

SIRIOS RESOURCES INC.
Management's Discussion & Analysis
Quarterly Highlights - Three and nine-month periods ended March 31, 2018



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Management's Discussion and Analysis
Quarterly highlights
For the Three and Nine-month periods ended
March 31, 2018

The following quarterly highlights management discussion and analysis of the financial condition and results of the operation of Sirios Resources Inc. (the "Company" or "Sirios") constitutes management's review of the factors that affected the Company's financial operating performance for the three and nine-month periods ended March 31, 2018.

This discussion and analysis should be read in conjunction with:

- The March 31, 2018 unaudited interim financial statements;
- The 2017 Annual Management report; and
- The Company's audited financial statements for the years ended June 30, 2017 and 2016.

These documents and additional information may be available through *www.sedar.com* website, under the Company's section "Sedar filing" or at www.sirios.com.

Nature of activities

Since its creation in 1994 under the Canada Business Corporations Act, Sirios' goal is to discover world-class gold deposits in the James Bay region, in Quebec. Over the years, Sirios has developed extensive expertise in the exploration of this region.

The address of the Company's registered office is 1000, St-Antoine West, Suite 410, Montreal, Quebec, Canada. The Company's shares are listed on the TSX Venture Exchange, under the symbol "SOI". As at March 31, 2018, there are 136,104,404 common shares of Sirios issued and outstanding.

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Financing activities

On August 2, 2017, the Company completed a flow-through private placement for a total of \$5,000,000. It was composed of 11,111,111 flow-through shares at a price of \$0.45 each. The management is required to dedicate these funds to the exploration of Canadian mining properties exploration in the period of one year from the date of renouncement. The balance of the amount of this unexpended flow-through financing at March 31, 2018 is \$81,546 and is to be expended before December 31, 2018.

During the nine-month period ended March 31, 2018, 3,711,500 warrants were exercised. An amount of \$742,300 was received from the exercise of warrants. In addition, \$250,000 was received following the exercise of 1,150,000 stock options.

Investing activities

During the three-month period ended March 31, 2018 (the "Quarter"), the Company incurred \$2,006,217 in exploration expenses compared to \$1,364,094 for the same period in 2017.

Analysis of the three-month period ended March 31, 2018

Properties	Geology-prospecting \$	Geochemistry-analysis \$	Geophysics, line-cutting \$	Transport, helicopter, lodging \$	Drilling \$	General expenses \$	Total \$
Cheechoo	5,548	143,206	2,975	594,315	1,123,915	132,122	2,002,119
CCE	428	1,500	-	-	-	-	1,928
Others	2,170	-	-	-	-	-	2,170
Total	8,184	144,706	2,975	594,315	1,123,915	132,122	2,006,217

During the nine-month period ended March 31, 2018, the Company incurred \$5,724,618 in exploration expenses compared to \$4,437,531 for the same period in 2017.

Analysis of the nine-month period ended March 31, 2018

Properties	Geology-prospecting \$	Geochemistry-analysis \$	Geophysics, line-cutting \$	Transport, helicopter, lodging \$	Drilling \$	General expenses \$	Total \$
Cheechoo	614,050	739,505	98,408	1,387,228	2,340,485	397,034	5,576,710
CCE	62,626	32,300	-	11,429	-	9	106,364
Others	36,982	741	-	3,390	-	431	41,544
Total	713,658	772,546	98,408	1,402,047	2,340,485	397,474	5,724,618

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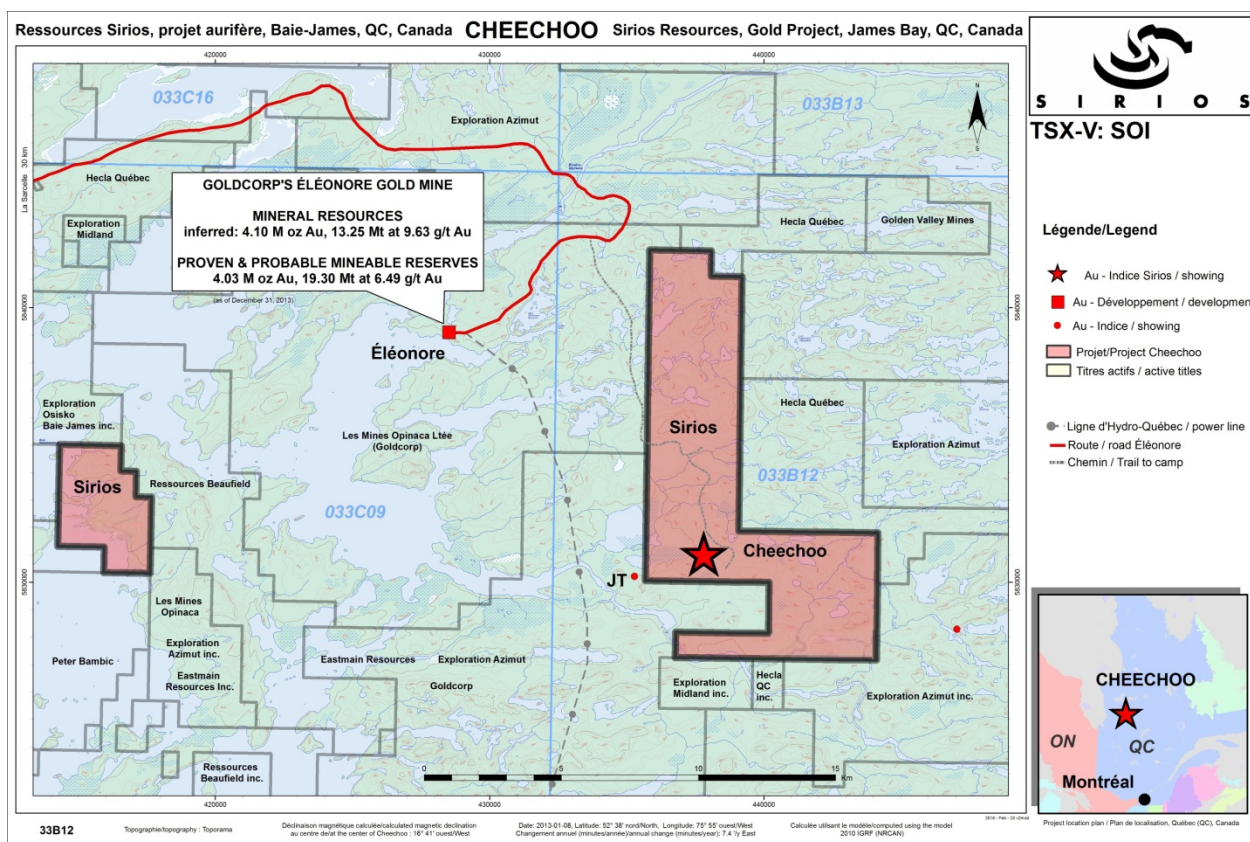
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The technical data include in the following text have been revised by Dominique Doucet, engineer and President of Sirios. Mr. Doucet is a Qualified Person, as defined by National Instrument 43-101.

CHEECHOO Property

The 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. Golden Valley Mines Ltd. retains a net smelter return royalty ranging between 2.5% and 4% depending on the gold price and 4% net return for all other minerals extract of the project. Notably, the gold royalty will be 3% for a gold price per ounce between \$1,200 and \$2,400.



Fieldwork undertaken during the period

The drilling program restarted in mid-January and should finished by mid-May with the undertaking of NQ drill holes (#141 to 195) totaling approximately 25,000 metres. Note that the initial planned program was increased by around 7,000 metres. This enhanced program allows,

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among other things, to complete, with a spacing of 50 metres, the systematic coverage of the main auriferous area measuring approximately 500 metres by 500 metres. Three last holes of bigger core size (PQ) will be used, among other things, in upcoming weeks, to execute metallurgical tests. 2017 NQ drill holes results (#119 to 140) were published in press releases on March 4 and April 24, 2018, please refer to them for more information. Note among excellent results, drill hole #123 that intersected the Jordi Zone yielding 241.5 metres at 0.7 g/t Au including 9.0 metres at 5.4 g/t Au (press release March 4, 2018) as well as drill hole #139 that yielded 8.2 m at 56.4 g/t Au including 0.5 m at 867.1 g/t Au (press release April 24, 2018). Results of core samples of drill holes #141 to 143 have been received and are being validated while results of drill holes #144 to 195 will be produced in following weeks. Results will be received constantly until the end of next summer. Finally, a downhole logging survey has been undertaken in over thirty preselected drill holes allowing a collect of structural information on a cumulative length of approximately 10,000 metres.

Field works of the period are part of the 2017-18 exploration program with an initial planned budget of a total of \$5.7 M. Note that the budget includes maintenance work and improvement of the trail, allowing access to the camp and drilling sites. These works were completed during the trimester ended September 30, 2017.

Budget and upcoming work - Cheechoo Project

Description	State of progress	Period	Budget \$
Metallic sieve and soil assays	Completed	Summer 2017	260,000
Detailed prospecting and mapping	Completed	Summer 2017	460,000
Land reclamation, road improvements	Completed	Summer 2017	210,000
Stripping and channel sampling	Completed	Summer 2017	270,000
Diamond drilling: 20,322 m at \$250/m	In progress	Sept 2017-March 2018	5,080,500
Total Budget for the period (9 months)			6,280,500
<i>Total spent during the period</i>			<i>5,576,710</i>
Diamond drilling 4,678 m at \$250/m	Upcoming	April-May 18	1,169,500

The drilling budget for the current fiscal year was 18,000 metres and was exceeded by more than 4,000 metres. On April 17, 2018, the Company announced that it would add drilling to reach a total of 25,000 metres.

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AQUILON property

The Aquilon property is wholly owned by Sirios and it is constituted of 104 claims covering approximately 52 km². It is located at 10 km south of the La Forge LA-1 hydro-electric complex in the region of Eeyou Istchee, James Bay, Quebec. The property is situated inside the NTS sheets 33I/01-02. An outfitter with a landing strip is located at less than 40 minutes by road to the property. The latter is accessible by road all year long.

During the period, the compilation of all previous works on this property continued and a first phase of field work was proposed. Fieldworks of a duration of approximately 3 weeks will consist of locating trenches and drill holes via a differential GPS and collecting photos of stripping and outcrops with a drone. Past drill holes from 1999 to 2001 located on the property will be recovered and placed on new racks. The possibility of a second phase of field work will be examined.

ACQUISITION OF THREE NEW PROJECTS

GOLDORAK Property

The Goldorak gold property was acquired by map designation during the period. It is 100% owned by Sirios and is constituted of 124 claims covering 59 km² at approximately 40 km south of the Radisson city in the region of Eeyou Istchee, James Bay, Quebec. The property is located at approximately 5 km from the road of James Bay inside the NTS sheet 33F06. A prospecting program of scouting was proposed for Summer 2018. The acquisition of this property is based on the similar metallogenic characteristics that it shares with the Cheechoo property of Sirios.

Amikap et Keoz blocks of claims

On May 3, Sirios acquired by map designation two claim blocks that will form the future properties Amikap and Keoz. The mining claims of these blocks are currently pending. The acquisition of these two new properties is a result from a geoscientific research project led by CONSOREM, a research group composed of specialized researchers in the field of mineral exploration of which joined by Sirios last year. This project was created from the lithogeochemical data exclusively provided by Sirios to researchers to determine potential auriferous exploration targets corresponding to the new James Bay metallogenic model, the Cheechoo project.

The Amikap and Keoz projects are located approximately at 70 km north to the Cheechoo project. They cover the Laguiche Complex sector belonging to the geological sub-province Opinaca. This Complex is constituted of sedimentary rocks and granite intrusion strongly metamorphosed and shear zones of regional length. Other than regional cartography works by the government, there were no exploration works done for gold on the sectors acquired by Sirios.

The Amikap block of claims, covering a part of sheets 33F07 and 33F08, is constituted of 169 claims and cover close to 87 km². The claims cover five defined targets in the CONSOREM study.

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The Keoz block of claim is located inside the sheet 33G04. It is constituted of 66 claims, covering 34 km². This block covers two auriferous targets defined by CONSOREM.

The objective of CONSOREM is to undertake applied research work related to mineral exploration in a university environment. It groups industrial and government partners interested in conducting R&D program to meet regional and national mineral exploration needs. For more information on this group, please visit their website: www.consorem.ca.

CHEECHOO-ELEONORE TREND Project (CET)

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 name 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, 25 km north-west to Goldcorp's Eleonore mine.

Assay results of the 2016-2017 till sampling program were delivered in October 2017 by Activation Laboratories Ltd. at Ancaster, in Ontario. A report of the statutory work was drafted in April 2018 by Sirios. A result interpretation report by Rémi Charbonneau Consultants-Inlandis, was delivered in May 2018. Sirios was the manager of the exploration program of this project until recently, and had applied the QA/QC procedures conformed to the industry standards

Budget and upcoming work – CHEECHOO-ELEONORE TREND

Description	State of progress	Period	Budget \$
Prospecting – phase 1	Completed	June-July 2017	96,330
Prospecting – phase 2	Completed	September 2017	45,185
Less June 2017 portion			(54,445)
Total Semester budget			87,070
<i>Total spent during the Semester</i>			104,437
To come			-

On April 26, 2018, a company to be created by a third party, agreed to acquire the Company's interest in the CET property for 300,000 common shares of this new company. All is conditional to a series of obligations to satisfy.

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Overall performance

Quarter ended March 31, 2018

Net loss for the quarter is \$133,311 (net profit of \$134,916 for the third quarter 2017) whereas expenses for the quarter totalled \$374,356 (\$153,369 for the third quarter 2017).

Analysis

- \$ 141,885 increase in *salaries* compared to last year: Included in this item is a severance payment to an employee.
- Increase in *Investor and Shareholders' Relations and Travel*: Some of the 2017 Vancouver Conference and 2017 PDAC expenses were recorded in advance last year.
- Increase in *Professional Fees*: Increase of legal fees by approximately \$11,000 (establishment of a governance committee and a conflict of interest policy) and external consultations concerning human resources.
- Increase in *Consulting Fees*: Hiring a part-time controller to replace an employee on maternity leave.
- *Training*: Established a training policy for geologists.
- Increase in *Rent Expenses* due to an increase in the leasable area of the Montreal office.
- Analysis of the non-monetary operations that does not require an outflow or an inflow of cash (positive: income and negative: expenditure):

	Quarter ended March 31, 2018 \$	Quarter ended March 31, 2017 \$
Deferred income taxes recovered	187,934	268,491
Change in fair value of listed shares	41,142	14,960
Amortization expenses	(21,208)	(3,459)

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Nine-month period ended March 31, 2018

Net loss for the period is \$400,001 (net profit of \$20,147 for the corresponding period last year) whereas expenses for the period totalled \$1,141,585 (\$1,253,169 for the corresponding period last year).

Analysis

- \$ 276,523 decrease in *Salaries and employee benefits expense* compared to last year: Included in this item is stock-based compensation of \$708,726 last year compared to \$299,500 this year. See the table below for items that do not require cash outflows. Salaries in 2018 increased mainly due to severance pay.
- Decrease in *Investor and Shareholders' Relations and Travel*: Contract of a marketing firm not renewed in 2017.
- *Training*: Established a training policy for geologists.
- Increase in *Rent Expenses* due to an increase in the leasable area of the Montreal office.
- Sponsorship and donations: Joining the *Consortium de recherche en exploration* minérale (CONSOREM) in the Second Quarter of 2018 and donation to the faculty of geology of UQAC.

Analysis of the non-monetary operations that do not require an exit or an inflow of cash (positive: income and negative: expenditure):

	Nine-month period ended March 31, 2018 \$	Nine-month period ended March 31, 2017 \$
Shares-based payments	(299,500)	(708,726)
Adjustment of ownership in equity-accounted investment	(2,751)	916,868
Share of loss from equity-accounted investment	(16,067)	(42,337)
Deferred income taxes recovered	491,845	301,950
Change in fair value of listed shares	221,757	79,087
Write-off of provision for compensation	-	132,240
Write-off of exploration and evaluation assets	-	(57,806)
Amortization	(35,668)	(8,963)

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Financial position

- Working capital increased by \$259,403 going from \$5,186,583 as at June 30, 2017 to \$5,445,986 as at March 31, 2018. The increase is mainly due to the private placement completed in August 2017 (see above) offset by exploration and administrative disbursements incurred during the period.
- Cash and term deposits totaled \$3,730,581 as at March 31, 2018 compared to \$3,758,776 as at June 30, 2017. The product of unspent funding related to flow-through financing totals \$81,546 as at March 31, 2018 to be spent before December 31, 2018. The Company is considered to be in the exploration stage, thus it is dependent on obtaining regular financing in order to continue exploration. Despite previous success in acquiring sufficient financing, there is no guarantee of obtaining any future financing.
- At March 31, 2018, Sirios has accrued \$145,828 in refundable tax credits related to exploration expenditures.

Related party transactions

Key management personnel of the Company are members of the Board of Directors, as well as the President and the Chief Financial Officer. For the Quarter, the compensation in salaries was \$80,747 (\$49,679 for the same period last year). An amount of \$16,207 (\$13,206 for the same period last year) was capitalized in exploration and evaluation assets. For the Nine-month period ended March 31, 2018, the compensation in salaries was \$465,450 (\$792,887 for the same period last year). Included in these amounts are share-based payments totaling \$237,500 (\$ 621,000 for the corresponding period last year). An amount of \$43,125 (\$41,258 for the same period last year) was capitalized in exploration and evaluation assets.

The Company's related parties include an associated company Pershimex Resources Corporation ("Pershimex"). During the nine-month period ended March 31, 2018, Sirios provided administrative services to Pershimex totaling \$46,609 (\$80,525 for the nine-month period ended March 31, 2017). These transactions occurred in the normal course of business and were measured at the exchange amount, which is the consideration established and agreed by the parties.

Until December 12, 2017, the investment in Pershimex was accounted for using the equity method. On that date, the Company lost its significant influence following the decrease in the percentage ownership of equity and voting rights, from 14.54% to 8.7%, as well as the significant change of members on the Board of Directors. The shares held are now recognized as a financial asset measured at fair value in the item *Listed shares* in the statement of financial position.

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Forward-looking information

See the forward-looking information in the 2017 Annual Management report.

Montreal, Quebec

May 9, 2018