



SIRIOS RESOURCES INC.
TSX-V: SOI

Interim Financial Statements (unaudited)

SEPTEMBER 30, 2019

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The attached interim financial statements have been prepared by Sirios Resources Inc. and its external auditors have not been reviewed these financial statements.

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SIRIOS RESOURCES INC.

Interim Statement of Financial Position (unaudited)

(in Canadian dollars)

	Notes	September 30, 2019	June 30, 2019
		\$	\$
ASSETS			
Current			
Cash		346,294	301,569
Term deposits	4	50,950	50,950
Other receivables	5	64,468	64,468
Listed shares		340,388	455,476
Good and services tax receivable		94,540	117,151
Tax credits receivable		468,122	1,252,763
Prepaid expenses		206,134	291,042
		1,570,896	2,533,419
Non current			
Property and equipment	6	1,020,184	1,022,682
Exploration and evaluation assets	7	26,093,026	25,371,544
Total assets		28,684,106	28,927,645
LIABILITIES			
Current			
Trade and other payables		333,585	240,046
Other liabilities		-	119,972
		333,585	360,018
Non current			
Future tax liabilities		1,030,494	1,025,996
Total liabilities		1,364,079	1,386,014
EQUITY			
Share capital	9.1	46,313,259	46,313,259
Contributed surplus		4,032,711	4,032,711
Deficit		(23,025,943)	(22,804,339)
Total equity		27,320,027	27,541,631
Total liabilities and equity		28,684,106	28,927,645

The accompanying notes are an integral part of the interim financial statements.

These interim financial statements were approved and authorized by the Board of Directors on November 19, 2019.

(signed) Dominique Doucet

 Dominique Doucet, President

(signed) Luc Cloutier

 Luc Cloutier, Director

SIRIOS RESOURCES INC,
Interim Statement of Comprehensive Loss (unaudited)

(in Canadian dollars)

	Notes	Three-month period ended	
		September 30,	
		2019	2018
		\$	\$
EXPENSES			
Investors and shareholders' relations		96,967	34,465
Salaries and employee benefits expenses	10.1	86,726	71,267
Professional fees		38,436	43,923
Rent expenses		20,550	21,740
Amortization of property and equipment		5,685	4,623
Trustees and registration fees		5,415	1,678
Office expenses		4,890	4,010
Publicity and sponsorship		2,899	7,041
Insurances, taxes and permits		1,678	1,735
Bank charges		426	584
Consulting fees		-	15,244
OPERATIONAL LOSS		263,672	206,310
OTHER REVENUES AND EXPENSES			
Finance costs	11	(79,608)	(261,849)
Finance income	11	8,948	12,007
		(70,660)	(249,842)
LOSS BEFORE INCOME TAX		(334,332)	(456,152)
Deferred income taxes		114,742	-
NET LOSS AND COMPREHENSIVE LOSS		(219,590)	(456,152)
NET LOSS PER SHARE - basic and diluted	12	(0.001)	(0.003)

The accompanying notes are an integral part of the interim financial statements.

SIRIOS RESOURCES INC.

Interim Statement of Changes in Equity (unaudited)

(in Canadian dollars)

	Equity	Contributed surplus	Deficit	Total Equity
	\$	\$	\$	\$
As of July 1st, 2018	42,909,356	3,820,961	(21,759,537)	24,970,780
Net loss and comprehensive loss	-	-	(456,152)	(456,152)
As of September 30, 2018	42,909,356	3,820,961	(22,215,689)	24,514,628
As of July 1st, 2019	46,313,259	4,032,711	(22,804,339)	27,541,631
Net loss and comprehensive loss	-	-	(219,590)	(219,590)
Issuance costs of shares (a)	-	-	(2,014)	(2,014)
As of September 30, 2019	46,313,259	4,032,711	(23,025,943)	27,320,027

(a) Net of a deferred tax assets of an amount of \$732.

The accompanying notes are an integral part of the interim financial statements.

SIRIOS RESOURCES INC.
Interim Statement of Cash Flows (unaudited)

(in Canadian dollars)

	Notes	Three-month period ended	
		September 30,	
		2019	2018
		\$	\$
OPERATING ACTIVITIES			
Net loss		(219,590)	(456,152)
Adjustments			
Amortization of property and equipment		5,685	4,623
Change in fair value of listed shares		79,608	258,399
Deferred income taxes		(114,742)	-
Changes in working capital items	13	5,254	(125,306)
Cash flows from operating activities		(243,785)	(318,436)
INVESTING ACTIVITIES			
Tax credits received		784,641	1,085,428
Disposal of listed shares		35,480	-
Additions to property and equipment		(116,537)	(1,356)
Additions to exploration and evaluation assets		(412,329)	(456,203)
Cash flows from investing activities		291,255	627,869
FINANCING ACTIVITIES			
Issuance costs of shares		(2,745)	-
Payment on obligation under finance lease		-	(17,929)
Cash flows from financing activities		(2,745)	(17,929)
NET CHANGE ON CASH		44,725	291,504
CASH, BEGINNING OF THE PERIOD		301,569	1,346,704
CASH, END OF THE PERIOD		346,294	1,638,208
Supplementary information			
Interests paid related to operating activities		-	3,450
Interests received related to operating activities		8,948	12,007

The accompanying notes are an integral part of the interim financial statements.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the three-month period ended September 30, 2019 (unaudited)

(in Canadian dollars)

1. NATURE OF OPERATIONS

Since its creation in 1994, Sirios Resources Inc.'s ("Sirios" or "the Company") 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 Company is incorporated under the Canada Business Corporations Act. The address of the Company's registered office and its principal place of business 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".

2. SUMMARY OF ACCOUNTING POLICIES

Basis presentation

These interim financial statements of the Company were prepared in accordance with IFRS, as issued by the International Accounting Standards Board (IASB) under International Accounting Standard (IAS) 34 - Interim Financial Reporting. These interim financial statements were prepared using the same basis of presentation, accounting policies and methods of computations outlined in Note 4, SUMMARY OF ACCOUNTING POLICIES, as described in our financial statements for the year ended June 30, 2019. The interim financial statements do not include all of the notes required in annual financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company. Management anticipates that all of the pronouncements will be adopted on the Company's accounting policies for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have an impact on the Company's financial statements.

IFRS 16, Operating lease agreement

IFRS 16 will replace IAS 17 'Leases' lease accounting. Leases will be recorded in the statement of financial position in the form of a right-of-use asset and a lease liability. There are two important reliefs provided by IFRS 16 for assets of low value and short-term leases of less than 12 months.

IFRS 16 is effective from periods beginning on or after January 1st, 2019.

Management is in the process of assessing the full impact of the standard. So far, the Company:

- has decided to make use of the practical expedient not to perform a full review of existing leases and apply IFRS 16 only to new or modified contracts;
- concludes that there will not be a significant impact to the financial statements of the Company because, as September 30, 2019, it has only one lease, ending on June 30, 2020. As at September 30, 2019, future minimum lease payments amount to \$54,108.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the three-month period ended September 30, 2019 (unaudited)

(in Canadian dollars)

2. SUMMARY OF ACCOUNTING POLICIES (cont'd)

The Company is planning to adopt IFRS 16 on July 1st, 2019 using the Standard's modified retrospective approach. Under this approach the cumulative effect of initially applying IFRS 16 is recognised as an adjustment to equity at the date of initial application. Comparative information is not restated.

3. JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing the financial statements, management undertakes a number of judgments, estimations and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimations and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimations and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Significant management judgment

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

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.

Impairment of property and equipment

Evaluation facts and circumstances that demonstrate the existence of any indication that an asset may have depreciated or recover in value is a subjective process that involves judgment and often a number of estimates and assumptions.

As at September 30, 2019 and June 30, 2019, no impairment was recorded on property and equipment.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are provided below. Actual results may be substantially different.

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.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the three-month period ended September 30, 2019 (unaudited)

(in Canadian dollars)

3. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

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 is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

For the three-month period ended September 30, 2019 and 2018, there were no impairment. No reversal impairment losses has been recognized for the reporting periods.

There was no testing impairment required during the period on properties, the Company has the capacity to keep these properties because it 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.

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.

4. TERM DEPOSIT

Term deposit presented in the interim statement of financial position (\$50,950 on September 30, 2019 and June 30, 2019) is redeemable annually, bearing interest at 2.15% and maturing in June 2023.

5. OTHER RECEIVABLES

	September 30, 2019	June 30, 2019
	\$	\$
Receivable from listed companies	64 468	64 468

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the three-month period ended September 30, 2019 (unaudited)

(in Canadian dollars)

6. PROPERTY AND EQUIPMENT

	Leasehold improvements	Vehicles	Exploration camp and equip.	Office furniture	Computer equipment	Total
	\$	\$	\$	\$	\$	\$
Gross carrying amount						
Balance on July 1st, 2019	3 388	31 846	1 512 960	36 683	119 318	1 704 195
Additions	-	-	116 537	-	-	116 537
Balance on September 30, 2019	3 388	31 846	1 629 497	36 683	119 318	1 820 732
Accumulated amortization						
Balance on July 1st, 2019	1 084	11 603	524 438	36 683	107 705	681 513
Amortization	170	1 601	111 749	-	5 515	119 035
Balance on September 30, 2019	1 254	13 204	636 187	36 683	113 220	800 548
Carrying amount on September 30, 2019	2 134	18 642	993 310	-	6 098	1 020 184

All amortization expenses are presented in *Amortization of Property and equipment* except for *Exploration camps and equipment* and *Vehicles*, where the expense is presented in *Exploration and evaluation assets*.

7. EXPLORATION AND EVALUATION ASSETS

<i>Mining rights</i>	June 30, 2019	Additions	September 30, 2019
	\$	\$	\$
(a) Aquilon	908 598	-	908 598
(b) Cheechoo	1 007 012	-	1 007 012
(c) Cheechoo-extension	4 674	-	4 674
(d) Pontax	262 090	-	262 090
(e) Goldorak	17 075	-	17 075
(f) Amikap	25 093	-	25 093
(g) 39	5 791	-	5 791
(h) Tilly 2	4 407	-	4 407
(i) Keoz	1	-	1
	2 234 741	-	2 234 741

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the three-month period ended September 30, 2019 (unaudited)

(in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (cont'd)

<i>Exploration and evaluation expenses</i>	June 30,	Additions	Tax credits	September 30,
	2019			2019
	\$	\$	\$	\$
(a) Aquilon	1 542 026	102 258	(192)	1 644 092
(b) Cheechoo	18 952 303	506 705	(9 418)	19 449 590
(d) Pontax	2 641 617	-	-	2 641 617
(e) Goldorak	461	42 903	-	43 364
(f) Amikap	396	39 373	-	39 769
(g) 39	-	30 151	-	30 151
(h) Tilly 2	-	9 702	-	9 702
	23 136 803	731 092	(9 610)	23 858 285
TOTAL	25 371 544	731 092	(9 610)	26 093 026

(a) Aquilon

This 140-claim gold property, owned at 100%, is located near LA-1 hydro-electric complex in the James Bay area (Qc) and is fully owned by the Company since August 2016.

Soquem Inc. retains a 1% NSR royalty, half of which is redeemable for \$500,000.

(b) Cheechoo

The Cheechoo gold project consists of 145 claims owned at 100% by the Company. The property covers 7,400 acres in two distinct blocks adjoining the Eleonore gold deposit owned by Newmont Goldcorp Inc. It is located at approximately 13 km east of the discovery area of the Eleonore mine which is itself located 320 km north of Matagami (Qc).

Golden Valley Mines Ltd. will retain a royalty on gold production ranging from 2.5% to 4% NSR, depending on the gold price and 4% NSR on the production of any other minerals.

(c) Cheechoo-extension

The project, owned at 100%, consists of 11 claims in the James Bay area (Qc). It is located about 15 km southwest of the Eleonore gold deposit owned by Newmont Goldcorp and is adjacent to the west block of the Cheechoo property.

(d) Pontax

The property, owned at 100% by the Company, consists of 77 claims, divided in two-continuous blocks of 69 and 8 claims. It is located in James Bay (Qc), approximately 350 km north of Matagami.

(e) Goldorak

The property, owned at 100%, consists of 115 claims in the James Bay area (Qc) located about 15 km northwest of the 33F06 property.

(f) Amikap

The property, owned at 100%, consists of 169 claims in the James Bay area (Qc) located about 70 km north of the Cheechoo property.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the three-month period ended September 30, 2019 (unaudited)

(in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS (cont'd)

(g) 39

The property, owned at 100%, consists of 39 claims in the James Bay area (Qc).

(h) Tilly 2

The property, owned at 100%, consists of 26 claims in the James Bay area (Qc).

(i) Keoz

The property, owned at 100%, consists of 66 claims in the James Bay area (Qc) located about 70 km north of the Cheechoo property.

8. OPERATING LEASE

The Company's future minimum operating lease payments are as follows:

	Minimum lease payment due		
	Within 1 year	1 to 4 years	Total
	\$	\$	\$
September 30, 2019	54 108	-	54 108
June 30, 2019	72 144	-	72 144

The Company leases its office under a lease expiring June 30, 2020.

Lease payments recognized as an expense during the three-month period amounts to \$20,550 (\$21,740 on September 30, 2018). This amount consists of minimum lease payment.

9. EQUITY

9.1 Share capital

The share capital of the Company consists of fully paid common and preferred shares.

Authorized

Unlimited number of common shares without par value, voting, participating, dividend as declared by the Board of Directors.

Unlimited preferred shares, issuable in one or several series, composed of the number of shares, rights, liens, conditions and restrictions as determined before issuance by resolutions of directors of the Company, without par value. The preferred shares, series A, are redeemable at the Company's option at their issuance price, non-voting and not entitled to dividends.

	Number of shares	
	Three-month period ended September 30,	
	2019	2018
Common shares issued and fully paid at beginning and at the end of the period	156 213 503	136 304 404
Preferred shares, Serie A	100 000	100 000

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the three-month period ended September 30, 2019 (unaudited)

(in Canadian dollars)

9.2 Warrants

Outstanding warrants entitle their holders to subscribe to an equivalent number of ordinary shares, as follows:

	Three-month period ended September 30, 2019		Year ended June 30, 2019	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Balance, at beginning	2 225 000	0,29	666 666	0,45
Issued	-	-	2 225 000	0,29
Exercised	-	-	-	-
Expired	-	-	(666 666)	(0,45)
Balance, at the end	<u>2 225 000</u>	<u>0,29</u>	<u>2 225 000</u>	<u>0,29</u>

The number of outstanding warrants which could be exercised for an equivalent number of common shares is as follows:

Expiration date	September 30, 2019	
	Number of warrants	Exercise price
		\$
October 22, 2020	437 500	0,26
November 8, 2020	1 287 500	0,30
December 18, 2020	500 000	0,30
	<u>2 225 000</u>	<u>0,29</u>

10. EMPLOYEE REMUNERATION

10.1 Salaries and employee benefit expenses

Salaries and employee benefit expenses recognized are analyzed below:

	Three-month period ended September 30,	
	2019	2018
	\$	\$
Salaries and benefits	247 630	291 724
Share-based payments	-	-
	<u>247 630</u>	<u>291 724</u>
Less: salaries and share-based payments capitalized in Exploration and evaluation assets	(160 904)	(220 457)
Salaries and employee benefit expenses	<u>86 726</u>	<u>71 267</u>

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the three-month period ended September 30, 2019 (unaudited)

(in Canadian dollars)

10.2 Share-based payments

The Company has a share-based payments plan for eligible directors, officers, employees, consultants and service suppliers of investors' relations. The most important terms of the plan are as follows:

- i) the maximum number of shares that may be issued under the plan is limited to 10% of the issued shares at the time of the grant of the option, maximum of 15,621,350 on September 30, 2019 (maximum of 15,621,350 on June 30, 2019);
- ii) the maximum number of shares that can be reserved for a beneficiary is limited to 5% of issued and outstanding shares;
- iii) the maximum number of shares that can be reserved for a consultant during a 12-month period is limited to 2% of issued and outstanding shares;
- iv) the maximum number of shares that can be reserved for a supplier of investors' relation services during any 12-month period is limited to 2% of issued and outstanding shares; moreover, the options granted maybe exercised by steps over a period of 12 months after the grant, at the rate of 25% per quarter;
- v) the options granted to directors, officers, employees and consultants may be exercised entirely at the date of the grant.

The options' term cannot exceed ten years. The option exercise price is established by the Board of Directors and may not be lower than the market price of the common shares at the time of the grant.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

The Company's share options are as follow for the period presented:

	Three-month period ended		Year ended June 30, 2019	
	September 30, 2019			
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Outstanding, at the beginning	8 590 000	0,31	7 790 000	0,30
Granted	-	-	2 300 000	0,22
Exercised	-	-	(325 000)	(0,12)
Expired or cancelled	-	-	(1 175 000)	(0,16)
Outstanding, at the end	<u>8 590 000</u>	<u>0,31</u>	<u>8 590 000</u>	<u>0,31</u>

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the three-month period ended September 30, 2019 (unaudited)

(in Canadian dollars)

10.2 Share-based payments (cont'd)

The table below summarizes the information related to outstanding share options:

Range of exercise price	September 30, 2019	
	Number of options	Remaining life (years)
From \$0 to \$0.35	6 165 000	2,99
From \$0.36 to \$0.70	2 425 000	2,15
	<u>8 590 000</u>	

No share-based payments was recorded for the three-month period ended September 30, 2019 (no share-based payments for the three-month period ended September 30, 2018).

11. FINANCE COSTS AND INCOME

Finance costs can be analyzed as follow for the reporting periods presented:

	Three-month period ended September 30,	
	2019	2018
	\$	\$
Change in fair value of listed shares	(79 608)	(258 399)
Interests on trade accounts	-	(95)
Interests on finance lease payments	-	(3 355)
	<u>(79 608)</u>	<u>(261 849)</u>

Finance income can be analyzed as follow for the reporting periods presented:

	Three-month period ended September 30,	
	2019	2018
	\$	\$
Interests income from cash and term deposit	8 948	4 741
Interests income from other receivables	-	7 266
	<u>8 948</u>	<u>12 007</u>

12. LOSS PER SHARE

In calculating the diluted loss per share, dilutive potential common shares such as share options and warrants have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in Notes 9.2 and 10.2.

Both the basic and diluted loss per share have been calculated using the net loss as a numerator, i.e. no adjustment to the net loss was necessary in 2019 and 2018.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the three-month period ended September 30, 2019 (unaudited)

(in Canadian dollars)

12. LOSS PER SHARE (cont'd)

	Three-month period ended September 30,	
	2019	2018
Net loss	(219 590) \$	(456 152) \$
Weighted average number of shares	156 213 503	136 304 404
Basic and diluted loss per share	(0,001) \$	(0,003) \$

13. ADDITIONAL INFORMATION - CASH FLOWS

The change in working capital items are detailed as follows:

	Three-month period ended September 30,	
	2019	2018
	\$	\$
Other receivables	-	4 151
Good and services tax receivable	22 611	188 985
Prepaid expenses	84 908	6 655
Trade and other payables	(102 265)	(325 097)
	<u>5 254</u>	<u>(125 306)</u>

Non-monetary operations in the statement of financial position are as follows:

	Three-month period ended September 30,	
	2019	2018
	\$	\$
Tax credits receivable credited to exploration and evaluation assets	9 610	-
Trades related to exploration and evaluation assets	195 804	67 869
Amortization of property and equipment included in exploration and evaluation assets	113 350	32 131

14. RELATED PARTY TRANSACTIONS

The Company's related parties includes its key management personnel. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled in cash.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the three-month period ended September 30, 2019 (unaudited)

(in Canadian dollars)

14.1 Transactions with key management personnel

The remuneration of the Company's key management personnel and members of the Board of Directors includes the following expenses:

	Three-month period ended September 30,	
	2019	2018
	\$	\$
Salaries and benefits	64 668	60 880
Share-based payments	-	-
Total remuneration	64 668	60 880

For the three-month period ended September 30, 2019, an amount of \$13,031 of salaries and benefits was recorded in *Exploration and evaluation assets* (\$12,366 for the three-month period ended September 30, 2018).

15. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- To ensure the Company's ability to continue as a going concern;
- To increase the value of the assets of the business; and
- To provide an adequate return to shareholders.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flows, either with partners or by the Company's own means.

The Company monitors capital on the basis of the carrying amount of equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues flowthrough shares for which an amount should be used for exploration work. See all details in Notes 13.1 and 23.

The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its activities or may slow its activities until conditions improve.

16. CONTINGENCIES AND COMMITMENTS

The Company is partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Company is engaged in realizing mining exploration work.

These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- Two years following the flow-through placement;
- One year after the Company has renounced the tax deductions relating to the exploration work.

However, there is no guarantee that the Company's exploration expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in the regard. Refusal of certain expenses by the tax authorities could have a negative tax impact for investors.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the three-month period ended September 30, 2019 (unaudited)

(in Canadian dollars)

16. CONTINGENCIES AND COMMITMENTS (cont'd)

As at September 30, 2019 and 2018, the product of unspent funding related to flow-through financings is nil.

17. SUBSEQUENT EVENTS

- (a) On October 18, 2019, the Company completed the closing of a private placement for a total of \$1,480,000. It was composed of 7,400,000 units. The unit, offered at \$0.20, was composed of one common share and half a warrant. In total, 7,400,000 shares, as well as, 3,700,000 warrants were issued. Each warrant entitled its holder to subscribe for one common share at \$0.30 per share for a period of eighteen months.
- (b) On October 23, 2019, 125,000 options were exercised. An amount of \$12,500 was received and an amount of \$7,500, representing the fair value of the options at the time of the issue, were recorded as an increase in share capital.