



S I R I O S

SIRIOS RESOURCES INC.

TSX-V : SOI

**Management's Discussion and Analysis
Quarterly highlights
For the three-month period ended December 31, 2018**

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

This discussion and analysis should be read in conjunction with:

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

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

1. 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 December 31, 2018, there are 148,761,003 common shares of Sirios issued and outstanding.

2. Financing activities

On October 23, 2018, the Company completed a private placement for a total of \$175,000. In total, 875,000 shares were issued, at a price of \$0.20 as well as 437,500 warrants, at a price of \$0.26.

On October 24, 2018, 25,000 options were exercised at a price of \$0.12.

On November 23, 2018, the Company completed a flow-through private placement for a total of \$2,542,452. In total, 11,556,599 flow-through shares were issued, at a price of \$0.22. The management is required to fulfill its commitments within the prescribed periods of one year from the date of renouncement. The balance of the amount of this unexpended flow-through financing at December 31, 2018 is \$2,365,710 and is to be expended before December 31, 2019.

3. Investing activities

During the three-month period ended December 31, 2018 (the "Quarter"), the Company incurred \$773,577 in exploration expenses compared to \$2,402,913 for the same period in 2017.

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

Properties	Geology, prospecting \$	Transport, lodging \$	Geophysics, line-cutting \$	Geochemistry, analysis \$	Drilling \$	General expenses \$	Total \$
Aquilon	52,871	8,559	-	-	-	118	61,548
Cheechoo	291,490	135,900	-	102,918	-	136,481	666,789
Keoz	13,885	24,198	-	7,157	-	-	45,240
TOTAL	358,246	168,657	-	110,075	-	136,599	773,577

During the six-month period ended December 31, 2018 (the "Semester"), the Company incurred \$1,306,615 in exploration expenses compared to \$3,718,401 for the same period in 2017.

Analysis of the six-month period ended December 31, 2018

Properties	Geology, prospecting \$	Transport, lodging \$	Geophysics, line-cutting \$	Geochemistry, analysis \$	Drilling \$	General expenses \$	Total \$
Aquilon	122,281	9,384	-	156	-	118	131,939
Cheechoo	442,299	149,838	-	255,140	45,440	208,745	1,101,462
Pontax	16,711	6,885	-	-	-	-	23,596
33F06	-	2,856	-	-	-	-	2,856
Keoz	15,246	24,198	-	7,157	-	161	46,762
TOTAL	296,537	193,161	-	262,453	45,440	209,024	1,306,615

4. Exploration projects

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.

The technical data concerning the Cheechoo property that are included in this report have been revised by Dominique Doucet, engineer, President of Sirios and Jordi Turcotte, geologist, qualified persons, as defined by National Instrument 43-101. The technical data concerning the Aquilon property that are included in this report have been revised by Dominique Doucet. The technical data concerning the Keoz property that are included in this report have been revised by Dominique Doucet and Nicole Gauthier, geologist, exploration manager and a qualified person as defined by National Instrument 43-101. The reader is referred to the company's website (www.sirios.com) for further information on its exploration activities.

4.1 Cheechoo property

The Company owns 100% of the property which consists of 145 claims, covering 75 km² divided in two noncontinuous blocks (figure 1). It is located 320 km north of Matagami, in Quebec, and 13 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. 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.

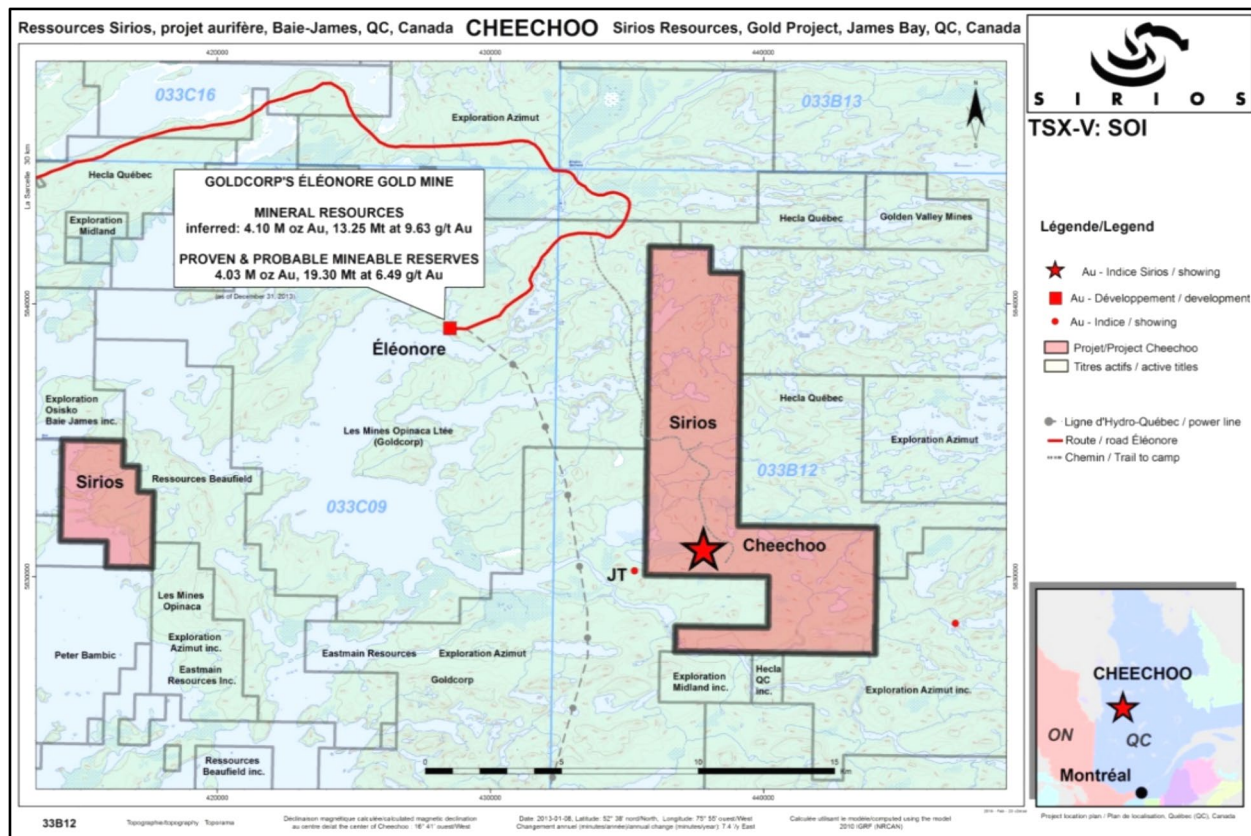


Figure 1: Localisation of the Cheechoo property

4.1.1 Fieldwork undertaken

The following fieldworks were completed during the trimester for a total amount of \$1,101,462:

1. Integration and interpretation of new assays results of several surveys.
2. Continuation of 3D modelling.
 - a. Emphasis on understanding structural controls on gold mineralization and guidance to generate a 3D geological model.
 - b. Beginning of a structural study of veins and pegmatites in relation to gold mineralization by postdoctoral researchers.
3. Design of protocols for new metallurgical tests and shipping of samples.
4. Prospecting and sampling of the mafic dyke area.
5. Planning of the winter 2019 drilling campaign.

All geological works were carried out by the Sirius' exploration team. The logistical support was provided by Services Technominex Inc. of Rouyn-Noranda.

4.1.2 Assays' results and data integration

During the period, the last results of 2018 surveys were received and integrated into the database. Those results were published on November 13 and December 5, 2018. The cumulative metres drilled on the property, through 198 surveys, totaled 50,450 metres. Survey's locations can be viewed at the following link : <https://storage.googleapis.com/sirios-www-media/1/2018/09/bdcdfc35-2012-2018ddh-localisation.jpg>

The holes intersected many significant gold intervals. The published gold intervals can be found on our website, <http://sirios.com/en/cheechoo/>. Gold mineralization consists of a large volume of low-grade with numerous high-grade zones inside it. The high-grade Jordi and Eclipse zones are the better defined currently. Gold mineralization extends south-southwest across the property.

4.1.3 3D modelling of gold mineralization

The 3D modelling is continuously evolving with the addition of results of last surveys during the period combined with the structural geology analysis from the logging data. The modeling and estimation of the volume of the different fold grades envelopes were carried out by Sirios' geologists. The next steps will be a statistical analysis and other procedures for a resource estimate to be performed by a qualified independent firm.

4.1.3.1 Structural field analysis by Sirios and a specialist consultant and 3D modeling

The objectives of this study were 1) to investigate the distribution and geometry of lithologies, folds and fault generations and their respective controls on gold distribution, 2) to define the continuity of mineralized zones and how they should be modeled, 3) provide guidance to the project geologist on the methodology used to generate a 3D geological model.

This structural analysis has modeled in 3D the low, medium and high-grade mineralized zones (Eclipse and Jordi zones), pegmatites, mafic dykes, tonalitic intrusion and metasediments.

4.1.3.2 Structural study of veins and pegmatites in relation to gold

A postdoctoral researcher, François Turlin, led by Dr. Michel Jébrak of UQAM began, during the last period, a study on the relation of vein systems, pegmatites and gold on the Cheechoo project. The study is currently carried out on a section of two surveys (#CH16-059 and #CH17-012) oriented N300° which crosses through the Cheechoo gold deposit. There are two objectives for this project: 1) to determine the gold potential on Cheechoo by an authentic method that has never been used in this mineralization context and 2) to better understand the unusual mineralization of Cheechoo, which is difficult to classify as a gold deposit.

This project is financed by Mitacs and Sirios. Mitacs is a national, not-for-profit organization that has designed and delivered research and training programs in Canada for 19 years. Working with 60 universities, 4,000 companies, and both federal and provincial governments, Mitacs builds partnerships that support industrial and social innovation in Canada.

4.1.4 Metallurgical tests

During the period, a call for tenders was issued to four laboratories for the execution of various metallurgical tests. COREM, from Quebec City was finally selected for the undertaking of these tests. Please refer to the press release of November 5th, 2018 for more details on this subject. Sirios' geological team visited COREM facilities in Quebec City last October 30th. Last November, 33 composite samples from three PQ* surveys (#195, 197 and 198) representing low and high mineralization were sent to the COREM laboratory. Phase 1 testing should be completed in early March.

* The diameter of a PQ drill core is 8.5 cm whereas it is 4.76 cm for the NQ.

4.1.5 Prospecting and sampling of the mafic dyke sector

Prospecting and channel sampling were conducted during the period in the mafic Dyke showing area located on the northwestern extension of the main sector. This work has significantly increased the size of the showing. The significant results are: *0.78 g/t Au over 7.5 m; 1.4 g/t Au over 2.7 m; 1.6 g/t Au over 2.9 m; 3.05 g/t Au over 4.4 m*

(including 11.4 g/t Au over 1.1 m) and 0.58 g/t Au over 5.7 m. Surveys have been planned in the area for the next phase of drilling.

4.1.6 *Planning of the winter 2019 drilling campaign*

More than forty surveys have been planned for a minimum of 10,000 metres. The surveys will be divided into five sectors as indicated on the Company's website at www.sirios.com. Five to six holes are planned in each of the Principal and North Contact sectors while a dozen should be performed in each of the mafic dyke, Echo and Eclipse sectors. The drilling campaign is ongoing as of this report's release date.

4.1.7 *Estimated resources on Cheechoo*

During the period, a call for tenders was issued for a first Mineral Resource Estimate and a NI 43-101 compliant Technical Report. Delivery of this estimate is scheduled for 2019.

4.2 Aquilon property

The compilation and integration of all data from previous years into the database has been completed recently. This compilation involved a field intervention during the period to georeferenced the known showings, the casings of the poll are still in place as well as the old grid of localization (cut lines). A drone was used to take photos to precisely locate trenches or stripping and the limits of certain claims. The integration of these data in a 3D modeling software is now in progress. The 3D model will soon allow us to establish an optimal exploration program for this property.

4.3 Keoz property

A reconnaissance survey program was conducted on the Keoz property in October by a team of two Sirios' geologists and two technicians. The team was based at the Eleonore mine and was transported by helicopter. About fifty rock and channel samples were collected. All results have been received and only a few samples had little gold anomaly.

5. Overall performance

Quarter ended December 31, 2018 (3 months)

Net loss for the quarter is \$454,689 (\$203,828 for the same period in 2017) whereas expenses for the quarter totalled \$344,448 (\$291,290 for the same period in 2017).

Analysis

- Increase in *Salaries and employee benefit expenses* due to salary increases;
- Increase in *Investors and shareholders' relations* due to the promotion made by the president during the quarter more important than last year;
- Decrease in *Consulting fees*: last year the Company hired a part-time controller to replace the Company's controller who was on maternity leave;
- Decrease in *Training*: no training was made during the quarter in comparison with last year.

Analysis of the non-monetary operations that does not require an outflow or an inflow of cash

	Quarter ended December 31, 2018 \$	Quarter ended December 31, 2017 \$
Share-based payments	(119,600)	(299,250)
Deferred income taxes recovered	56,236	212,017
Change in fair value of listed shares	(47,004)	173,135
Amortization of property and equipment	(4,611)	(7,076)
Adjustment of ownership in equity-accounted investment	-	(2,751)
Share of loss from equity-accounted investment	-	(2,790)

Semester ended December 31, 2018 (6 months)

Net loss for the semester is \$910,841 (\$266,690 for the same period last year) whereas expenses for the semester totalled \$546,135 (\$523,518 for the same period last year).

Analysis

- Increase in *Investors and shareholders' relations* due to the promotion made by the president during the quarter more important than last year;
- Decrease in *Consulting fees*: last year the Company hired a part-time controller to replace the Company's controller who was on maternity leave;
- Decrease in *Training*: no training was made during the quarter in comparison with last year;
- Increase in *Salaries and employee benefit expenses* due to salary increases.

Analysis of the non-monetary operations that does not require an outflow or an inflow of cash

	Semester ended December 31, 2018 \$	Semester ended December 31, 2017 \$
Share-based payments	(119,600)	(299,250)
Deferred income taxes recovered	56,236	303,911
Change in fair value of listed shares	(305,403)	180,615
Amortization of property and equipment	(9,234)	(14,461)
Adjustment of ownership in equity-accounted investment	-	(2,751)
Share of loss from equity-accounted investment	-	(16,067)

6. Financial position

- Working capital decreased by \$582,762, going from \$3,825,777 on June 30, 2018 to \$3,243,015 on December 31, 2018. The decrease can be explained by the decrease of the value of listed shares, as well as the reception of a tax credit less administrative and exploration expenses during the period;
- Cash and term deposits totalled \$2,793,074 on December 31, 2018 in comparison with \$1,396,704 on June 30, 2018;
- The product of unspent funding related to flow-through financings is \$2,365,710 to spent before December 31, 2019. 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;
- On December 31, 2018, Sirios has accrued \$886,860 in refundable tax credits related to exploration expenditures.

7. 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 ended December 31, 2018, the compensation in salaries was \$203,102 (\$325,521 for the same period last year). Included in these amounts are share-based payments totaling \$110,000 (\$237,500 for the same period last year). An amount of \$19,092 (\$14,519 for the same period last year) was capitalized in *Exploration and evaluation assets*. For the semester ended December 31, 2018, the compensation in salaries was \$263,982 (\$384,703 for the same period last year). Included in these amounts are share-based payments totaling \$110,000 (\$237,500 for the same period last year). An amount of \$31,458 (\$26,918 for the same period last year) was capitalized in *Exploration and evaluation assets*.

Until December 12, 2017, related parties also included an associated company. During the semester ended December 31, 2017, (last year's period), Sirios provided administrative services to this company totaling \$46,025. 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.

Montreal, Quebec.
February 12, 2019.