

Management Interim Report for the three-month period ended September 30, 2016



Discovering James Bay



Sirios Resources Inc.

TSX V: SOI
www.sirios.com

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S I R I O S

TSX-V: SOI

**SIRIOS RESOURCES INC.
MANAGEMENT INTERIM REPORT
FOR THE THREE-MONTH PERIOD
ENDED SEPTEMBER 30, 2016**

This Management Discussion and Analysis is dated November 21, 2016 and provides an analysis of the financial results for the quarter ended September 30, 2016. 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, 2016 and the audited financial statements for the years ended June 30, 2016 and 2015. The unaudited interim financial statements for the period ended September 30, 2016 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, 2016, Sirios holds 8,656,729 shares of Khalkos Exploration Inc. ("Khalkos"), consisting of 18.70% of its share capital.

Common shares of Sirios, a Tier 1 company, trade on the TSX Venture Exchange, under the symbol "SOI". On September 30, 2016, there are 103,654,711 common shares issued and outstanding.

Sirios owns numerous high potential properties such as:

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

SUMMARY OF THE ACTIVITIES OF THE PERIOD

- Nomination of Mr. Michel Bouchard as a director;
- Start of a 10,000-metres drilling campaign on Cheechoo:
 - 27 holes completed for a total of 7,035 metres on September 30, 2016;
- Acquisition of the remaining 55% of the Cheechoo property and the residual 50% of the Aquilon property;
- Acquisition of a new property in a joint venture with Sphinx Resources Ltd.: Cheechoo-Eleonore Trend ("CCE");
- Exploration and evaluation expenses of \$1,527,358 incurred, for the three-month period, mostly on the Cheechoo property.

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 three-month period:

Properties	Geology-prospecting \$	Geochemistry-analysis \$	Geophysics, line-cutting \$	Transport, helicopter, lodging \$	Drilling \$	General expenses \$	Total \$
Cheechoo	47,565	34,324	-	318,697	1,067,874	49,953	1,518,413
33F06	-	3,829	-	136	-	-	3,965
CCE	1,438	-	-	3,542	-	-	4,980
Total	49,003	38,153	-	322,375	1,067,874	49,953	1,527,358

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

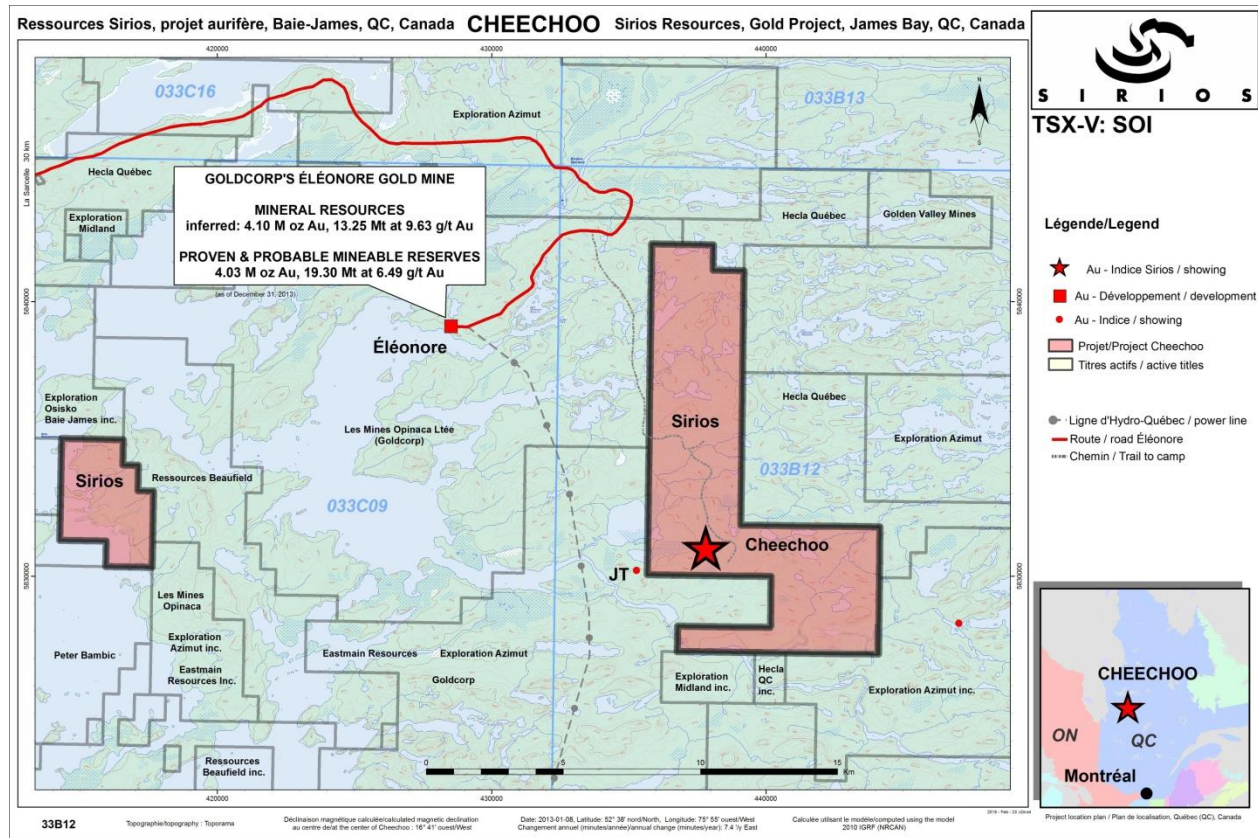
EXPLORATION PROJECT

The technical data include in the following text have been revised by Dominique Doucet, engineer and President of Sirios. Mr. 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 continuously 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.

The Company owns 100% of the property which consists of 145 claims, covering 75 km² divided in two non-continuous blocks. It is located 320 km north of Matagami, in Quebec, and 9 km east of the Eleonore gold mine of Goldcorp Inc. The main block of 124 claims, located in the 33B12 NTS sheet, is adjacent to the east of the Eleonore mine. The second block of 21 claims is located in the 33C09 NTS sheet and at around 20 km west of the main block, on which drilling programs are held.



Fieldwork undertaken during the period

In July, Sirios began a 10,000-metre drilling campaign on the property. Two drills were to test, among other extensions, the gold zone intersected in the survey #52, the extensions of some gold zones present in the tonalite or in the metasedimentary rocks, as well as several other targets located along the contact between the two lithologies. A first phase of 27 holes and extensions of holes #25 and #52, for a total of 7,035 metres, were completed at the end of September.

The results of the first four holes were published in October and include grades of 11.2 g/t Au over 5.8 metres including 56.2 g/t Au over 1.1 metres and 5.9 g/t Au over 8.8 metres including 40.6 g/t Au over 1.0 metre obtained in the extension of drill hole #25 (#25 ext.). Drill hole #57 has intersected 7.4 g/t Au over 3.5 metres while drill hole #59 intersected multiple section grading between 1.4 g/t Au and 7.8 g/t Au over widths ranging between 1 to 5.7 metres. These first dill holes extend toward south-east zones already identified in the tonalite. Note that the complete extension of drill hole #25, down to a depth of 349 metres, yielded a weighted average grade of 1.2 g/t Au over 160 metres.

The drilling was temporarily paused in October to allow the reception of the assay results from the completed holes to optimize the positioning of the upcoming ones.

MAIN ESSAY RESULTS OF DRILL HOLES 25 ext, 57, 58, 59

Drill hole CH-16-	Note	From (m)	To (m)	Width (m)*	Au (g/t)
25 ext.	The extension starts at 189.0 m.	189.0	349.0	160.0	1.2
	Zone K	197.7	203.5	5.8	11.2
		incl, 199.5	200.6	**1.1	ms 56.2
		197.7	203.5	5.8	***10.0
	Zone Jordi	217.0	221.5	**4.5	ms 1.3
		251.0	256.5	**5.5	ms 1.1
		272.0	276.0	4.0	ms 1.8
	Zone I	304.5	325.1	20.6	2.9
		incl. 313.5	322.3	8.8	5.9
		incl. 321.3	322.3	**1.0	ms 40.6
		340.0	344.6	4.6	2.4
57		17.0	18.1	1.1	2.6
	Zone K	40.0	41.5	1.5	1.4
	Zone I	163.0	166.5	3.5	7.4
		incl.163.0	164.0	**1.0	ms 24.5
58		53.8	60.0	6.2	1.1
59		133.5	134.5	**1.0	ms 6.3
		155.0	156.0	**1.0	ms 3.7
	Zone L	179.0	183.1	**4.1	ms 1.8
		199.5	205.2	**5.7	ms 1.4
	Zone K	256.5	258.0	1.5	2.7
	Zone Jordi	347.0	348.0	**1.0	ms 7.8

* Interval along the hole, true width not known

** Visible gold

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

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

INFORMATION AND COORDINATES OF DRILL HOLES COLLARS

Drill hole	Azimut	Dip	Length	UTM E	UTM N
#	°	°	m	NAD 83	NAD 83
CH919-16-25-Ext.	235	-45	160	438596	5830172
CH919-16-57	300	-50	194.5	438370	5830033
CH919-16-58	300	-75	203	438550	5830048
CH919-16-59	300	-53	450	438811	5830066

Assay quality control

All NQ drill cores were described by the personnel of Sirios at the Cheechoo exploration camp. They were then sent to Rouyn-Noranda to be sawed in half, with one half sent to a commercial laboratory for analysis and other half retained for future reference. A strict QA/QC program was followed by integrating blanks and standards to core samples, all of which were prepared by Services Technominex Inc. of Rouyn-Noranda. They were then assayed for gold by fire assay and atomic absorption finish by Actlabs in St-Germain-Boulé, close to Rouyn-Noranda. Samples grading more than 3 g/t were re-assayed by fire assay with gravimetric finish. Samples with visible gold were assayed by pyro-analysis with metallic sieve from a sample of about 1 kg.

Other fieldwork

Detailed geological mapping was carried out on the rock area that was maintained by mechanized stripping completed in September. Two areas were targeted: the main area of drilling as well as the tills sector with anomalous gold. Nearly 900 metres of grooves were samples and described on site. Samples were sent to laboratory for analysis.

A survey of soil sampling (humus) was also conducted on different sectors of the property, approximately 2,500 samples were collected and will be prepared for analysis in the coming weeks.

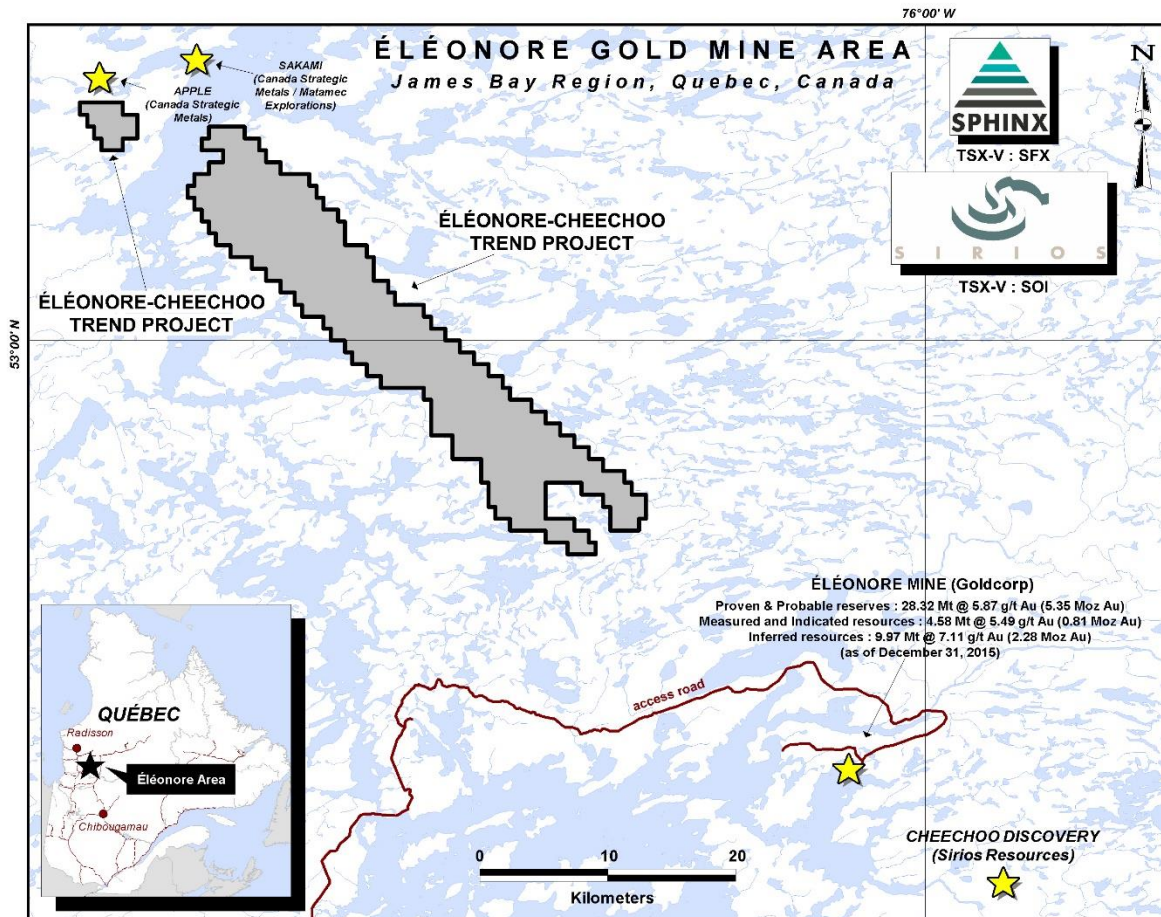
Subsequent events following the end of the period

At the end of October 2016, prospecting work has been undertaken and a new outcrop was cleared in a zone where no previous outcrop was known, which is at approximately 85 metres south-west of drill hole #14. A channel was sampled in tonalite with visible gold found in one of the samples. In another area, close to drill hole #38, few boulders of tonalite were cleared and sampled. Visible gold was again observed in a sub-angular pluri-metric boulder.

At the beginning of November 2016, drilling resumed on the property. The upcoming drilling will total around 3,000 metres and will complete the planned 10,000-metre drilling program that began in the summer. Several drill holes are planned as a result of the findings observed from the first drilling program.

CHEECHOO-ELEONORE TREND Project

During August 2016, Sirios signed a letter of intent to form a 50-50 joint venture with Sphinx Resources Ltd. ("Sphinx") to explore 551 claims currently pending in the names of Sirios and Sphinx. This new project is located along the north-west extension of the Cheechoo-Eleonore trend in the region of Eeyou Istchee James Bay, Quebec.



Sirios and Sphinx agreed to undertake at least \$500,000 each in exploration expenditures over the next five years and to form a management committee with Sirios as operator of the project. A net smelter return royalty ("NSR") of 2% is automatically provided in case of dilution of a party to a level of 10%, half of this royalty can be repurchased by the other party for \$1M.

Sirios and Sphinx recognize a favourable geological context for a gold deposit discovery on the new Cheechoo-Eleonore Trend property. It is located in the extension of the south-east north-west axis formed by the Cheechoo discovery of Sirios and the Eleonore mine, a world-class gold operation belonging to Goldcorp Inc. The project's southeastern extremity is situated approximately 24 km northwest to the Eleonore mine with a road accessible within 14 km of this location.

In October 2016, a till sampling program was completed. This will provide a preliminary evaluation of the gold potential along the unexplored trend which is interpreted as the northwest extension of the Cheechoo-Eleonore corridor. A total of 195 samples and 29 duplicates were collected in a 200 metres spacing along the line perpendicular to the ice flow direction and down-ice from the Cheechoo-Eleonore trend. The program, which was conducted by Consultants INLANDSIS with the collaboration of the TJCM (*Table jamésienne de concertation minière*), will include a quality control program. Samples will be prepared by Inlandsis then analyzed by ALS Minerals in Val-d'Or, while the heavy mineral concentrate will be analyzed using neutron activation by Activation Laboratories Ltd in Ancaster, Ontario. Following the results, follow-up fieldwork is planned in 2017 in the most promising sectors.

AQUILON project

In August 2016, Sirios signed with Golden Tag Resources Ltd. The transaction concerning the acquisition of the undivided interest of 50% in the Aquilon property. It covers approximately 50 km² south of the LA-1 hydro-electric complex, in James Bay, Quebec. For this acquisition, Sirios made, a cash payment of \$250,000 and issued 1,000,000 common shares. Following this transaction, Sirios owns 100% of the property and Soquem Inc. retains a 1% NSR royalty, half of which is redeemable for \$500,000.

SUMMARY OF FINANCIAL ACTIVITIES

The net loss of the Company is \$193,441 for the three-month period ended September 30, 2016 in comparison with a net loss of \$58,476 for the three-month period ended September 30, 2015.

The increase of the net loss can be explained in part by the write-off of the Taigor property, during the period ended in 2016, increasing the net loss for an amount of \$57,706.

In addition, during the period ended in 2015, the Company still had exploration work to do to meet the requirements of the flow-through cash flow raised, which was not the case in 2016. By doing the work, the Company accumulates deferred income taxes which decrease the net loss. The deferred income taxes in 2015 for an amount of \$94,205, increase the difference between net losses.

General and administrative expenses analysis

General and administrative expenses, for the three-month period, totaled \$245,824 in 2016, in comparison with \$143,499 in 2015.

	2016-2017	2015-2016
General and administrative expenses	Three-month period ended September 30, 2016 \$	Three-month period ended September 30, 2015 \$
Salaries and employee benefit expenses	76,582	40,359
Professional fees	63,784	11,161
Consulting fees	48,000	55,000
Investors and shareholders' relations	44,349	23,858
Trustees and registration fees	5,073	4,350
Rent expenses	3,670	3,492
Office expenses	2,173	3,180
Insurance	1,680	1,512
Bank charges	513	279
Interests charges	-	193
Income taxes of section XII.6	-	115
Total	<u>245,824</u>	<u>143,499</u>

Comparing the general and administrative expenses for the three-month period ended September 30, 2016 and 2015, we note an increase in Salaries and employee benefit expenses. This increase can be explained by the hiring of new employees.

The increase in *Professional fees* can be explained by the rapidity of auditors to conduct the audit for the year ended June 30, 2016. Audit costs in 2016 were recorded in the three-month period ended September 30, 2016 while for the period ended in 2015, the costs were recognized in the following period.

The increase in *Investors and shareholders' relation* can be explained by the efforts undertaken by management and staff to promote the Company. During the period, officers attended provincial, national and international conferences thus increasing expenses.

SUMMARY OF QUARTERLY RESULTS

	2016-2017	2015-2016				2014-2015		
	Q1 \$	Q4 \$	Q3 \$	Q2 \$	Q1 \$	Q4 \$	Q3 \$	Q2 \$
Other revenues and expenses	(16,308)	52,225	45,803	(1,754)	(10,857)	(205,054)	(39,855)	(52,875)
Net loss	193,441	215,351	(9,011)	239,846	56,435	471,561	135,776	222,055
Net loss per share	0.002	0.003	-	0.003	0.001	0.01	0.003	0.005

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 \$9,011 to a net loss of \$471,561.

For the Q3-2016, the net result of \$9,011 can be explained by recognized deferred taxes in the period, relating to the amount of flow-through expenditures incurred during the period.

For the Q4-2016, Sirios received shares of Khalkos in settlement of another receivable, creating a settlement gain for an amount of \$17,570, increasing revenues.

For the Q1-2017, the write-off of the Taigor property, for an amount of \$57,806, increases the net loss.

For Q2-2015, Q3-2015, Q2-2016 and Q4-2016, the negative variation in the value of the listed shares for amounts of \$29,921, \$7,480, \$14,961 and \$14,961 respectively, decreased revenues.

For the Q4-2015, Q1-2016 and Q3-2016, the positive variation in the value of the listed shares for amount of \$7,480, \$7,480 and \$52,363 respectively, increased revenues.

For the Q2-2015, Q3-2015, Q4-2015, Q1-2016, Q2-2016, Q3-2016, Q4-2016 and Q1-2017, the Company's share of the associated company's loss, recorded using the equity method for amounts of \$18,003, \$31,302, \$207,882, \$19,105, \$8,305, \$9,148, \$38,803 and \$20,790 respectively, decreased revenues.

For the Q2-2015, Q1-2016, Q2-2016, Q4-2016 and Q1-2017, following issuances by Khalkos of shares, the Company went through dilutions of its percentage in Khalkos. Following those dilutions, amounts of \$9,587, \$3,341, \$43,562, \$48,931 and \$369 respectively, increased (decreased) revenues.

For the Q2-2015, Q3-2015, Q4-2015 and Q1-2016, the amortization of fees related to loans of \$1,358, \$1,350, \$1,456 and \$3,030 respectively, decreased revenues.

WORKING CAPITAL AND CASH FLOWS

The working capital, including cash held for exploration expenses, varied from an amount of \$5,152,731 on June 30, 2016 to an amount of \$3,490,196 on September 30, 2016. During the period, cash was used for exploration and administrative expenses.

Management of Sirios evaluates that the amount of liquidity is acceptable and continually controls very strictly its general and administrative expenses. The Company is 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, 2016:

- 103,654,711 common shares were issued as well as 100,000 preferred shares.
- 5,054,286 options were granted and exercisable, at prices between \$0.10 and \$0.70, between 2017 and 2020. Each option can be exchanged by its holder thereof for one common share of the Company.
- 14,944,125 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 November 21, 2016:

Description	Number of shares	Amount \$
As of June 30, 2016	101,311,810	31,408,620
Acquisition of mining rights	1,000,000	570,000
Exercise of options	682,143	213,600
Exercise of warrants	660,758	164,262
As of September 30, 2016	103,654,711	32,356,482
Exercise of warrants	12,500	3,500
Exercise of options	200,000	32,000
As of November 21, 2016	<u>103,867,211</u>	32,391,982

On August 4, 2016, the Company issued 1,000,000 common shares, with a market value of \$570,000 to acquire the remaining 50% of the Aquilon property.

On August 8, 2016, 150,000 options were exercised at a price of \$0.10 each.

On August 9, 2016, 234,383 warrants were exercised at a price of \$0.18 per share and 25,000 warrants at a price of \$0.20 per share.

On August 10, 2016, 75,000 options were exercised at a price of \$0.10 each.

On August 12, 2016, 45,000 warrants were exercised at a price of \$0.28 per share.

On August 12, 2016, 100,000 options were exercised at a price of \$0.12 each.

On August 18, 2016, 32,625 warrants were exercised at a price of \$0.28 per share.

On August 19, 2016, 75,000 options were exercised at a price of \$0.10 each and 21,429 options at a price of \$0.70 each.

On August 26, 2016, 75,000 warrants were exercised at a price of \$0.28 per share.

On September 2, 2016, 50,000 warrants were exercised at a price of \$0.28 per share.

On September 2, 2016, 225,000 options were exercised at a price of \$0.24 each and 35,714 options at a price of \$0.70 each.

On September 7, 2016, 87,500 warrants were exercised at a price of \$0.28 per share.

On September 12, 2016, 12,500 warrants were exercised at a price of \$0.28 per share.

On September 20, 2016, 16,250 warrants were exercised at a price of \$0.28 per share.

On September 23, 2016, 12,500 warrants were exercised at a price of \$0.28 per share.

On September 29, 2016, 70,000 warrants were exercised at a price of \$0.28 per share.

On October 11, 2016, 12,500 warrants were exercised at a price of \$0.28 per share.

On October 12, 2016, 200,000 options were exercised at a price of \$0.10 each.

Options

Variation in outstanding options as of November 21, 2016:

Description	Number of options	Average exercise price \$
As of June 30, 2016	5,736,429	0.16
Exercised	(682,143)	(0.20)
As of September 30, 2016	5,054,286	0.16
Granted	300,000	0.59
Exercised	(200,000)	(0.10)
As of November 21, 2016	5,154,286	0.19

On August 8, 2016, 150,000 options were exercised at a price of \$0.10 each.

On August 10, 2016, 75,000 options were exercised at a price of \$0.10 each.

On August 12, 2016, 100,000 options were exercised at a price of \$0.12 each.

On August 19, 2016, 75,000 options were exercised at a price of \$0.10 each and 21,429 options at a price of \$0.70 each.

On September 2, 2016, 225,000 options were exercised at a price of \$0.24 each and 35,714 options at a price of \$0.70 each.

On October 12, 2016, 200,000 options were exercised at a price of \$0.10 each.

The Board of Directors has granted, on October 20, 2016, 300,000 stock options under its Stock Option Incentive Plan to a director at an exercise price of \$0.59 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 November 21, 2016:

Expiry date	Options granted and exercisable	Exercise price \$
June 17, 2017	114,286	0.70
January 17, 2018	950,000	0.24
October 24, 2018	25,000	0.12
December 11, 2018	975,000	0.16
May 6, 2019	300,000	0.15
November 25, 2019	600,000	0.10
April 13, 2020	460,000	0.12
April 27, 2020	400,000	0.12
December 8, 2020	1,030,000	0.10
October 20, 2021	300,000	0.59
	5,154,286	0.19

Warrants

Variation of warrants as of November 21, 2016:

Description	Number of warrants	Average exercise price \$
As of June 30, 2016	15,604,883	0.24
Exercised	(660,758)	(0.24)
As of September 30, 2016	14,944,125	0.24
Exercised	(12,500)	(0.28)
As of November 21, 2016	14,931,625	0.24

On August 9, 2016, 25,000 warrants were exercised at a price of \$0.20 and 234,383 warrants at a price of \$0.18.

On August 12, 2016, 45,000 warrants were exercised at a price of \$0.28.

On August 18, 2016, 32,625 warrants were exercised at a price of \$0.28.

On August 26, 2016, 75,000 warrants were exercised at a price of \$0.28.

On September 2, 2016, 50,000 warrants were exercised at a price of \$0.28.

On September 7, 2016, 87,500 warrants were exercised at a price of \$0.28.

On September 12, 2016, 12,500 warrants were exercised at a price of \$.28.

On September 20, 2016, 16,250 warrants were exercised at a price of \$0.28.

On September 23, 2016, 12,500 warrants were exercised at a price of \$0.28.

On September 29, 2016, 70,000 warrants were exercised at a price of \$0.28.

On October 11, 2016, 12,500 warrants were exercised at a price of \$0.28.

Warrants issued as of November 21, 2016:

Expiry date	Number of warrants	Exercise price \$
February 6, 2017	499,500	0.18
March 17, 2017	2,229,500	0.18
April 22, 2017	8,298,625	0.28
September 2, 2017	3,904,000	0.20
	14,931,625	0.24

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, 2016	September 30, 2015
Salaries and employee benefit expenses	50,030	34,807
Share-based payments	-	55,000
	50,030	89,807

For the three-month period ended September 30, 2016, an amount of \$8,957 of salaries and benefits was recorded as *Exploration and evaluation assets*.

Associated company

During the three-month period ended September 30, 2016, Sirios provided administrative services to an associated company, Khalkos, totaling \$24,434 (\$21,680 for the three-month period ended September 30, 2015).

SUBSEQUENT EVENTS

On October 11, 2016, 12,500 warrants were exercised at a price of \$0.28 per share.

On October 12, 2016, 200,000 options were exercised at a price of \$0.10.

On October 20, 2016, the Board of Directors has granted 300,000 options under its stock option incentive plan to a director at an exercise price of \$0.59 per share. The options expire five (5) years from the date of grant.

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 performances 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 supplies 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 individual on the basis of respect, inclusion and meaningful participation.

- Protect the environment: Sirius 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, in 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 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 regulation 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.

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 are 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, 2016, the Company wrote-off the Taigor property for an amount of \$57,806 recognized in profit or loss (\$0 on September 30, 2015). No reversal impairment losses has been recognized for the reporting periods.

No impairment was conducted on other properties. The Company has sufficient funds to respect its short-term obligation. Additionally, claims will not expire in the near future or are expected to be renewed, work was performed during the last three years and/or promising results were obtained on these properties.

Impairment of property and equipment

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.

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. No impairment loss was recognized on September 30, 2016 and June 30, 2016.

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 shares, 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, 2016.

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 impoundments 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 in 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, 2016 should be read in conjunction with the unaudited interim financial statement for the three-month period ended September 30, 2016 and 2015 and the audited financial statements for the years ended June 30, 2016 and 2015 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 estimates 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 21, 2016.

(signed) Dominique Doucet, President

(signed) Frederic Sahyouni, Chief Financial Officer