Management Interim Report for the six-month period ended December 31, 2016

Discovering James Bay

Sirios Resources Inc.

TSX V: SOI
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SIRIOS RESOURCES INC.
MANAGEMENT INTERIM REPORT
FOR THE SIX-MONTH PERIOD
ENDED DECEMBER 31, 2016

This Management Discussion and Analysis is dated February 20, 2017 and provides an analysis of the financial results for the quarter ended December 31, 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 six-month period ended December 31, 2016 and the audited financial statements for the years ended June 30, 2016 and 2015. The unaudited interim financial statements for the period ended December 31, 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.

Common shares of Sirios, a Tier 1 company, trade on the TSX Venture Exchange, under the symbol "SOI". On December 31, 2016, there are 111,154,684 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

- Closing of private placements for a total amount of $2,180,364;
- Awarded the "Discovery of the Year Award", for the Cheechoo property, during the Xplor 2016 Convention hosted by the Quebec Mineral Exploration Association (QMEA);
- 2016 Summer-Fall drilling campaign successfully completed;
- Exploration and evaluation expenses of $1,236,394 incurred for the three-month period, mostly on the Cheechoo property.

RESULTS 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	64,373	108,111	-	204,796	770,257	53,643	1,201,180
CCT	17,436	1,473	-	16,305	-	-	35,214
Total	**81,809**	**109,584**	**-**	**221,101**	**770,257**	**53,643**	**1,236,394**

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

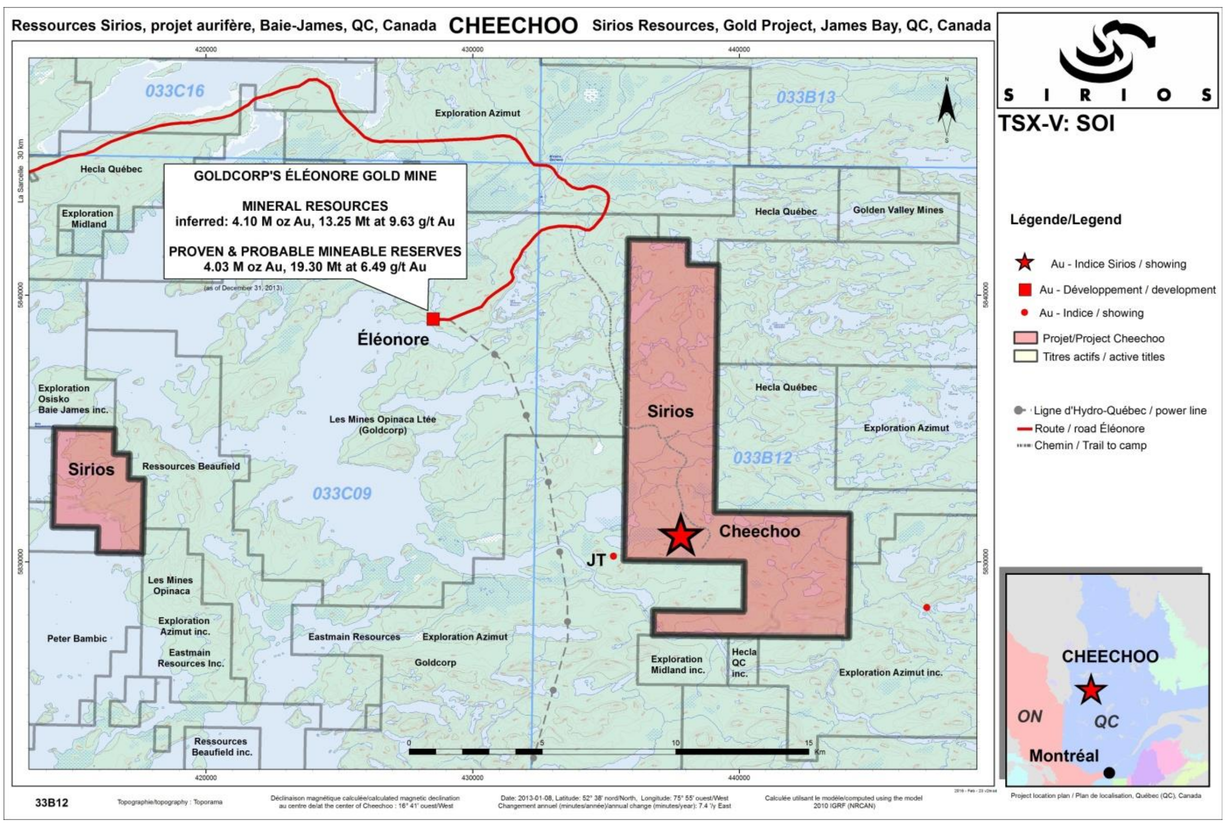
EXPLORATION PROJECT

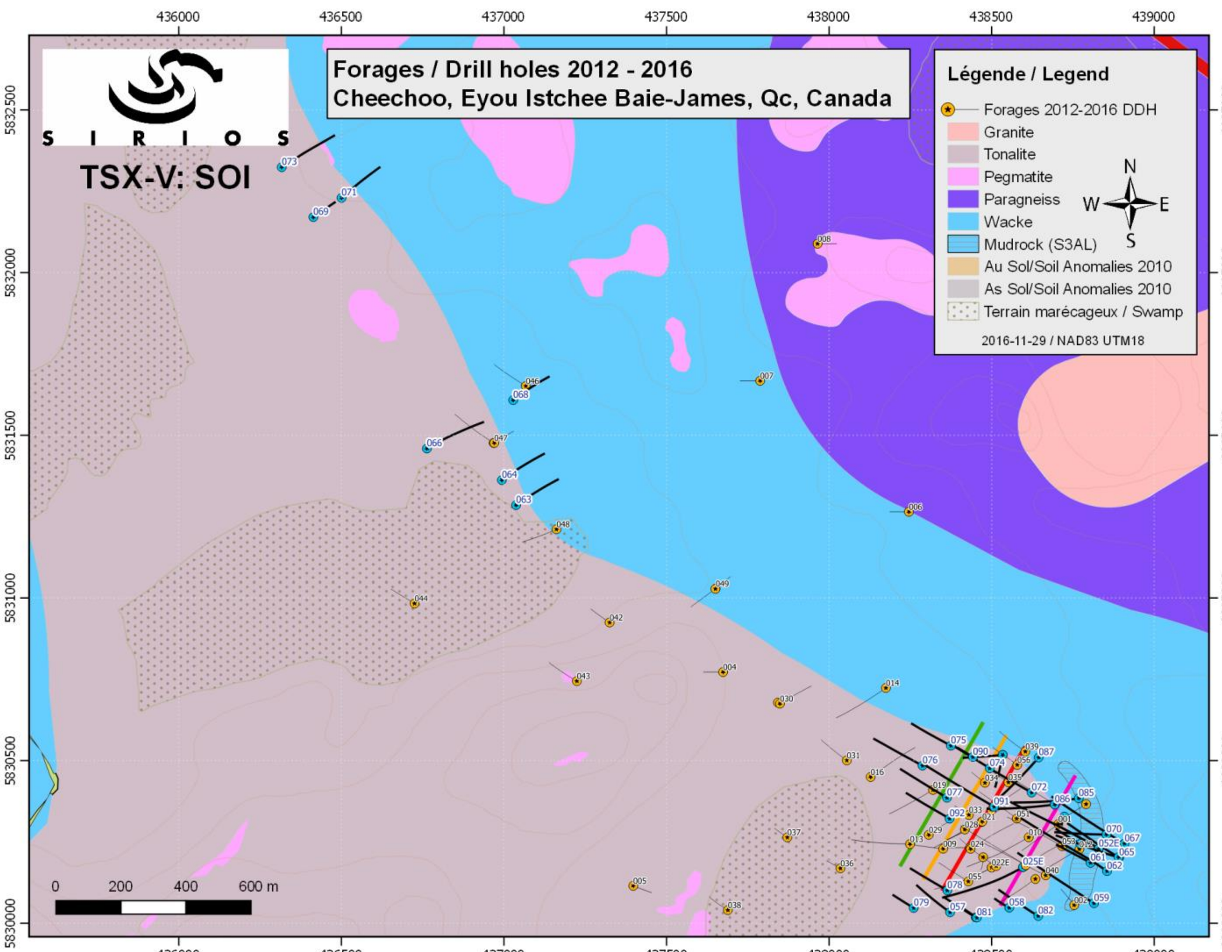
The technical data include in the following text have been revised by Dominique Doucet, engineer and President of Sirios. M. Doucet is a qualified person, as defined by National Instrument 43-101.

CHEECHOO property

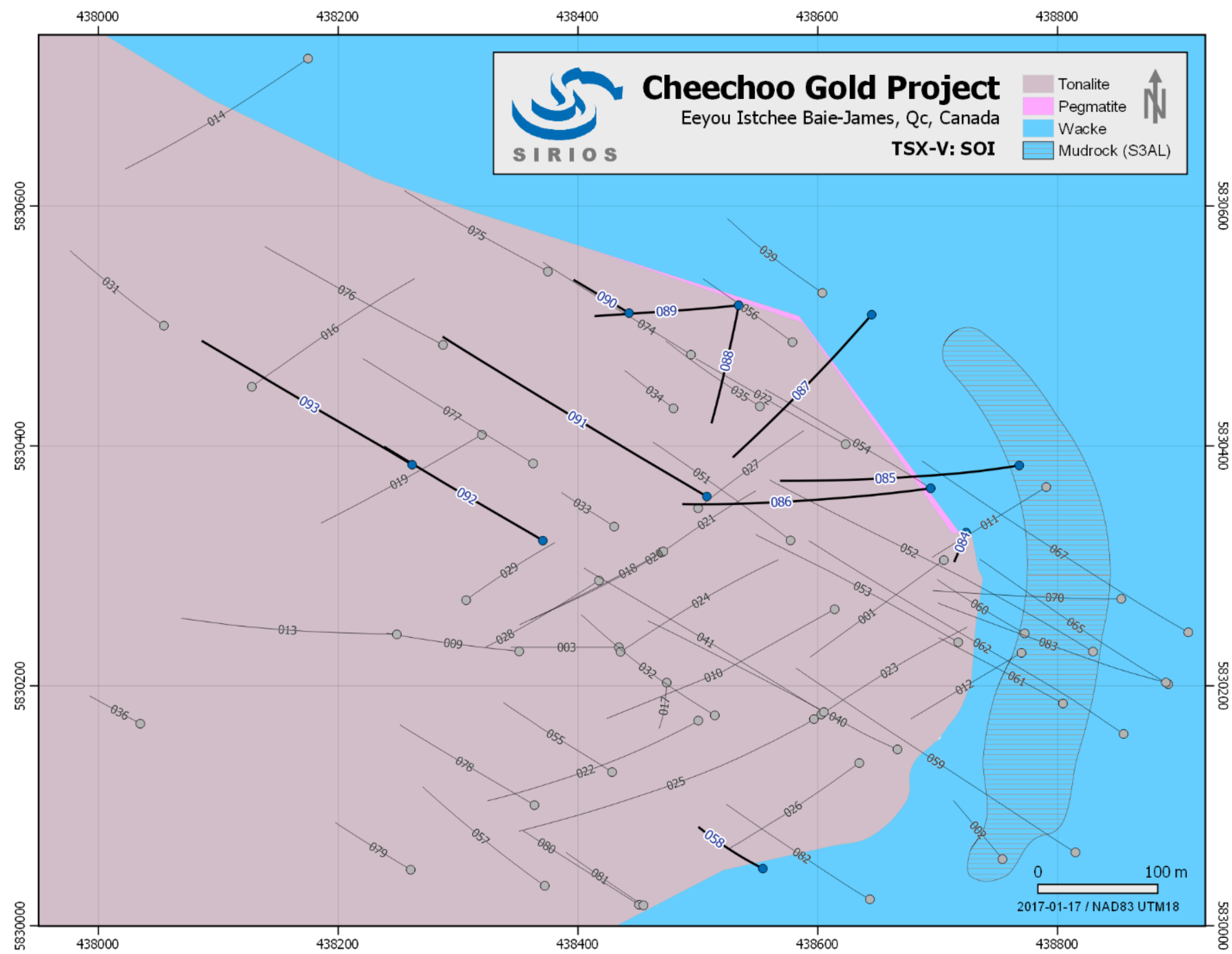
The Cheechoo project is the flagship project of the Company due to its continuously encouraging results since the discovery of the first gold surface indications. For this project, Sirios aims to delineate a world-class gold deposit, meaning multiple millions ounces of gold.

The Company owns 100% of the property which consists of 145 claims, covering 75 km^2 divided in two non-contiguous 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.





LOCATION OF SURVEYS – CHEECHOO PROPERTY



LOCATION OF SURVEYS – PRINCIPAL AREA – CHEECHOO PROPERTY

<u>Fieldwork undertaken during the period</u>

Sirios completed successfully last December its drilling campaign by undertaking 2,429 m of drilling spread over 10 drill holes (#84 to 93 and extension of #58) for a total of 9,359 m drilled for the entire Summer-Fall 2016 campaign that comprised of 37 NQ drill holes (#57 to 93) as well as extensions of drill holes #25, 52 and 58. The following table shows the best results of this campaign while the main results of the whole campaign can be found in press release of October 4 ,2016, November 29, 2016, January 17, 2017 and February 7, 2017.

Table of best results of the summer-fall 2016 drilling campaign on Cheechoo

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 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
57	Zone I	163.0	166.5	3.5	7.4
		incl.163.0	164.0	**1.0	ms 24.5
77	Zone I	12.5	22.5	10.0	4.9
		incl. 12.5	14.0	1.5	** ms 27.8
79	Zone I2	35.2	36.2	1.0	** ms 118.5
81		121.0	127.5	6.5	13.6
	Zone Jordi	122.6	124.3	1.7	** ms 50.0
82	Zone L	72.8	83.0	10.2	3.7
		incl. 74.1	75.5	1.4	ms 14.0
85		135.5	317.0	181.5	0.5
86		35.2	69.5	34.3	**4.2
		35.2	69.5	34.3	***2.1
		incl. 56.5	66.1	9.6	**13.4
		incl. 56.5	66.1	9.6	***6.0
		incl. 65.1	66.1	1.0	**ms 121.6
		incl. 65.1	66.1	1.0	***ms 50
88		66.7	167.5	100.8	**2.0
		66.7	167.5	100.8	***1.8
	Zone I	incl. 112.2	138.3	26.1	**6.2
		incl. 112.2	138.3	26.1	***5.4
		incl. 119.5	120.5	1.0	**ms 65.6
		incl. 119.5	120.5	1.0	***ms 50
		incl. 133.3	134.3	1.0	** ms 53.9
		incl. 133.3	134.3	1.0	*** ms 50

Hole	Note	From	To	Width	Au
CH-16-		(m)	(m)	(m)*	(g/t)
91		157.5	161.9	4.4	**4.6
		incl. 158.4	159.4	1.0	**ms 19.2
92		82.5	89.4	6.9	**3.9
		incl. 82.5	83.5	1.0	**ms 14.5
		132.0	155.5	23.5	**1.1
		incl. 132.0	140.0	8.0	**2.2
93		50.7	200.3	149.6	**1.1
		53.6	68.3	14.7	**3.5
		incl. 62.3	68.3	6.0	**7.2
		incl. 63.3	64.3	1.0	**ms 33.6
		178.1	200.3	22.2	2.8
		incl. 195.8	200.3	4.5	11.3
		incl. 195.8	197.3	1.5	ms 32.4
		270.4	275.4	5.0	4.0
		incl.274.4	275.4	1.0	ms 16.3

* Interval along the hole, true width not known
** Visible gold
*** Maximum gold grade cut at 50 g/t
tm : Gold grade obtained by fire assay with metallic sieve of a 1 kg sample

Follow-up of intercepts in drill hole #52

The drill hole #83 intersected an interval of 2.6 g/t Au over 9 metres comprised in an interval of 1.5 g/t Au over 22 metres that is the extension of the intersect that yielded 12.08 g/t Au over 20.3 metres in drill hole #52. In the extension of this intercept, but at shallower depth, drill hole #84 intersected 22.6 g/t at 1.2 g/t Au, including 1.7 g/t Au over 12.9 m. Intervals of these three drill holes form the north-east boundary of the L zone at the limit of tonalite intrusion in contact with meta-sedimentary rocks. In addition, drill hole #65 intersected, in meta-sedimentary rocks, at vertical depth of approximately 90 metres, a quartz vein grading 30.9 g/t Au over 1.9 metre. This vein was also intersected by drill hole #52 with a grade of 16.1 g/t Au over 1 metre at 30 metres beneath the surface.

The extension of gold zones

Multiple drill holes intersected most of the gold zones I, I2, Jordi, K and L either in depth or laterally from south-west or north-east. The zone I was extended toward the south-west with 4.3 g/t Au over 3 metres in the drill hole #79 while the drill hole #74 intersected it at north-east with 1.6 g/t Au over 4.5 metres extending laterally the strike length by more than 500 metres. While, the zone Jordi extends laterally now for more than 400 metres with drill holes #72 and 74 that intersected its north-east part with 2.7 g/t Au over 4.5 metres and 2.3 g/t Au over 1 metre respectively and drill hole #81 at its south-west part with 13.6 g/t Au over 6.5 metres including 50.0 g/t Au over 1.7 g/t. Drill holes # 78 and 79 extended the zone I2 on more than 100 metres toward the south-west. All these gold zones remain open in depth and toward the south-west. Finally, drill holes #92 and 93 have demonstrated that new high-grade gold zones exist at the north-west of the five known zones. A follow-up will be done with additional drilling.

Auriferous Halo

Assays of drill holes of the Summer-Fall 2016 campaign have continued to define and increase the extent of the auriferous halo, which are large low-grade zones in tonalite, as indicated by drill holes from previous campaigns. A global yield of 0.55 g/t Au over 199 metres was calculated from the weighted gold grade averages and the width of 24 drill holes (#25E, 52E, 57, 58E, 59, 60, 61, 62, 72, 76, 77, 78, 81, 82, 83, 85, 86, 87, 88, 89, 91, 92, 92 et 93).

Area of drill holes #47 and 48 and till anomaly (drill holes #63, 64, 66, 68 and #69, 71, 73)

Four exploratory drill holes were undertaken in areas of drill holes #47-48, that yielded intercepts grading between 5 and 10 g/t Au over 1 metre each as well as three drill holes in the area of auriferous till anomaly. The area of drill holes #47-48 is located at 1.5 km north-west of main drilled area while the till anomaly is at 1.5 km further in the same direction (see attached location map). In the first area, results yielding up to 3.4 g/t Au over 1.1 metre and 1.9 g/t Au over 3.3 metres were obtained in drill holes # 63 and #64 respectively. In the area of till anomaly, three drill holes didn't find the gold source, however, drill hole #73 intersected anomalous grades yielding 0.8 g/t Au over 5.4 metres. This area will be explored once more to locate the source of this till anomaly, after studying the results.

<u>Assay methods and quality control</u>

All NQ drill cores were described by 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, using aligotes of 50 g, finish by Actlabs in St-Germain-Boulé, close to Rouyn-Noranda. Samples grading more than 3 g/t were repeated at lab. Drill core with visible gold were assayed by pyro-analysis with metallic sieve from a sample of about 1 kg.

Prospecting work

During this period, prospecting was undertaken and a new outcrop was stripped where no outcrop was discovered before, which is at approximately 85 m south-west of drill hole #14. A channel was executed and sampled in tonalite with visible gold in one of the samples. In another area, close to drill hole 38, multiples erratic boulders of tonalite were prospected and sampled. Visible gold was observed in a pluri-metric, sub-angular boulder. Prospecting results will be published at the same time as the ones from channel sampling undertaken last fall on the main stripped area**.**

SUMMARY OF FINANCIAL ACTIVITIES

During the six-month period, the Company completed the closing of two private placements for a total amount of $2,180,364. They were comprised of 2,825,958 units at $0.38 per unit, composed of one common share and half a warrant, and 2,213,000 flow-through shares. In total, 5,038,958 common shares were issued as well as 1,412,979 warrants.

The net loss of the Company is $114,760 for the six-month period ended December 31, 2016 (a net result of $78,682 for the three-month period) in comparison with a net loss of $296,286 for the six-month period ended December 31, 2015 ($237,811 for the three-month period).

The decrease of the net loss is mainly due to the change in the method of accounting of the shares held of Khalkos Exploration Inc. ("Khalkos"). Until November 30, 2016, the interest in Khalkos was accounted for using the equity method. However, at that date, the Company lost its significant influence following the decline in the percentage of ownership and voting rights, from 20.16% to 16.14%. As a result, shares held are now accounted for as a financial asset measured at fair value in *Listed shares* in the statement of financial position. This change in accounting led to the recognition of an adjustment in the statement of comprehensive income of the amount of $917,237, resulting in a decrease of the net loss.

Also, during the periods, the Company still had exploration work to do to meet the requirements of the flow-through cash flow raised. By doing exploration work, the Company accumulates deferred income taxes which decrease the net loss. The deferred income taxes, for the six-month period ended December 31, 2016, amounts to $198,215 in comparison with an amount of $33,459 for the six-month period ended December 31, 2015. The difference increased the gap between net losses.

On the other hand, the grant of options, during the six-month period ended December 31, 2016, increased the net loss. Since the share's price of the Company has been very volatile during the period, the grant expense (share-based payments) is very high. It increased the net loss by an amount of $708,727. <u>Note that this expense is not a cash outflow</u>. In comparison, the share-based payments expenses for the six-month period ended December 31, 2015, was $69,903.

The variation of the net los scan also be explained by the write-off of the Taïgor property, during the six-month period ended December 31, 2016, increasing the net loss for an amount of $57,706.

General and administrative expenses analysis

General and administrative expenses, for the six-month period, totaled $455,595 in 2016, in comparison with $398,237 in 2015.

	2016-2017	2015-2016
General and administrative expenses	**Six-month period ended December 31, 2016 $**	**Six-month period ended December 31, 2015 $**
Salaries and employee benefit expenses	152,599	113,509
Investors and shareholders' relation	117,321	58,655
Professional fees	82,815	43,984
Consulting fees	58,000	139,900
Trustees and registration fees	26,945	23,572
Rent expenses	8,360	6,310
Office expenses	5,313	8,463
Insurance	3,360	3,025
Bank charges	882	511
Interests charges	-	193
Income taxes of section XII.6	-	115
Total	**455,595**	**398,237**

Comparing the general and administrative expenses for the six-month period ended December 31, 2016 and 2015, we note and increase in *Salaries and employee benefit expenses* due to the hiring of new employees.

The increase in *Professional fees* can be explained by closings of private placements during the six-month period ended December 31, 2016.

The increase in *Investors and shareholders' relations* can be explained by the efforts undertaken by management and staff to promote the Company.

SUMMARY OF QUARTERLY RESULTS

	2016-2017		2015-2016				2014—2015	
	Q2 $	**Q1 $**	**Q4 $**	**Q3 $**	**Q2 $**	**Q1 $**	**Q4 $**	**Q3 $**
Other revenues and expenses	967,880	(16,308)	52,225	45,803	(1,754)	(10,857)	(205,054)	(39,855)
Net loss	(78,682)	193,441	215,351	(9,011)	239,846	56,435	471,561	135,776
Net loss per share	-	0.002	0.003	-	0.003	0.001	0.01	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 $78,682 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 Q2-2017, the net result of $78,682 can be explained by the change in the accounting of the shares held of a listed company, from an equity method to a financial asset measured at faire value.

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 Taïgor property, for an amount of $57,806, increases the net loss.

For the Q2-2017, the share-based payment, for the grant of options, of an amount of $708,727, increased the net loss.

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

For the Q4-2015, Q1-2016, Q3-2016 and Q2-2017, the positive variation in the value of the listed shares for amounts of $7,480, $7,480, $52,363 and $64,126 respectively, increased revenues.

For the Q3-2015, Q4-2015, Q1-2016, Q2-2016, Q3-2016, Q4-2016, Q1-2017 and Q2-2017, the Company's share of the associated company's loss, recorded using the equity method for amounts of $31,302, $207,882, $19,105, $8,305, $9,148, $38,803, $20,790 and $21,547 respectively, decreased revenues.

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

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

WORKING CAPITAL AND CASH FLOWS

The working capital, including the cash held for exploration expenses, varied from an amount of $5,152,731 on June 30, 2016 to an amount of $5,900,185 on December 31, 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 December 31, 2016:

- 111,154,684 common shares were issued as well as 100,000 preferred shares.
- 7,354,286 options were granted and exercisable, at prices between $0.10 and $0.70, between 2017 and 2021. Each option can be exchanged by its holder thereof for one common share of the Company.
- 14,096,089 warrants were issued. Each warrant can be exchanged by its holder thereof for one common share of the Company.

Share capital

Variation of the share capital as of February 20, 2017:

Description	Number of shares	Amount $
As of June 30, 2016	101,311,810	31,408,320
Acquisition of mining rights	1,000,000	570,000
Exercise of options	882,143	245,600
Exercise of warrants	2,921,773	719,446
Private placements	2,825,958	1,021,710
Flow-through private placements	2,213,000	804,550
As of December 31, 2016	**111,154,684**	**34,782,426**
Exercise of warrants	1,455,582	366,216
Exercise of options	80,000	12,800
As of February 20, 2017	**112,690,266**	**35,161,442**

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.

In August 2016, 300,000 options were exercised at a price of $0.10, 100,000 options at a price of $0.12 and 21,429 options at a price of $0.70.

In August 2016, 234,383 warrants were exercised at a price of $0.18 each, 25,000 warrants at a price of $0.20 and 152,625 warrants at a price of $0.28.

In September 2016, 225,000 options were exercised at a price of $0.24 and 35,714 options at a price of $0.70.

In September 2016, 248,750 warrants were exercised at a price of $0.28 each.

In October 2016, 200,000 options were exercised at a price of $0.10.

In October 2016, 12,500 warrants were exercised at a price of $0.28 each.

In November 2016, 37,500 warrants were exercised at a price of $0.28 each.

In December 2016, 625,000 warrants were exercised at a price of $0.18 each, 192,500 warrants at a price of $0.20 and 1,393,515 warrants at a price of $0.28.

On December 21, 2016, the Company completed the closing of a private placement for a total of $454,000. In total, 1,194,736 shares were issued as well as 597,368 warrants. At the same date, the Company completed the closing of a flow-through private placement for a total of $356,600. A total of 713,000 flow-through shares were issued.

On December 22, 2016, the Company completed the closing of a private placement for a total of $619,864. In total, 1,631,222 shares were issued as well as 815,611 warrants. At the same date, the Company completed the closing of a flow-through private placement for a total of $750,000. A total of 1,500,000 flow-through shares were issued.

In January 2017, 1,195,832 warrants were exercised at a price of $0.18 each and 126,250 warrants at a price of $0.28 each.

In January 2017, 80,000 options were exercised at a price of $0.10.

In February 2017, 283,500 warrants were exercised at a price of $0.18 each and 125,000 warrants at a price of $0.28 each.

Options

Variation in outstanding options as of February 20, 2017:

Description	Number of options	Average exercise price $
As of June 30, 2016	5,736,429	0.16
Granted	2,500,000	0.51
Exercised	(882,143)	(0.18)
As of December 31, 2016	**7,354,286**	**0.28**
Exercised	(80,000)	(0.10)
Cancelled	(320,000)	(0.12)
As of February 20, 2017	**6,954,286**	**0.29**

In August 2016, 300,000 options were exercised at a price of $0.10, 100,000 options at a price of $0.12 and 21,429 options at a price of $0.70.

In September 2016, 225,000 options were exercised at a price of $0.24 and 35,714 options at a price of $0.70.

The Board of Directors has granted, in October 2016, 300,000 stock options under its stock options 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.

In October 2016, 200,000 options were exercised at a price of $0.10.

The Board of Directors has granted, in November 2016, 2,200,000 stock options under its stock options incentive plan to employees, directors, officers and consultants at an exercise price of $0.50 per share. The options expire five (5) years from the date of grant.

In January 2017, 80,000 options were exercised at a price of $0.10.

Options granted to employees, directors, officers and consultants and exercisable as of February 20, 2017:

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	160,000	0.12
April 27, 2020	400,000	0.12
December 8, 2021	930,000	0.10
October 20, 2021	300,000	0.59
November 29, 2021	2,200,000	0.50
	6,954,286	**0.19**

Warrants

Variation of warrants as of February 20, 2017:

Description	Number of warrants	Exercise price $
As of June 30, 2016	15,604,883	0.24
Issued	1,412,979	0.50
Exercised	(2,921,773)	(0.24)
As of December 31, 2016	**14,096,089**	**0.27**
Exercised	(1,730,582)	(0.19)
Expired	(174,501)	(0.18)
As of February 20, 2017	**12,191,006**	**0.28**

In August 2016, 234,383 warrants were exercised at a price of $0.18 each, 25,000 warrants at a price of $0.20 and 152,625 warrants at a price of $0.28 each.

In September 2016, 248,750 warrants were exercised at a price of $0.28 each.

In October 2016, 12,500 warrants were exercised at a price of $0.28 each.

In November 2016, 37,500 warrants were exercised at a price of $0.28 each.

For the private placements closed in December 2016, a total of 1,412,979 warrants were issued at a price of $0.50.

In December 2016, 625,000 warrants were exercised at a price of $0.18 each, 192,500 warrants at a price of $0.20 and 1,393,515 warrants at a price of $0.28.

In January 2017, 1,195,832 warrants were exercised at a price of $0.18 each and 126,250 warrants at a price of $0.28 each.

In February 2017, 283,500 warrants were exercised at a price of $0.18 each and 125,000 warrants at a price of $0.28 each.

Warrants issued as of February 20, 2017:

Expiry date	Number of warrants	Exercise price $
March 17, 2017	450,167	0.18
April 22, 2017	6,616,360	0.28
September 2, 2017	3,711,500	0.20
December 21, 2017	597,368	0.50
December 22, 2017	815,611	0.50
	12,191,006	**0.28**

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, 2016	December 31, 2015
Salaries and employee benefit expenses	122,208	107,404
Professional fees	-	78,500
Share-based payments	621,000	64,504
	743,208	250,408

For the six-month period ended December 31, 2016, an amount of $28,051 of salaries and benefits was recorded as Exploration and evaluation assets.

Associated company

During the six-month period ended December 31, 2016, Sirios provided administrative services to an associated company, Khalkos, totaling $56,825 ($36,994 for the six-month period ended December 31, 2015).

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

All resolutions that were presented at the annual and special meeting of shareholders of the Company, on November 29, 2016, were approved by the shareholders. These resolutions included the nomination of the directors and the auditors, Raymond Chabot Grant Thornton, as well as the adoption of the Stock Option Plan of the Company.

Shareholders elected Mr. Luc Cloutier, Mr. Guy Chevrette, Mr. Michel Bouchard, Mr. Gilles Dupuis and Mr. Dominique Doucet to the Board of Directors.

Moreover, during its board meeting, held after the shareholders meeting, Mr. Frederic Sahyouni was re-elected as Chief Financial Officer of the Company, and Mr. Doucet as President Chief Executive Officer. Mr. Dupuis was elected as the Chairman of the Board while Mr. Cloutier, Mr. Chevrette et Mr. Bouchard form the audit committee.

SUBSEQUENT EVENTS

In January 2017, 1,195,832 warrants were exercised at a price of $0.18 each and 126,250 warrants at a price of $0.28 each.

In January 2017, 80,000 options were exercised at a price of $0.18.

In February 2017, 283,500 warrants were exercised at a price of $0.18 each and 125,000 warrants at a price of $0.28 each.

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: 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, 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 six-month period ended December 31, 2016, the Company wrote-off the Taïgor property for an amount of $57,806 recognized in profit or loss ($0 on December 31, 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 December 31, 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 December 31, 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 no 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, 2016 should be read in conjunction with the unaudited interim financial statement for the six-month period ended December 31, 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. February 20, 2017.

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