

Management Interim Report for the three-month period ended September 30, 2015



Découvrir la Baie James



Ressources Sirios Inc.

TSX V: SOI
www.sirios.com

Table of content

CORPORATE PROFILE AND MISSION	2
SUMMARY OF THE ACTIVITIES OF THE PERIOD	2
RESULTS OF OPERATIONS	2
Summary of exploration activities	2
EXPLORATION PROJECT	2
SUMMARY OF FINANCIAL ACTIVITIES.....	6
General and administrative expenses analysis.....	6
SUMMARY OF QUARTERLY RESULTS.....	7
WORKING CAPITAL AND CASH FLOW	8
Share capital	8
Options	9
Warrants	9
RELATED PARTY TRANSACTIONS	10
Key management personnel	10
Associated company	10
PRINCIPES DE DÉVELOPPEMENT DURABLE.....	10
JUDGMENTS, ESTIMATES AND ASSUMPTIONS	11
RISKS AND UNCERTAINTIES	12
OTHER INFORMATION	13
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION.....	13



S I R I O S

TSX-V: SOI

**SIRIOS RESOURCES INC.
MANAGEMENT INTERIM REPORT
FOR THE THREE-MONTH PERIOD
ENDED SEPTEMBER 30, 2015**

This Management Discussion and Analysis is dated November 18, 2015 and provides an analysis of the financial results for the quarter ended September 30, 2015. This discussion and analysis of the financial position and results of operation should be read in conjunction with the unaudited interim financial statements for the three-month period ended September 30, 2015 and the audited financial statements for the years ended June 30, 2015 and 2014. The unaudited interim financial statements for the period ended September 30, 2015 were not reviewed by the external auditors.

This report contains "forward-looking statements" not based on historical facts. Forward-looking statements express as of the date of this report, 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 could differ materially from current expectations expressed or implied by the forward-looking statements include 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 September 30, 2015, Sirios holds 8,019,369 shares of Khalkos Exploration Inc. ("Khalkos") consisting of 21.92% of its share capital.

Common shares of Sirios, a Tier 1 company, trade on the TSX Venture Exchange, under the symbol "SOI". In September 30, 2015, there are 67,224,643 ordinary shares issued and outstanding.

Sirios owns numerous high potential properties such as:

- CHEECHOO (45% increasing ownership to 100%), gold discovery in the vicinity of Goldcorp's Eleonore gold mine;
- AQUILON (50%), host of high grade gold vein system;
- PONTAX (100%), polymetallic project with high grade silver and gold.

SUMMARY OF THE ACTIVITIES OF THE PERIOD

- Closing of private placements for a total amount of \$975,362;
- Exercise of warrants for a total amount of \$212,864;
- Drilling campaign on Cheechoo: eleven drill holes completed for 1 962 metres;
- Exploration and evaluation expenses of \$379,372, for the three-month period, were incurred on the Cheechoo project.

RESULTS OF OPERATIONS

Summary of exploration activities

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

Property	Geology-prospecting \$	Geochemistry-analysis \$	Geophysics, line-cutting \$	Transport, helicopter, lodging \$	Drilling \$	General expenses, drafting \$	Total \$
Cheechoo	179,127	3,882	-	46,311	144,557	5,495	<u>379,372</u>

Other properties have not been subject to exploration work during the exercise.

EXPLORATION PROJECT

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.

CHEECHOO property

The Cheechoo project is the flagship project of the Company due to its continuous encouraging results since the discovery of the first gold surface indications. For this project, Sirios aims to delineate a world-class gold deposit, meaning multiple millions ounces of gold.

Fieldworks undertaken during the period

Surface fieldworks and diamond drilling

Eleven new drill holes, for a total of 1,962 metres of additional drilling, were undertaken during the period. Visible gold was observed in seven out of the eleven drill holes. Drill core samples from these drill holes, as of this report, are being assayed. The drill campaign will continue in the winter of 2015-2016. Simultaneously to the drill holes of September 2015, three hundred twelve soil samples, thirty-six tills and eighty-three grooves, were taken and are, as of this report, being assayed. These samples will allow to validate and to confirm several established drilling targets with different technique as well as to generate others in new areas of the property.

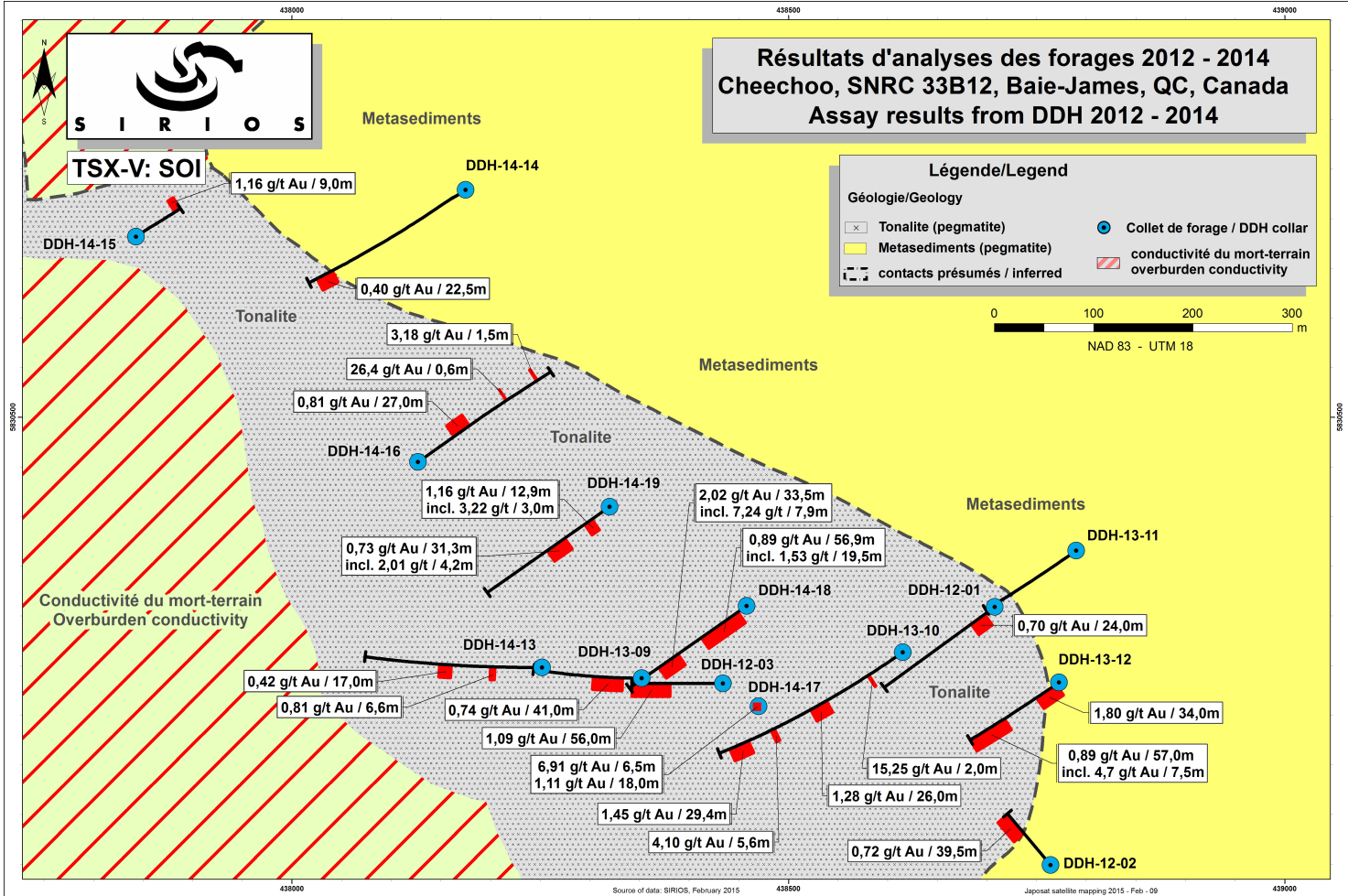
The fieldworks carried out in the period are part of the three-year plan announced by Sirios in last June that anticipate, for the year 2015-2016, a major diamond drilling program of approximately 15,000 metres and aim to delineate inferred resources.

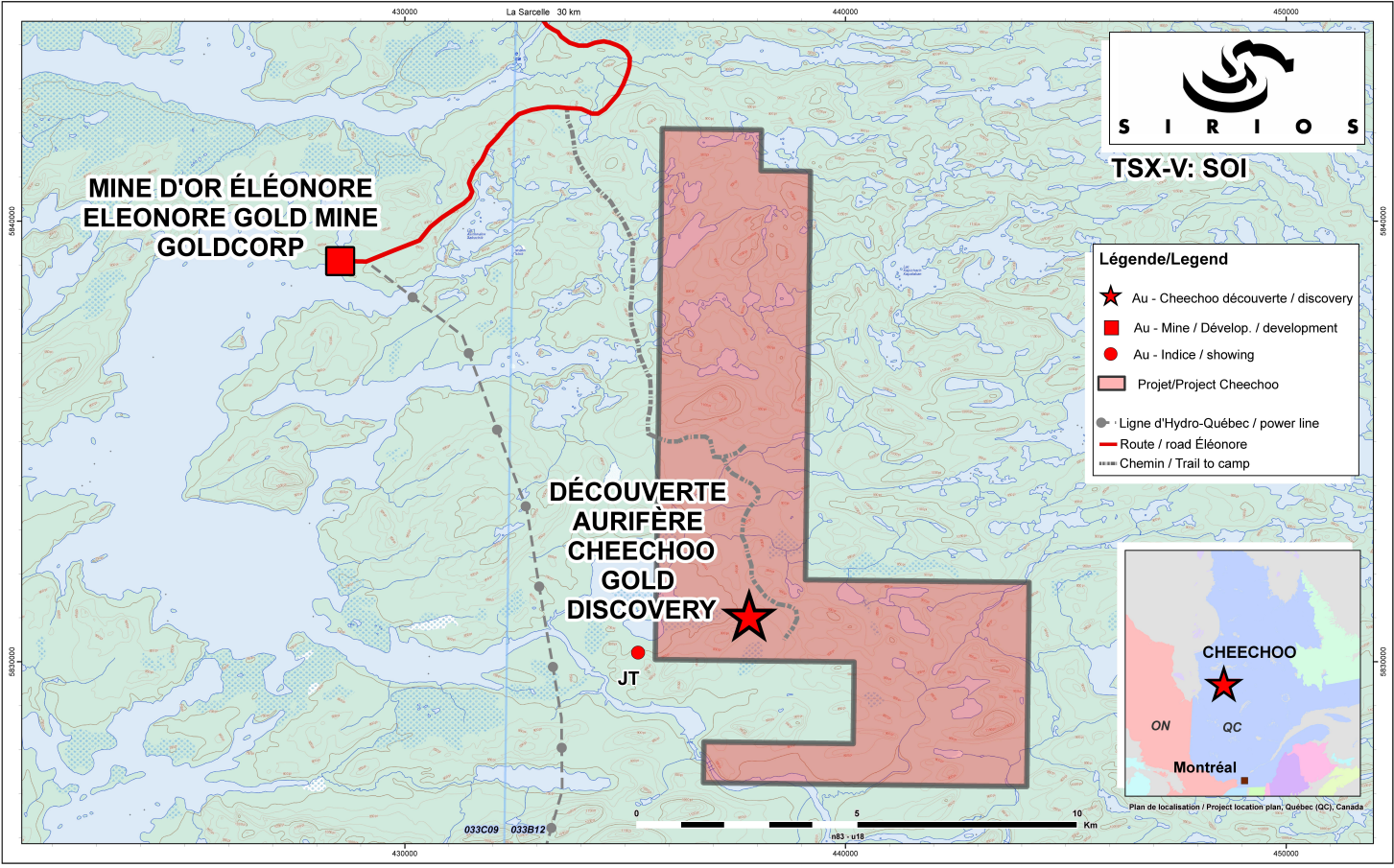
Exploration expenses on Cheechoo totaled \$379,372 during the period. These expenses do not include assay sample preparation expenses, nor assay results compilation and interpretation, which will be undertaken in the following quarter.

Description of the property

The claims forming the Cheechoo property are located adjacent to 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 began commercial production in the first quarter of 2015. This mine will become one of the most significant underground gold mines in North America. The Cheechoo property, following the option agreement with Golden Valley Mines Ltd. ("Golden Valley"), consists of 145 claims, covering 75 km², divided in two non-continuous blocks of 121 and 24 claims, on the 33C09 and 33B12 NTS sheet.

The Cheechoo project is held currently at 45% by the Company and 55% by Golden Valley. Sirios is in the process of acquiring the entire property following an agreement reached in 2012. Sirios is the manager of the project since the signing of the agreement. On the date of this report, taking into account the amounts already invested in the project by Sirios and management fees, the balance of required amounts to be spent in exploration works to acquire the totality of the project is \$1.1M in addition of a payment of \$500,000 in cash or shares to Golden Valley on or before June 13, 2016. Golden Valley will keep a net return 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 project. The net return royalty for the gold mineral would be 3% if the price of gold is between \$1,200 and \$2,400 per ounce.





SUMMARY OF FINANCIAL ACTIVITIES

During the three-month period, the Company completed the closing of private placements for a total amount of \$731,612. They were comprised of 6,096,765 units at \$0.12 and were composed of one common share and half a warrant. In total, 6,096,765 common shares were issued as well as 3,048,383 warrants.

Also, during the three-month period, the Company completed the closing of flow-through private placements for a total amount of \$243,750. They were comprised of 1,624,997 flow-through shares at \$0.15 per share.

The net loss of the Company is \$66,876 for the three-month period ended September 30, 2015 in comparison with a net loss of \$11,549 for the three-month period ended September 30, 2014.

The increase in the net loss can be explained by the change in the fair value of listed shares higher for 2014 than for 2015, \$44,882 compared with \$7,480, and the gain on settlement of another receivable, recorded in 2014, for an amount of \$39,445, decreasing the net loss for this period.

General and administrative expenses analysis

General and administrative expenses, for the three-month period, increased from \$101,096 in 2014-2015 to \$153,747 in 2015-2016.

	2015-2016	2014-2015
General and administrative expenses	Three-month period ended September 30, 2015 \$	Three-month period ended September 30, 2014 \$
Professional fees	66,161	11,084
Salaries and employee benefit expenses	50,801	48,335
Investors and shareholders' relations	23,858	29,651
Trustees and registration fees	4,350	3,486
Rent expenses	3,492	3,973
Office expenses	3,180	2,671
Insurance	1,512	1,689
Bank charges	278	207
Income taxes of section XII.6	115	-
Total	<u>153,747</u>	<u>101,096</u>

Comparing the general and administrative expenses for the three-month period ended September 30, 2015 and 2014, we note an increase in *Professional fees*. This increase can be explained by the efforts undertaken by management and staff to promote the Company and the closing of private placements.

SUMMARY OF QUARTERLY RESULTS

	2015-2016	2014-2015				2013-2014		
	Q1 \$	Q4 \$	Q3 \$	Q2 \$	Q1 \$	Q4 \$	Q3 \$	Q2 \$
Other revenues and expenses	(10,857)	(205,054)	(39,855)	(52,875)	77,665	419,041	(16,581)	6,876
Net loss	66,876	471,561	135,776	222,055	11,549	(343,359)	91,480	217,228
Net loss per share	0.0011	0.01	0.003	0.005	0.0003	(0.002)	0.003	0.008

Other revenues and expenses consist mainly of changes in value of listed shares, interest income on cash, interests and amortization on loans, interests on unpaid invoices, adjustment and share of loss of the associated company's shares which is recorded using the equity method.

In the last eight quarters, there is a variation from a net gain of \$343,359 to a net loss of \$471,561.

For the Q4-2014, the net result of \$343,359 can be explained by the recovery in value of the investment accounted for using the equity-method for an amount of \$340,374, thus increasing the result of the quarter. This recovery in value can be explained by the positive variation of the market value of Khalkos' shares.

For the Q1-2015, Sirios received of shares of Khalkos in settlement of another receivable creating a settlement gain in the amount of \$39,445, increasing incomes.

For the Q3-2014, Q2-2015 and Q3-2015, the negative variation in the value of the listed shares for amounts of \$22,441, \$29,921 and \$7,480 respectively, decreased revenues.

For the Q1-2015, Q4-2015 and Q1-2016, the positive variation in the value of the listed share for amounts of \$44,882, \$7,480 and \$7,480 respectively, increased revenues.

For the Q1-2015, Q2-2015, Q3-2015, Q4-2015 and Q1-2016, the Company's share of the associated company's loss, recorded using the equity method for amounts of \$8,092, \$18,003, \$31,302, \$207,882 and \$19,105 respectively, decreased revenues.

For the Q1-2015, Q2-2015 and Q1-2016, following issuances by Khalkos of shares, the Company went through dilutions of its percentage in Khalkos. Following those dilutions, amounts of \$(388), \$9,587 and \$3,341 respectively, were recorded in increase (reduction) of revenues.

For the Q2-2014, Q3-2014, Q4-2014, Q1-2015, Q2-2015, Q3-2015 Q4-2015 and Q1-2016, the amortization of fees related to loans for amounts of \$153, \$1,173, \$1,239, \$1,308, \$1,358, \$1,350, \$1,456 and \$3,029 respectively, decreased revenues.

WORKING CAPITAL AND CASH FLOW

The working capital, including cash held for exploration expenses, varied from an amount of \$158,495 on June 30, 2015 to an amount of \$792,071 on September 30, 2015. 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 of September 30, 2015:

- 67,224,643 common shares were issued as well as 100,000 preferred shares.
- 5,075,000 options were granted and exercisable, at prices between \$0.10 and \$0.70, between 2016 and 2020. Each option can be exchanged by its holder thereof for one common share of the Company.
- 4,331,240 warrants were issued. Each warrant can be exchanged by its holder thereof for one common share of the Company.
- 68,400 brokers' warrants were issued. Each brokers' warrant can be exchanged by its holder thereof for one common share of the Company.

Share capital

Variation of share capital as of November 18, 2015:

Description	Number of shares	Amount (\$)
As of June 30, 2015	57,374,238	23,134,622
Exercise of warrants	2,128,643	212,864
Private placement	6,096,765	670,644
Flow-through private placement	1,624,997	178,750
As of November 18, 2015	67,224,643	24,196,880

On July 20, 2015, 1,771,500 warrants were exercised at a price of \$0.10 per share.

On July 30, 2015, 357,143 warrants were exercised at a price of \$0.10 per share.

On August 6, 2015, the Company completed the closing of a private placement for a total of \$176,132. In total, 1,467,765 shares were issued as well as 733,883 warrants.

On August 6, 2015, the Company completed the closing of a flow-through private placement for a total of \$80,000. In total, 533,333 flow-through shares were issued.

On September 17, 2015, the Company completed the closing of a private placement for a total of \$555,480. In total, 4,629,000 shares were issued as well as 2,314,500 warrants.

On September 17, 2015, the Company completed the closing of a flow-through private placement for a total of \$163,750. In total, 1,091,664 flow-through shares were issued.

Options

Variation in outstanding options as of November 18, 2015:

Description	Nombre of options	Average exercise price (\$)
As of June 30, 2015 and November 18, 2015	5,075,000	0.19

Options granted to employees, directors, officers and consultants and exercisable as of November 18, 2015:

Expiry date	Options granted and exercisable	Exercise price (\$)
May 11, 2016	128,571	0.70
June 17, 2017	171,429	0.70
January 17, 2018	1,175,000	0.24
October 24, 2018	25,000	0.12
December 11, 2018	1,175,000	0.16
May 6, 2019	600,000	0.15
November 25, 2019	800,000	0.10
April 13, 2020	600,000	0.12
April 27, 2020	400,000	0.12
	5,075,000	0.19

Warrants

Variation of warrants as of November 18, 2015:

Description	Number of warrants	Average exercise price (\$)
As of June 30, 2015	3,479,900	0.10
Exercised	(2,128,643)	(0.10)
Issued	3,048,383	0.18
As of November 18, 2015	4,399,640	0.16

On July 20, 2015, 1,771,500 warrants were exercised at a price of \$0.10.

On July 30, 2015, 357,143 warrants were exercised at a price of \$0.10.

For the private placement of August 6, 2015, 733,882 warrants were issued at a price of \$0.18.

For the private placement of September 17, 2015, 2,314,500 warrants were issued at a price of \$0.18.

Warrants issued as of November 18, 2015:

Expiry date	Number of warrants	Exercise price (\$)
December 19, 2015	1,282,857	0.10
December 19, 2015	68,400	0.10
February 6, 2017	733,883	0.18
March 17, 2017	2,314,500	0.18
	4,399,640	0.16

RELATED PARTY TRANSACTIONS

Key management personnel

The remuneration of the Company's key management personnel and the president is as follows:

	Three-month period ended	
	September 30, 2015	September 30, 2014
	\$	\$
Salaries and employee benefit expenses	34,807	35,134
Professional fees	55,000	-
	89,807	35,134

Associated company

During the three-month period ended September 30, 2015, Sirios provided administrative services to an associate company, Khalkos, totaling \$21,680 (\$17,761 for the three-month period ended September 30, 2014).

A director and an officer of the Company are on the Board of Directors of the two companies.

PRINCIPES DE DÉVELOPPEMENT DURABLE

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 as integrating these three aspects in all their exploration work. Sirios adopted the eight principals of E3 Plus and ask its consultants and suppliers to also respect them. Here are the main principals 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 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 environmental 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 environmental, 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 interest of all parties involved.

JUDGMENTS, ESTIMATES 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, meet 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 is 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. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined.

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 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 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, 2015, no impairment loss of exploration and evaluation assets was recognized in profit or loss (\$139 on September 30, 2014). No reversal impairment losses has been recognized for the reporting periods.

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 the share options and warrants. The model used by the Company is the Black-Scholes valuation model.

Tax credits

The calculation of the Company's refundable tax credit on qualified exploration expenditures 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. Differences 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 arrangement, as of September 30, 2015.

RISKS 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 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 need.

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 be 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 the 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 employees.

Conflict 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 of September 30, 2015 should be read in conjunction with the unaudited interim financial statements for the three-month period ended September 30, 2015 and 2014 and the audited financial statements for the years ended June 30, 2015 and 2014 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".

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, November 18, 2015.

(signed) Dominique Doucet, President

(signed) Frederic Sahyouni, Chief Financial Officer