

Management Interim Report for the six-month period ended December 31, 2015



Discovering James Bay



Sirios Resources 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	3
SUMMARY OF FINANCIAL ACTIVITIES.....	13
General and administrative expenses analysis.....	13
SUMMARY OF QUARTERLY RESULTS.....	14
WORKING CAPITAL AND CASH FLOW	14
Share capital.....	15
Options	15
Warrants.....	16
RELATED PARTY TRANSACTIONS	17
Key management personnel	17
Associated company.....	17
SUBSEQUENT EVENT.....	17
SUSTAINABLE DEVELOPMENT PRINCIPALES	17
JUDGMENTS, ESTIMATES AND ASSUMPTIONS	18
RISKS AND UNCERTAINTIES	20
OTHER INFORMATION	21
MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL INFORMATION.....	21



S I R I O S

TSX-V : SOI

**SIRIOS RESOURCES INC.
MANAGEMENT INTERIM REPORT
FOR THE SIX-MONTH PERIOD
ENDED DECEMBER 31, 2015**

This Management Discussion and Analysis is dated February 23, 2016 and provides an analysis of the financial results for the quarter ended December 31, 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 six-month period ended December 31, 2015 and the audited financial statements for the years ended June 30, 2015 and 2014. The unaudited interim financial statements for the period ended December 31, 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 December 31, 2015, Sirios held 8,019,369 shares of Khalkos Exploration Inc. ("Khalkos") consisting of 20.16% of its share capital.

Common shares of Sirios, a Tier 1 company, trade on the TSX Venture Exchange, under the symbol "SOI". In December 31, 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 veins system;
- PONTAX (100%), polymetallic project with high grade silver and gold.

SUMMARY OF THE ACTIVITIES OF THE PERIOD

- Eleven diamond drill holes completed on Cheechoo for a total of 1962 metres
- High grade gold zones intersected by drilling on Cheechoo;
- Holding of the annual meeting of shareholder on December 8, 2015;
- Exploration and evaluation expenses of \$412,994, for the three-month period, were incurred mostly 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	62,567	80,257	-	40,722	177,965	9,190	370,702
Pontax	14,855	-	-	6,891	-	-	21,746
Taigor	13,834	-	-	5,469	-	1,243	20,546
Total	91,256	80,257	-	53,082	177,965	10,433	412,994

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

EXPLORATION PROJECT

CHEECHOO property

The Cheechoo project is the flagship project of the Company due to its increasingly encouraging results since the discovery of the first surface gold showings. For this project, Sirius's goal is to delineate a world-class multi million-ounce gold deposit.

Fieldwork undertaken during the period

Sirios completed, in September 2015, eleven diamond drill holes, #20 to #30 inclusive, for a total of 1,962 metres. All holes, without a single exception, intersected gold zones.

For the first two holes, three gold zones intersected up to 177.5 g/t Au. These zones grading respectively 15.04 g/t Au over 12.35 m; 15.61 g/t Au over 9.70 m and 2.03 g/t Au over 14.35 m were intersected by hole #20, which was drilled under drill hole #18. Hole #18 had previously intersected the first zones with 7.24 g/t Au over 7.9 m and 2.04 g/t Au over 8.8 m respectively (refer to the December 8, 2014 press release).

The second drill hole (#21) intersected 3.19 g/t Au over 4.30 m included in an interval of 10 metres grading 1.55 g/t Au. Other gold zones with lower grades or with shorter lengths were also intersected as indicated in the table below.

MAIN ASSAY RESULTS OF DRILL HOLES #20 AND #21

Drill hole #		From (m)	To (m)	Interval (m)***	Au (g/t)	Au (g/t) Cut**
20		9.00	31.20	22.20	0.46	
		54.40	64.10	9.70	15.61	5.10
	incl.	59.50	63.30	3.80	39.17	12.33
	incl.	62.50	63.30	0.80	177.50	*50.00
		83.15	97.50	14.35	2.03	
	incl.	95.70	97.50	1.80	*10.14	
		107.50	119.85	12.35	15.04	5.73
	incl.	118.35	119.85	1.50	118.37	41.70
	incl.	118.35	119.35	1.00	ms 165.00	*50.00
	And	119.35	119.85	0.50	*25.10	
		126.00	127.00	1.00	3.77	
		157.20	160.00	2.80	1.76	
		217.00	218.05	1.05	1.34	
		253.00	257.00	4.00	1.11	
		269.00	270.00	1.33	1.00	
21		66.00	76.00	10.00	1.55	
	incl.	71.70	76.00	4.30	3.19	
	incl.	71.70	72.00	0.30	*26.58	
		102.90	125.00	22.10	0.46	

** Maximum gold grade cut at 50 g/t

* Visible gold

*** Interval along the hole

ms : Gold grade obtained by fire assay with metallic sieve

Three drill holes (#23, #25 and #26), located between 200 and 250 metres from the first two drill holes (#20 and #21) intersected other distinct gold zones. These zones, yielding grades between 4.66 g/t Au and 18.95 g/t Au over lengths between 1 m to 3 m, are also included in intervals of lower grades reaching up to 1.00 g/t Au over 33 metres in hole #26.

As for the hole #30, it has intersected a zone grading 0.79 g/t Au over 23.90 metres including 1.78 g/t Au over 3.5 metres, centered on a fault. It is located close to drill hole #15 undertaken in 2014, more than 650 metres from drill holes #20 and 21. Drill hole #15 was stopped in this fault zone at 72 metres of depth yielding a grade of 1.16 g/t Au over 9 metres at the end of the hole.

Results of other drill holes:

Drill hole #28:

- 2.96 g/t Au over 31.5 metres including 4.35 g/t Au over 20.5 metres (zone Jordi) including 76.65 g/t Au over 1.0 metre
- 7.28 g/t Au over 3.8 metres
- 1.03 g/t Au over 11 metres (zone I)

Drill hole #24:

- 4.18 g/t Au over 20.0 metres (zone Jordi) including 86.00 g/t Au over 0.80 metre
- 2.63 g/t Au over 20.5 metres including 33.33 g/t Au over 1.0 metre
- 1.58 g/t Au over 16.1 metres (zone K)

Drill hole #29:

- 1.01 g/t Au over 19.2 metres (zone I)

Drill hole #22:

- 1.80 g/t Au over 4.75 metres (zone Jordi)

Drill hole #27:

- 1.06 g/t Au over 9 metres (zone Jordi)

Drill hole #28 has intersected the up-dip extensions of zone Jordi and zone I that were intersected by drill hole #18 with 1.53 g/t Au over 19.5 metres and 2.79 g/t over 22.5 metres respectively; these zones were also intersected at around 30 metres below the hole #18 by hole #20 with 15.61 g/t Au over 9.7 m; 15.04 g/t Au over 12.3 m.

With only few drill holes, the zones Jordi and I have already been intersected over an area of around 300 m and 125 m laterally, by 170 m and 225 m, respectively, after their dip.

Drill hole #24 has also intersected another gold zone, Zone K, yielding 1.58 g/t Au over 16.1 m where the edges seem to have been intersected by drill holes #22 and #27.

The gold zones seem to form stacked tabular structures comprised in a low-grade gold halo. It seems there are at least four distinct zones in the property, however, only additional drill holes will allow to identify the number of zones as well as their extents. All identified zones remain open in length and in depth. Other gold zones with lower gold grade or with smaller lengths were also intersected, as indicated in the table below.

MAIN ASSAY RESULTS OF DRILL HOLES #22, 24, 27, 28 AND 29

Drill hole #		From (m)	To (m)	Interval (m)*	Au (g/t)	Au (g/t) Cut***
28						
		27.00	58.50	31.50	2.96	2.15
Zone Jordi	incl.	27.00	47.50	20.50	4.35	3.10
	incl.	41.30	42.30	1.00	**75.65	50.00
		72.20	76.00	3.80	7.28	
	incl.	73.20	73.80	0.80	23.50	
Zone I		92.00	103.00	11.00	1.03	
	incl.	93.70	98.50	4.80	1.56	
24						
		21.40	73.20	51.80	0.77	
Zone K	incl.	27.00	43.10	16.10	1.58	
	incl.	35.60	42.50	6.90	2.87	
		104.50	125.00	20.50	2.63	
		104.50	112.00	7.50	5.01	
	incl.	111.00	112.00	1.00	ms **33.33	
Zone Jordi		173.00	193.00	20.00	4.18	2.74
	incl.	190.30	193.00	2.70	25.80	15.13
	incl.	190.30	191.10	0.80	ms **86.00	50.00
29						
		11.00	118.00	107.00	0.53	
Zone I	incl.	33.80	53.00	19.20	1.01	
	incl.	44.50	53.00	8.50	1.61	
	And	81.50	89.00	7.50	1.00	
		145.20	148.10	2.90	1.37	

Drill hole # 15-		From (m)	To (m)	Interval (m)*	Au (g/t)
22					
		27.00	31.60	4.60	1.14
	incl.	27.00	27.50	0.50	**2.88
	And	30.40	31.60	1.20	2.84
		78.00	185.00	107.00	0.45
Zone K		78.00	81.00	3.00	1.10
Zone Jordi	And	134.00	138.75	4.75	1.80
		191.00	197.00	6.00	0.82
27					
Zone K		11.30	17.50	6.20	0.50
		52.00	79.00	27.00	0.61
Zone Jordi		70.00	79.00	9.00	1.06
	incl.	75.00	77.00	2.00	3.71
		126.50	128.00	1.50	2.54

* Interval along the hole

** Visible gold

*** Maximum gold grade cut at 50 g/t

ms: Gold grade obtained by fire assay with metallic sieve of a sample of around 1 kg.

MAIN ASSAY RESULTS OF DRILL HOLES #23, 25, 26 AND 30

Drill hole #		From (m)	To (m)	Interval (m)*	Au (g/t)
23					
		52.00	59.00	7.00	2.11
	incl.	55.00	58.00	3.00	4.66
	Incl.	57.00	58.00	1.00	11.67
		100.55	101.45	0.90	3.84
		116.00	117.00	1.00	1.52
		170.00	171.00	1.00	5.04
25		11.00	26.00	15.00	0.78
	incl.	16.40	18.80	2.40	2.81
	incl.	16.40	17.40	1.00	**5.77
		138.00	168.00	30.00	0.99
	incl.	154.00	168.00	14.00	1.78
	incl.	154.00	155.00	1.00	18.95
26					
		46.00	79.00	33.00	1.00
	incl.	46.00	71.50	25.50	1.14
	incl.	55.00	62.00	7.00	2.13
	incl.	57.50	58.90	1.40	**6.63
		136.50	150.00	13.50	0.75
	incl.	142.50	147.00	4.50	1.22
		162.00	174.70	12.70	0.90
	incl.	162.00	166.00	4.00	1.48
	And	171.00	174.70	3.70	1.22
30					
		89.30	113.20	23.90	0.79
	incl.	104.10	104.50	0.40	L.C.
	And	104.50	113.20	8.70	1.14
	incl.	104.50	108.00	3.50	1.78

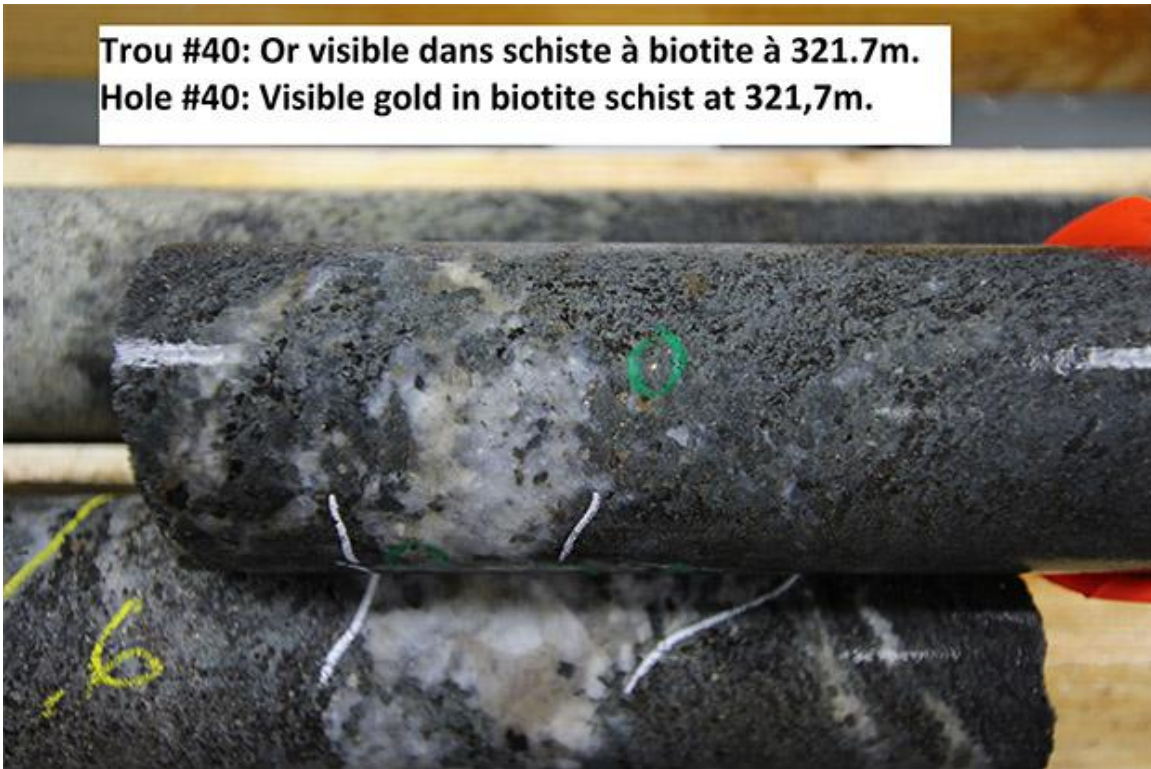
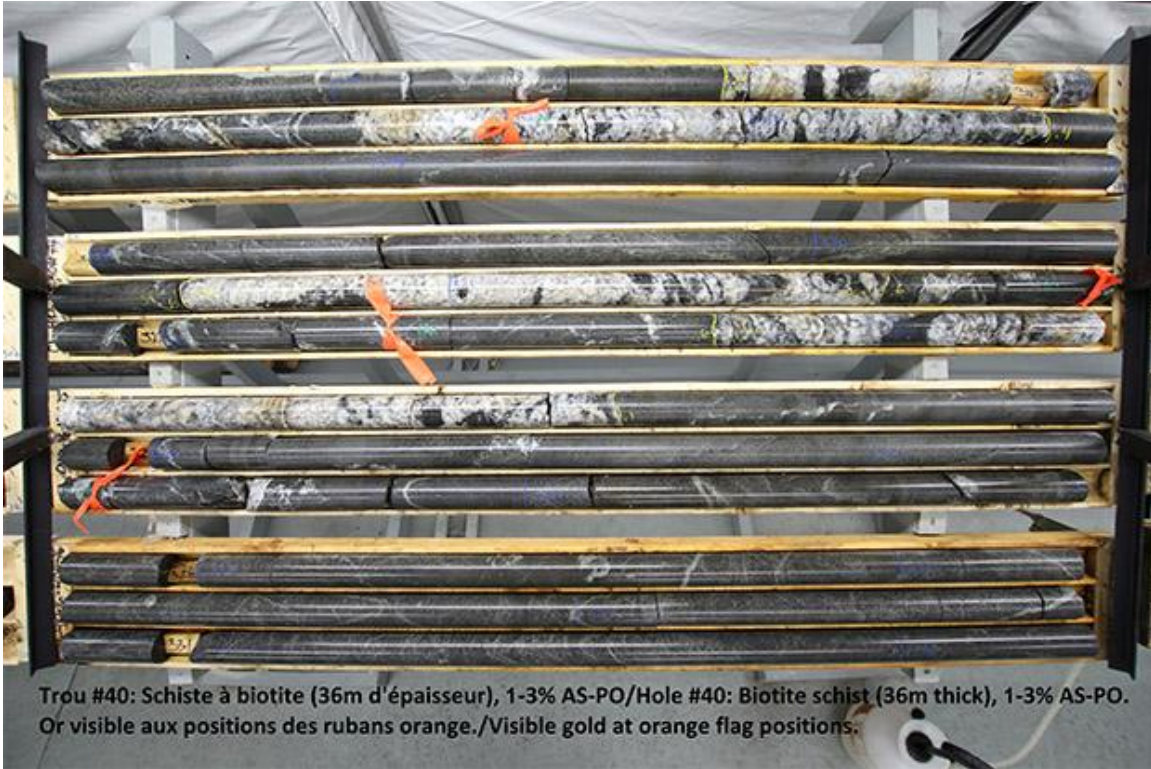
* Interval along the hole

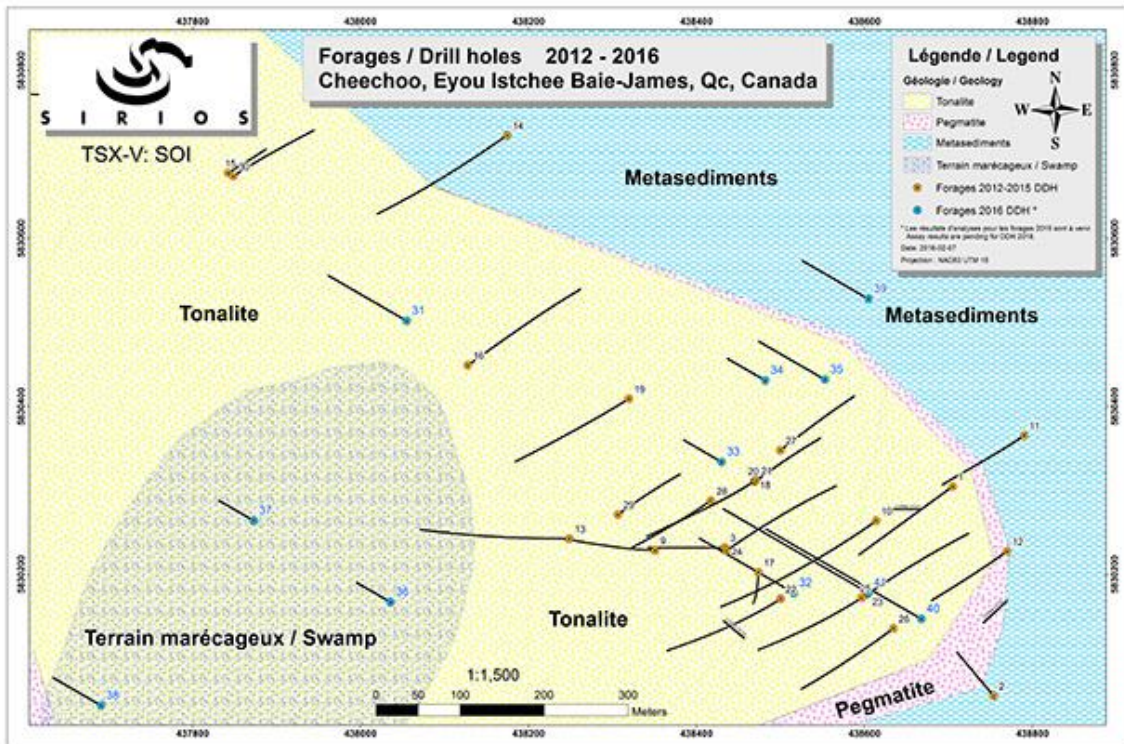
** Visible gold

L.C. Lost core

Event subsequent to the end of the period

Sirios has restarted drilling in mid-January 2016. As of publication of this report, ten drill holes (#31 to 40) were drilled, for a total of 1,460 metres. A new geological gold unit has been intersected in hole #40 at a depth of 296 m. It is an altered and mineralized biotite schist with 1 to 3% of pyrrhotite and arsenopyrite disseminated on total thickness of the 36 metres unit (true thickness unknown). The schist is cross-cut here and there by small decimetric to metric pegmatite dykes. Five specks of visible gold were observed between 315.5 m and 327 m in the schist and pegmatite, confirming thus the auriferous nature of the unit. Assays results for gold from this unit will be available in a few weeks and will determine its gold grade. Visible gold was also observed in tonalite, elsewhere in the same drill hole as well as in drill hole #41, which is currently underway, and drill holes #32 and #34.





Other work in progress

Few other series of drill core samples from previously completed holes on the property are actually in re-assay for gold by metallic sieve including, among other, samples with observed visible gold. Statistical studies on the variability of assay results will be performed in order to determine the optimal sampling protocol for Cheechoo.

In addition, 36 samples of till and 312 samples of soil (humus), collected last fall, are currently being processed for gold grains counting and geochemical assay respectively. Preliminary results of gold grains counting in till seem to indicate one or multiple possible gold sources in one or two zones located outside the gold halo that has been targeted for most of drill holes until now.

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 mine began commercial production in April 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 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 the 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 around \$700,000 in addition of a payment of \$500,000 in cash of shares to Golden Valley on or before June 13, 2016. It must however be noted that since the Company is currently drilling, exploration work has been committed but not yet billed for the amount of approximately \$350,000, bringing the balance to spend, at the date of this report, at an amount of approximately \$350,000. 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 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.

PONTAX project

The Pontax property, wholly owned by Sirios, is constituted of 78 claims divided in two non-continuous blocs of 70 and 8 claims. It is located in James Bay, Quebec, approximately 350 km north of Matagami.

In November 2015, exploration work was carried out on the property. A till sampling survey was carried out on the block of 8 claims. In total, 5 till samples were collected. Samples are currently being treated by IOS Services Géoscientifiques in Chicoutimi, Quebec. Results are expected shortly.

SUMMARY OF FINANCIAL ACTIVITIES

During the six-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 six-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 \$271,206 for the six-month period ended December 31, 2015 (\$214,771 for the three-month period) in comparison with a net loss of \$232,898 for the six-month period ended December 31, 2014 (\$221,347 for the three-month period).

The increase in the net loss can be explained by the charge in share-based payments higher in 2015 than in 2014, \$88,800 in comparison with \$48,000.

General and administrative expenses analysis

General and administrative expenses, for the six-month period, increased from \$246,499 in 2014 to \$398,222 in 2015.

	2015-2016	2014-2015
General and administrative expenses	Six-month period ended December 31, 2015 \$	Six-month period ended December 31, 2014 \$
Professional fees	183,884	34,507
Salaries and employee benefit expenses	113,509	87,028
Investors and shareholders' relations	58,655	83,417
Trustees and registration fees	23,572	16,445
Office expenses	8,463	4,426
Rent expenses	6,310	6,791
Insurance	3,025	3,378
Bank charges	511	383
Interests charges	178	10,124
Income taxes of section XII.6	115	-
Total	398,222	246,499

Comparing the general and administrative expenses for the six-month periods ended December 31, 2015 and 2014, we note an increase in *Professional fees* and *Salaries and employee benefit expenses*. This increase can be explained by the efforts undertaken by management and staff to promote the Company and the closing of private placements.

The decrease in *Interests charges* can be explained by the loan that was still present in 2014, which is not the case in 2015, since it was repaid in early July.

SUMMARY OF QUARTERLY RESULTS

	2015-2016		2014-2015				2013-2014	
	Q2 \$	Q1 \$	Q4 \$	Q3 \$	Q2 \$	Q1 \$	Q4 \$	Q3 \$
Other revenues and expenses	21,585	(10,857)	(205,054)	(39,855)	(52,875)	77,665	419,041	(16,581)
Net loss	214,771	56,435	471,561	135,776	222,055	11,549	(343,359)	91,480
Net loss per share	0.003	0.001	0.01	0.003	0.005	0.0003	(0.002)	0.003

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 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, Q3-2015 and Q2-2016, the negative variation in the value of the listed shares for amounts of \$22,441, \$29,921, \$7,480 and \$14,961 respectively, decreased revenues.

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

For the Q1-2015, Q2-2015, Q3-2015, Q4-2015, Q1-216 and Q2-2016, 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, \$19,105 and \$8,304 respectively, decreased revenues.

For the Q1-2015, Q2-2015, Q1-2016 and Q2-2016, following issuances by Khalkos of shares, the Company went through dilutions of its percentage in Khalkos. Following those dilutions, amounts of \$(388), \$9,587, \$3,341 and \$43,562 respectively, decreased (increased) revenues.

For the Q3-2014, Q4-2014, Q1-2015, Q2-2015, Q3-2015, Q4-2015 and Q1-2016, the amortization of fees related to loans of \$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 \$225,585 on December 31, 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 December 31, 2015:

- 67,224,643 common shares were issued as well as 100,000 preferred shares.
- 6,555,000 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.
- 3,045,383 warrants were issued. Each warrant can be exchanged by its holder thereof for one common share of the Company.

Share capital

Variation of share capital as of February 23, 2016:

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 February 23, 2016	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 February 23, 2016:

Description	Number of options	Average exercise price (\$)
As of June 30, 2015	5,075,000	0.19
Granted	1,480,000	0.10
As of February 23, 2016	6,555,000	0.17

The Board of Directors granted, on December 31, 2015, 1,480,000 stock options under its Stock Option Incentive Plan to employees, directors, officers and consultants at an exercise price of \$0.10 per share. The options expire five (5) years from the date of grant.

Options granted to employees, directors, officers and consultants and exercisable as of February 23, 2016:

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
December 8, 2020	1,480,000	0.10
	<u>6,555,000</u>	0.17

Warrants

Variation of warrants as of February 23, 2016:

Description	Number of warrants	Average exercise price (\$)
As of June 30, 2015	3,479,900	0.10
Issued	3,048,383	0.18
Exercised	(2,128,643)	(0.10)
Expired	(1,351,257)	(0.10)
As of February 23, 2016	<u>3,048,383</u>	0.18

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 February 23, 2016:

February 6, 2017	733,883	0.18
March 17, 2017	2,314,500	0.18
	<u>3,048,383</u>	0.18

RELATED PARTY TRANSACTIONS

Key management personnel

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

	Six-month period ended	
	December 31, 2015	December 31, 2014
Salaries en employee benefit expenses	107,404	64,841
Professional fees	78,500	-
Share-based payments	63,923	28,500
	249,827	93,341

Associated company

During the six-month period ended December 31, 2015, Sirios provided administrative services to an associated company, Khalkos, totaling \$36,994 (\$32,354 for the six-month period ended December 31, 2014).

An officer of the Company is on the Board of Directors of the two companies.

SUBSEQUENT EVENT

On February 23, 2016, Sirios announced that Goldcorp Inc. has agreed to purchase, through a private placement, 7,400,000 units of Sirios for gross proceeds of \$962,000. Each unit, offered at \$0.13, consists of one common share and a half warrant. Each full warrant gives the holder the right to purchase one common share at \$0.20 during the eighteen months following the closing date. The financing is expected to close on March 2nd, 2016.

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 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 environment.
 - 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, 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 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 recover 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 six-month period ended December 31, 2015, no impairment loss of exploration and evaluation assets was recognized in profit or loss (\$139 on December 31, 2014). No reversal impairment losses have 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 December 31, 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 or 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 December 31, 2015 should be read in conjunction with the unaudited interim financial statements for the six-month period ended December 31, 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, February 23, 2016.

(signed) Dominique Doucet, President

(signed) Frederic Sahyouni, Chief Financial Officer