Management Interim Report for the nine-month period ended March 31, 2017

Discovering James Bay

Sirios Resources Inc.

TSX V: SOI
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SIRIOS RESOURCES INC.
MANAGEMENT INTERIM REPORT
FOR THE NINE-MONTH PERIOD
ENDED MARCH 31, 2017

This Management Discussion and Analysis is dated May 18, 2017 and provides an analysis of the financial results for the quarter ended March 31, 2017. 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 nine-month period ended March 31, 2017 and the audited financial statements for the years ended June 30, 2016 and 2015. The unaudited interim financial statements for the period ended March 31, 2017 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 March 31, 2017, there are 113,677,933 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

- Diamond drilling campaign of 5,400 metres on Cheechoo;
- Exploration and evaluation expenses of $1,367,094 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	164,637	89,005	-	301,804	752,740	49,559	1,357,745
Pontax	4,978	-	-	-	-	-	4,978
CCE	1,187	85	-	-	-	99	1,371
Total	170,802	89,090	-	301,804	752,740	49,658	1,364,094

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

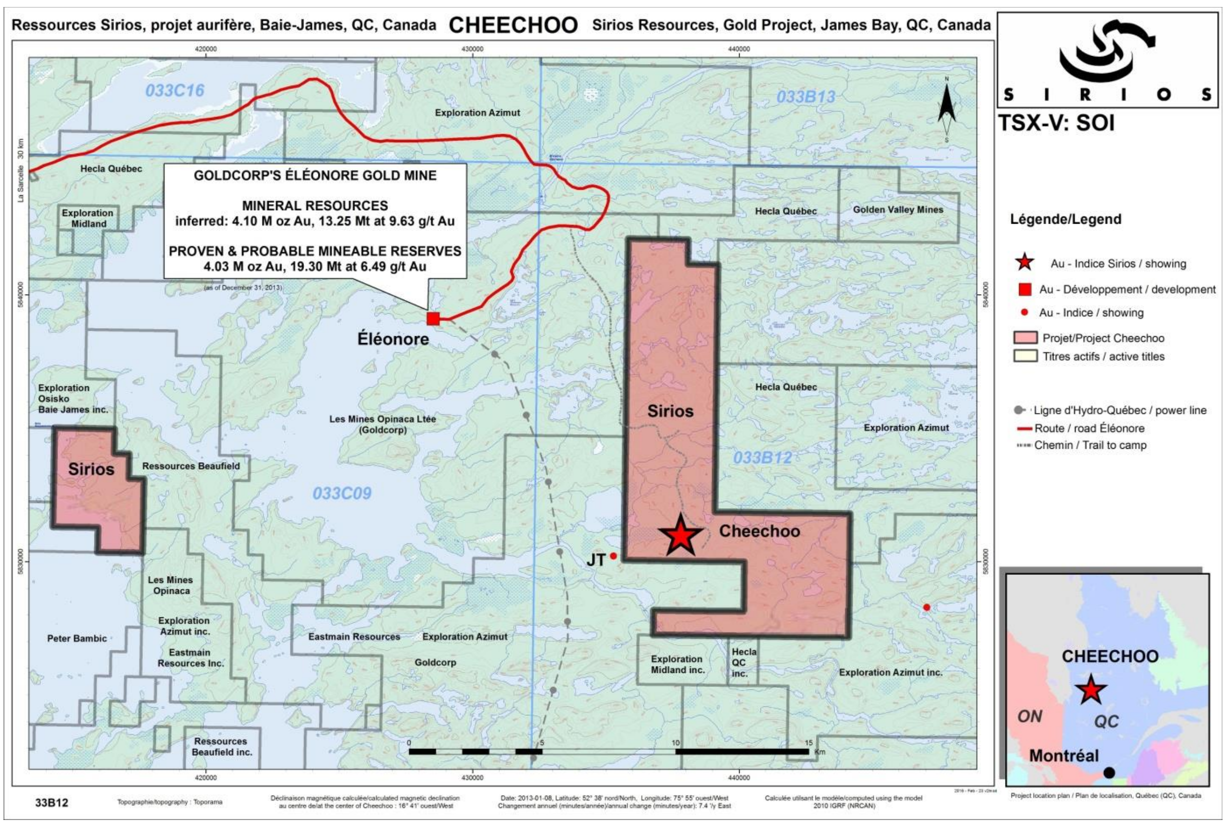
PROJETS D'EXPLORATION

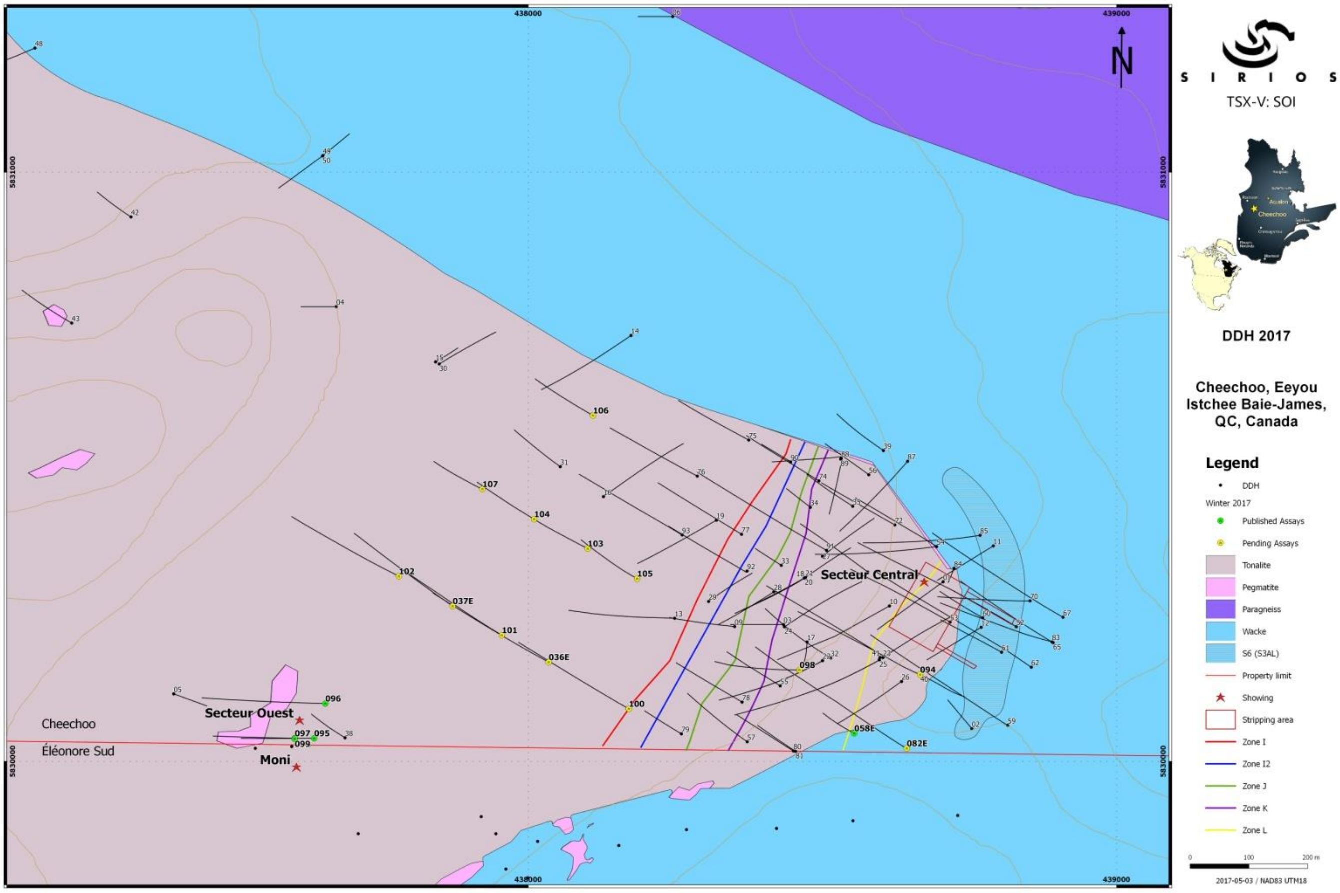
The technical data included in the following text has been revised by Dominique Doucet, engineer and President of Sirios. M. Doucet is a qualified person, as defined by National Instrument 43-101.

CHEECHOO Gold 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. Golden Valley Mines Ltd. holds a NSR ranging from 2.5% to 4% depending on the price of gold.





Location of surveys maps

Winter 2017 drilling campaign

The winter 2017 drilling campaign on Cheechoo began in February and ended mid-April. A total of 5,397 metres were drilled in fourteen drill holes (#94 to #107) and four extensions at depth (#36E, 37E, 58E and 82E). Four drill holes (#95, 96, 97 and 99) were drilled in the *West area*. The *West area* is located at approximately 750 metres west of the *Central area* where the majority of drill holes were performed to this point. In the central area, three drill holes (#82E, 94 and 98) reached depths of 500 to 750 metres in order to test the interpreted tonalite/meta-sediments contact. They did intersect the contact which is mainly made of a sequence of alternating sediments and tonalite.

The results of the four drill holes conducted in the *West area* were published as of the date of this report as well as those from drill hole #58E, conducted in the *Central area*.

Assay results received:

West area:

- Drill hole #95 intersected an interval of 13.5 m grading 11.9 g/t Au, including a quartz vein with visible gold of 2.1 m grading 65.1 g/t Au. This vein corresponds to that sampled at the surface in a "sub-in-place" block, which respectively graded 91.2 g/t Au and 113.5 g/t Au.
- Drill hole #99 intersected a near surface interval of 10.6 m at 11.2 g/t Au, including two intervals with visible gold of one metre each at 63.3 g/t Au and 50.5 g/t Au.

Central area:

- Extension of drill hole #58 intersected the I zone over 13.5 m grading 6.2 g/t Au with 5.0 m grading 15.8 g/t Au including 1.0 m at 70.1 g/t Au.

Assay results from drill holes #36E, 37E, 82E, 94, 98 and 100 to 107 are still pending or being compiled. A table of all the results from the intervals described in the table below as well as a list of the coordinates of all Cheechoo drill holes carried out so far are available on Sirios' website at the following links:

http://sirios.com/files/Drill-holes-details.pdf http://sirios.com/files/Coordinates.pdf

MAIN ASSAY RESULTS RECEIVED (on May 18, 2017)
DRILL HOLES #95, 96, 97 and 99 – CHEECHOO PROJECT

Drill hole CH-17-	Note	From (m)	To (m)	Width (m)*	Au (g/t)	Au (g/t) Cut ***
58E	Central area	**258.5**	**272.0**	**13.5**	**6.2**	**4.7**
	zone I	**incl. 261.0**	**266.0**	**5.0**	**** ms 15.8**	
		incl. 261.0	**262.0**	**1.0**	**** ms 70.1**	**50.0**
		315.0	319.0	4.0	1.3	
95	West area	27.0	39.0	12.0	0.6	
		52.0	**53.0**	**1.0**	**** ms 2.9**	
		99.5	**113.0**	**13.5**	**11.9**	**8.2**
		incl. 99.5	**100.5**	**1.0**	**** ms 100.0**	**50.0**
		and 100.5	101.6	1.1	** ms 33.4	
		127.0	**129.6**	**2.6**	**2.3**	
96	West area	202.0	206.5	4.5	1.1	
97	West area	147.1	152.2	5.1	1.3	
		incl. 149.2	**151.2**	**2.0**	**2.7**	
99	West area	**38.1**	**48.7**	**10.6**	**** ms 11.2**	**9.9**
		incl. 38.1	**39.1**	**1.0**	**** ms 63.3**	**50.0**
		and 45.7	**46.7**	**1.0**	**** ms 50.5**	**50.0**

* Interval along the hole. True width unknown ** Visible gold

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

ms: Gold grade obtained by fire assay with metallic sieve

Assay quality control

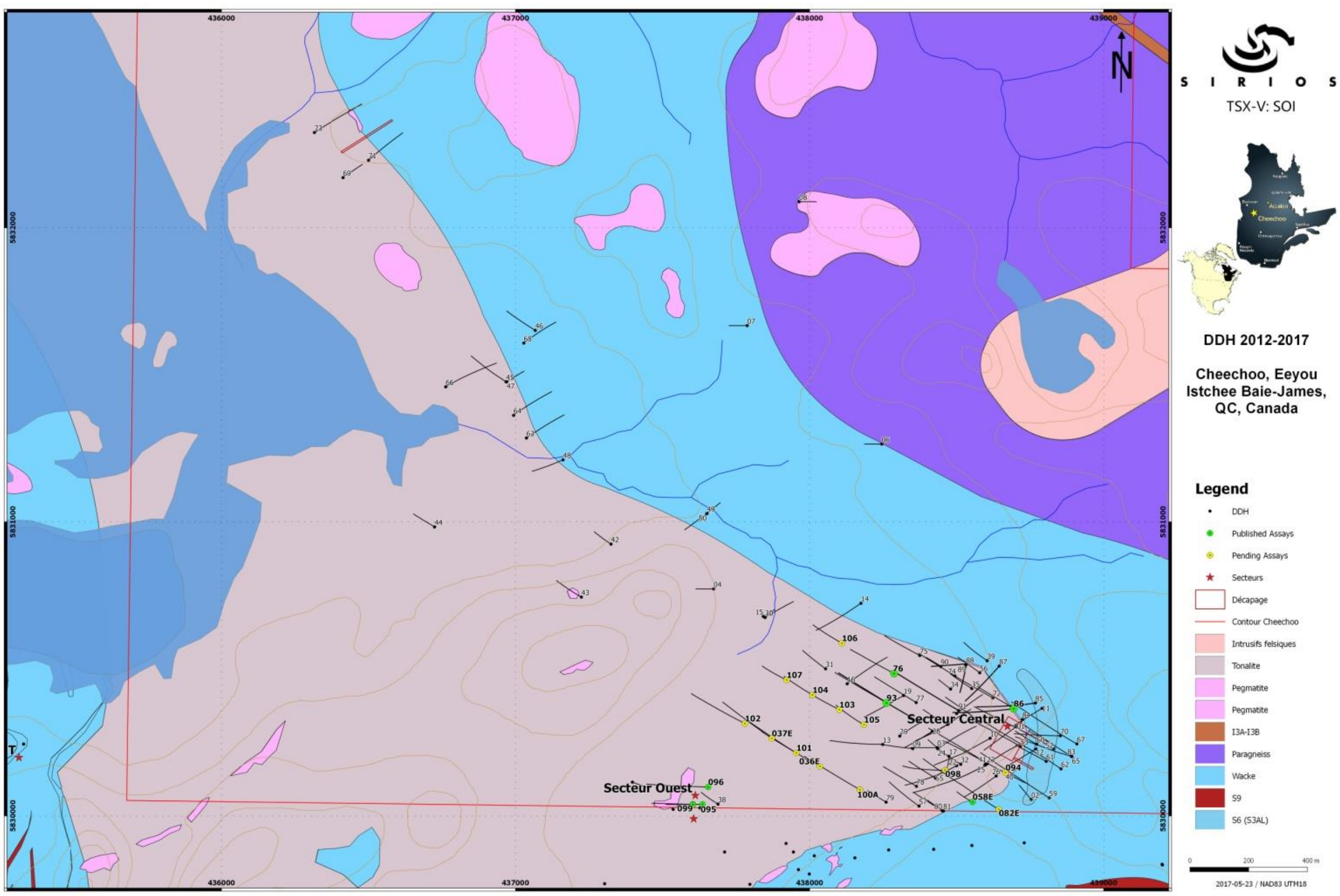
All NQ drill cores were described by personnel of Sirios at the Cheechoo exploration camp. They were then sent to Rouyn-Noranda to be sawed in half, with one half sent to a commercial laboratory for analysis and other half retained for future reference. A strict QA/QC program was followed by integrating 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 finish by Actlabs in St-Germain-Boulé, close to Rouyn-Noranda. Samples grading more than 3 g/t were repeated at lab. Drill cores with visible gold or originated from suspected gold zones were assayed by pyro-analysis with metallic sieve from a sample of about 1 kg.

<u>Fall 2016 surface sampling</u>

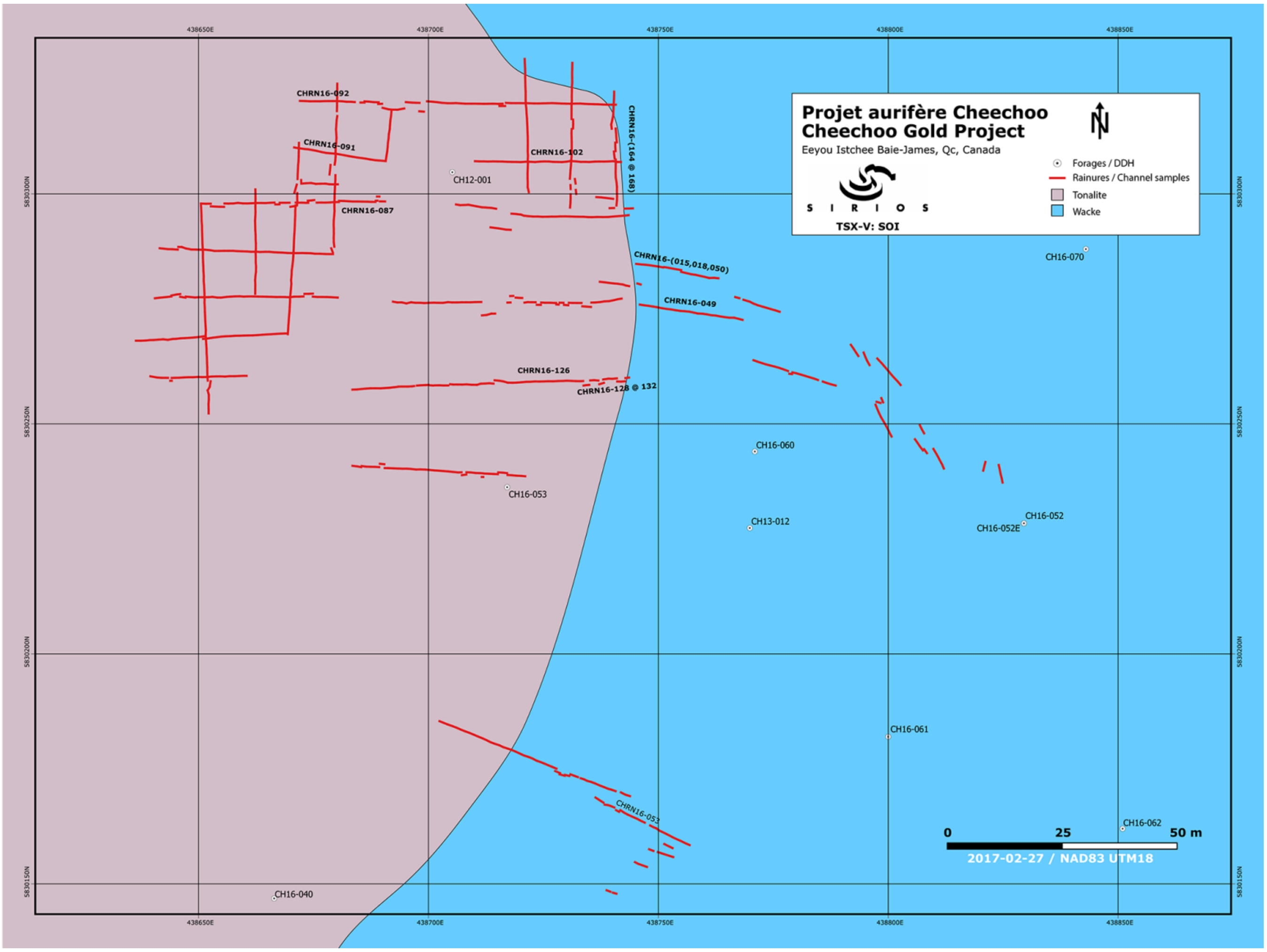
Results of the surface channel sampling conducted in Fall 2016 on Cheechoo were received during the period. Grades yielding between 1 and 3.1 g/t Au over widths ranging between 5 and 25 metres were obtained on the sampled surface from the main stripped area. In addition, a channel with visible gold graded 4.1 g/t Au over 8.1 m including 25.4 g/t Au over 1.0 m, more than 600 m north-west from the main stripped area, close to drill hole #14.

A zone in meta-sedimentary rocks yielded an average of 1.3 g/t Au over 17.7 metres (channels #15, 18, 50 and 49). This mineralized zone, visually recognizable by the presence of folded veinlets and pegmatite dykes, extends over 135 m in depth since it was intersected by drill holes #52-60-70 and 83, yielding respectively 1.3 g/t Au over 22.6 m; 1.3 g/t over 5.5 m; 0.9 g/t over 6.0 m and 2.0 g/t over 12.2.

On the main stripped area, all channels, totalizing a cumulative width of 909 metres covering an area of approximately 10,000 square metres, yielded an weighted average gold grade of 0.4 g/t.



Main stripping location map



Map of channel sampling on stripped area

MAIN ASSAYS OF CHANNEL SAMPLING – CHEECHOO -

Channel CHRN-16-	**Note**	**Width (m)***	**Au (g/t)**
32 and 33	Drill hole #14 area	**8.1**	**4.1**
		1.0	****ms 25.4**
49	Meta-sedimentary rocks	**17.8**	**1.4**
15, 18 and 50	Meta-sedimentary rocks	**17.6**	**1.2**
		incl. 1.0	**6.9**
53	Meta-sedimentary rocks	**4.1**	**1.6**
87		**5.0**	**1.8**
		incl. 1.0	****ms 7.5**
91		**8.1**	**3.1**
		incl. 1.0	****ms 21.4**
92		**5.0**	**1.2**
102		**24.0**	**1.0**
126		**10.8**	**1.6**
128 to 132		**7.5**	**1.0**
164 to 168		**24,4**	**1,1**

* Interval along the channel, true width unknown
** Visible gold
ms: Gold grade obtained by fire assay with metallic sieve

Assay quality control

All rock samples were described by personnel of Sirios at the Cheechoo exploration camp or on the site of extraction. They were then sent to a commercial laboratory for analysis. A strict QA/QC program was followed by integrating blanks and standards to 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 repeated at lab. Drill core with visible gold were assayed by pyro-analysis with metallic sieve from a sample of about 1 kg.

SUMMARY OF FINANCIAL ACTIVITIES

During the nine-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 result of the Company is $20,147 for the nine-month period ended March 31, 2017 (a net result of $134,916 for the three-month period) in comparison with a net loss of $287,269 for the nine-month period ended March 31, 2016 (a net result of $9,011 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 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 nine-month period ended March 31, 2016, amounts to $587,569, in comparison with an amount of $281,811 for the nine-month period ended March 31, 2017. The difference increased the gap between net losses.

On the other hand, the grant of stock options, during the nine-month period ended March 31, 2017, 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. Note that this expense is not a cash outflow. In comparison, the share-based payments expenses for the nine-month period ended March 31, 2016, was $69,903.

The variation of the net loss can also be explained by the write-off of the Taïgor property, during the nine-month period ended March 31, 2017, increasing the net loss for an amount of $57,706.

General and administrative expenses analysis

General and administrative expenses for the nine-month period totaled $604,891 in 2017, in comparison with $530,154 in 2016.

	2016-2017	2015-2016
General and administrative expenses	**Nine-month period ended March 31, 2017 $**	**Nine-month period ended March 31, 2016 $**
Salaries and employee benefit expenses	209,216	175,511
Investors and shareholders' relation	146,001	96,284
Professional fees	93,882	48,773
Consulting fees	75,611	152,900
Trustees and registration fees	40,540	30,941
Rent expenses	17,262	9,128
Office expenses	15,396	10,836
Insurance	4,993	4,599
Bank charges	1,321	874
Interests charges	396	193
Income taxes of section XII.6	273	115
Total	**604,891**	**530,154**

Comparing the general and administrative expenses for the nine-month period ended March 31, 2017 and 2016, we note an increase in *Salaries and employee benefit expenses* and *Office expenses* due to the hiring of new employees.

The increase in *Professional fees* can be explained by closings of private placements during the nine-month period ended March 31, 2017.

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

The increase in *Rent expenses* can be explained by the move of the Company's head office to larger offices to accommodate new employees.

SUMMARY OF QUARTERLY RESULTS

	2016-2017			2015-2016				2014-2015
	Q3 $	Q2 $	Q1 $	Q4 $	Q3 $	Q2 $	Q1 $	Q4 $
Other revenues and expenses	19,794	967,880	(16,308)	52,225	45,803	(1,754)	(10,857)	(205,054)
Net loss	(134,916)	(78,682)	193,441	215,351	(9,011)	239,846	56,435	471,561
Net loss per share	-	-	0.002	0.003	-	0.003	0.001	0.01

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 $134,908 to a net loss of $471,561.

For the Q3-2016 and Q3-2017, the net results of $9,011 and $134,916 respectively, 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 fair 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, increased the net loss.

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

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

For the Q4-2015, Q1-2016, Q3-2016, Q2-2017 and Q3-2017, the positive variation in the value of the listed shares for amounts of $7,480, $7,480, $52,363, $64,126 and $14,961 respectively, increased revenues.

For the 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 $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 Q4-2015 and Q1-2016, the amortization of fees related to loans of amounts of $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 $5,139,123 on March 31, 2017. 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 March 31, 2017:

- 113,677,933 common shares were issued as well as 100,000 preferred shares.
- 6,954,286 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.
- 11,478,339 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 May 18, 2017:

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	962,143	258,400
Exercise of warrants	5,365,022	1,261,696
Private placement	2,825,958	1,021,710
Flow-through private placement	2,213,000	804,550
As of March 31, 2017	**113,677,933**	**35,324,976**
Exercise of warrants	6,353,860	1,779,081
Exercise of options	100,000	16,000
As of May 18, 2017	**120,131,793**	**37,120,057**

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, 733,667 warrants were exercised at a price of $0.18 each and 162,500 warrants at a price of $0.28 each.

In March 2017, 225,000 warrants were exercised at a price of $0.28 each.

In April 2017, 6,353,860 warrants were exercised at a price of $0.28 each.

In April 2017, 100,000 options were exercised at a price of $0.10.

Options

Variation in outstanding as of May 18, 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	(962,143)	(0.17)
Expired	(320,000)	(0.12)
As of March 31, 2017	**6,954,286**	**0.29**
Exercised	(100,000)	(0.10)
As of May 18, 2017	**6,854,286**	**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.

In April 2017, 100,000 options were exercised at a price of $0.10.

Options granted to employees, directors, officers and consultants and exercisable as of May 18, 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, 2020	830,000	0.10
October 20, 2021	300,000	0.59
November 29, 2021	2,200,000	0.50
	6,854,286	**0.29**

Warrants

Variation of warrants as of May 18, 2017:

Description	Number of warrants	Exercise price $
As of June 30, 2016	15,604,883	0.24
Issued	1,412,979	0.50
Exercised	(5,365,022)	(0.22)
Expired	(174,501)	(0.18)
As of March 31, 2017	**11,478,339**	**0.28**
Exercised	(6,353,860)	(0.28)
As of May 18, 2017	**5,124,479**	**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, 733,667 warrants were exercised at a price of $0.18 each and 162,500 warrants at a price of $0.28 each.

In March 2017, 225,000 warrants were exercised at a price of $0.28 each.

In April 2017, 6,353,860 warrants were exercised at a price of $0.28 each.

Warrants issued as of May 18, 2017:

Expiry date	Number of warrants	Exercise price $
September 2, 2017	3,711,500	0.20
December 21, 2017	597,368	0.50
December 22, 2017	815,611	0.50
	5,124,479	**0.28**

RELATED PARTY TRANSACTIONS

Key management personnel

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

	Nine-month period ended	
	March 31, 2017	March 31, 2016
Salaries and employee benefit expenses	171,887	159,934
Consulting fees	-	78,500
Share-based payments	621,000	64,504
	792,887	**302,938**

For the nine-month period ended March 31, 2017, an amount of $41,258 of salaries and benefits was recorded as *Exploration and evaluation assets*.

Associated company

During the nine-month period ended March 31, 2017, Sirios provided administrative services to an associated company, Khalkos, totaling $80,525 ($57,944 for the nine-month period ended March 31, 2016).

SUBSEQUENT EVENTS

In April 2017, 6,353,860 warrants were exercised at a price of $0.28 each.

In April 2017, 100,000 warrants were exercised at a price of $0.10.

Nomination

In April 2017, the Company appointed Mr. Jacquelin Gauthier as Chief Technical Advisor to oversee and direct exploration activities of Sirios. Mr. Gauthier will devote about 50% of his time to the affaires of the Company.

Mr. Jacquelin Gauthier, P.Geo., is an international consultant based in Montreal, Canada. He has broad experience in mining exploration and geology, having worked as Exploration Manager for mining companies such as Kinross Gold Corp., Bema Gold Corp., Cambior Inc. and Noranda Inc. He was mainly active in Canada and Russia, but also in Central Asia, Africa, Mexico and the Arctic. Over the course of his career, with three different teams, he has been directly responsible for three gold discoveries that proved to be economic. He earned a bachelor's degree in applied science (geological engineering, 1975) from UQAC. He began his career with SEREM Québec, a subsidiary of the French BRGM, moved to Groupe Minier Sullivan and then Morrison Minerals. In the 1990's and 2000's, he held positions of President and Vice-President of multiple junior exploration companies.

He is currently a member of the advisory committee of the Autorité des Marchés Financiers (Quebec Securities Commission). He has participated in advisory boards for the Quebec and federal Departments of Natural Resources, as well as a number of geosciences forums and committees. He was also director and vice president of the Quebec Prospectors Association and the Association of Professional Geologists and Geophysicists of Quebec. He is a full member of the Order of Quebec Geologists, as well as PDAC, AEMQ and GAC.

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 honestly, 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 nine-month period ended March 31, 2017, the Company wrote-off the Taïgor property for an amount of $57,806 recognized in profit or loss ($0 on March 31, 2016). No reversal impairment losses have 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 March 31, 2017 should be read in conjunction with the unaudited interim financial statement for the nine-month period ended March 31, 2017 and 2016 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 filling" 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. May 18, 2017.

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