 2012, to approve the consolidation of the share capital.

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 quarter.

Due to the different loans still outstanding during the period, 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	
	Q2 $	Q1 $	Q4 $	Q3 $	Q2 $	Q1 $	Q4 $	Q3 $
Other revenues and expenses	6,876	(61,453)	(296,127)	31,512	(61,390)	(219,373)	(143,517)	(283,057)
Net loss	217,228	162,825	1,514,885	238,600	265,465	595,202	295,189	515,897
Net loss per share	0.008	0.007	0.11	0.01	0.015	0.005	0.003	0.004

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 the associated company's shares and the Company's share of the associated company's 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 Q3-2012 and Q4-2012, there is a variation in the value of the listed shares for an amount of $563,265 and $729,706 respectively, which significantly reduce the revenue to a negative amount $283,057 and $143,517 respectively.

For the Q1-2013 and Q4-2013, the devaluation of the associated company's shares as well as the Company's share of the associated company's 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 listed shares of $60,874 increased the revenue to an amount of $31,512.

For the Q1-2014 and Q2-2014, the amortization of fees related to loans of $50,397 and $329 respectively, decreased the revenues. However, interests on other receivables of $6,288 and $6,876 respectively, increased those revenues. Revenues are also lower than usual since the investment accounted for using the equity method doesn't generate devaluation nor shares of the loss since the investment has a book value of zero.

For the Q4-2012 and Q4-2013, net losses can be explained by the write-offs of the Baleine, Koala and Hipo properties, in 2012, for an amount of $402,637 and Kukames, Upinor, Nasa and AAA, in 2013, for and 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 $70,668 on December 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.**

As at December 31, 2013:

- 33,174,879 common shares were issued.
- 2,895,714 options were granted and 2,895,714 of which can be exercised, at price between $0.12 and $0.70 between 2014 and 2018. Each option can be exchanged by its holder thereof for one common share of the Company.
- 7,826,355 warrants were issued. Each warrant can be exchanged by its holder thereof for one common share of the Company.
- 274,413 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 February 20, 2014:

Description	Number of shares	Amount $
As at June 30, 2013	23,896,505	19,666,439
Private placement	3,380,000	280,607
Flow-through private placement	3,000,000	178,793
Issuance of shares to acquire interest in a property	2,898,374	100,000
As at December 31, 2013 and February 20, 2014	**33,174,879**	**20,225,839**

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

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

On December 9, 2013, the Company issued 2,898,374 common shares to Golden Valley Ltd in accordance with the option agreement between the two parties that allows Sirios to acquire the gold property Cheechoo.

On December 20, 2013, the Company completed the closing of a flow-through private placement for a total of $200,000. For this placement, 1,000,000 flow-through shares were issued. Sirios also issued 90,000 brokers' warrants at a price of $0.20 per share for a period of 12 months.

Options

Variation in outstanding options as at February 20, 2014:

Description	Number of options	Average exercise price $
As at June 30, 2013	1,695,714	0.38
Granted	1,200,000	0.16
As at December 31, 2013	**2,895,714**	**0.29**
Expired	(102,857)	0.70
As at February 20, 2014	**2,792,857**	**0.27**

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.

The Board of Directors has granted, on December 10, 2013, 1,175,000 stock options under its Stock Option Incentive Plan to employees, directors and officers at an exercise price of $0.16 per share. The options expire five (5) years from the date of grant.

Options granted to employees, directors, and officers and exercisable as at February 20, 2014:

Expiry date	Options granted	Options exercisable	Exercise price ($)
April 22, 2015	117,857	117,857	0.70
May 11, 2016	128,571	128,571	0.70
June 17, 2017	171,429	171,429	0.70
January 18, 2018	1,175,000	1,175,000	0.24
October 24, 2018	25,000	25,000	0.12
December 10, 2018	1,175,000	1,175,000	0.16
	2,895,714	**2,895,714**	**0.29**

Warrants

Variation of warrants as at February 20, 2014:

Description	Number of warrants	Average exercise price ($)
As at June 30, 2013	4,530,768	0.19
Issued	3,570,000	0.14
As at December 31, 2013 and February 20, 2014	**8,100,768**	**0.17**

For the placement of July 4, 2013, 880,000 warrants were issued.

In total, 2,500,000 warrants and 100,000 brokers' warrants were issued for the placements of October 16, 2013 and November 5, 2013.

For the placement of December 20, 2013, the Company issued 90,000 brokers' warrants.

RELATED PARTY TRANSACTIONS

Key management personnel

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

	Six-month period ended	
	December 31, 2013	December 31, 2012
Salaries and employee benefits expenses	58,674	28,849
Share-based payments	112,460	13,223
	171,133	**42,072**

Associate company

During the period, Sirios provided administrative services to an associate company, Khalkos Exploration Inc., totaling $41,166. These services are charged at cost.

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

All resolutions that were presented at the annual and special meeting of shareholders of the Company, on December 10th, 2013, were approved by the shareholders. These resolutions include the nomination of the directors and the auditors, Raymond Chabot Grant Thornton, as well as the adoption of the Shareholder Rights Plan, the by-Law 2013-1 in addition to the amendments to the

Stock Option Plan and to the articles of Sirios (see November 4, 2013 press release for more informations).

Shareholders elected Mr. Luc Cloutier, Mr. Roger Doucet, Mr. Dominique Doucet, Mr. André Proulx and Mr. Frederic Sahyouni to the Board of Directors.

Moreover, during its board meeting, held after the meeting, Mr. Sahyouni was re-elected as Chief Financial Officer of the Company, and Mr. Dominique Doucet as President, Chief Executive Officer and Chairman of the Board. Mr. Luc Cloutier, Mr. Roger Doucet and Mr. André Proulx will form the audit committee.

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 principales 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 implication, 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 management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

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. See Note 2 for more information.

<u>Estimation uncertainty</u>

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 Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditures is capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

For the six-month period ended December 31, 2013, the total impairment loss of the exploration and evaluation assets recognized in profit or loss amounts $4,919 ($335,628 for the six-month period ended December 31, 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 December 31, 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 mad 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.

Provisions

Judgments are made as to whether a past event as 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 in 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 Company'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 December 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, labor 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 those 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 December 31, 2013 should be read in conjunction with the unaudited consolidated interim financial statements for the six-month period ended December 31, 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 on 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 RESPONSIBILITY 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. February 20, 2014.

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