



S I R I O S

SIRIOS RESOURCES INC.

TSX-V: SOI

**Management's Discussion and Analysis
Quarterly highlights
For the six-month period ended December 31, 2019**

This quarterly Management Discussion and Analysis, dated February 11, 2020, highlights Sirios Resources Inc.'s ("the Company" or "Sirios") operations and constitutes management's review of the factors that affected the Company's financial operating performance for the six-month period ended December 31, 2019.

This discussion and analysis should be read in conjunction with:

- The December 31, 2019 unaudited interim financial statements;
- The 2019 Annual Management report;
- The Company's audited financial statements for the years ended June 30, 2019 and 2018.

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, 2019, there are 172,158,525 common shares of Sirios issued and outstanding.

2. Financing activities

On October 18, 2019, the Company completed a private placement for a total of \$1,480,000. In total, 7,400,000 shares were issued at a price of \$0.30 as well as 3,700,000 warrants.

On October 23, 2019, 125,000 options were exercised at a price of \$0.10.

On November 19, 2019, 150,000 options were exercised at a price of \$0.10 and 40,000 options at a price of \$0.12.

On November 20, 2019, 70,000 options were exercised at a price of \$0.10.

On November 25, 2019, 55,000 options were exercised at a price of \$0.10.

On December 20, 2019, the Company completed a flow-through private placement for a total of \$1,781,125. In total, 7,744,022 flow-through shares were issued, at a price of \$0.23. The management is required to fulfill its commitments within the prescribed period of one year from the date of renouncement. The balance of the amount of this flow-through financing at December 31, 2019 is \$1,815,891 and is to be expended before December 31, 2020.

On December 20, 2019, the Company completed a flow-through private placement for a total of \$64,980. In total, 361,000 flow-through shares were issued, at a price of \$0.18. The management is required to fulfill its commitments within the prescribed period of one year from the date of renouncement. The balance of the amount of this flow-through financing at December 31, 2019 is \$64,980 and is to be expended before December 31, 2020.

3. Investing activities

During the three-month period ended December 31, 2019 (the "Quarter"), the Company incurred \$656,083 in exploration expenses compared to \$773,577 for the same period in 2018.

The Company has changed the categories in the following table to better represent the breakdown of exploration expenses incurred.

Analysis of the three-month period ended December 31, 2019

	Aquilon	Cheechoo	Goldorak	Amikap	Niska	TOTAL
Geology	38,426	116,569	20	-	3,353	158,368
Geochemistry	2,621	-	-	-	-	2,621
Geophysics	-	-	-	-	-	-
Surveying	2,807	88,629	-	-	-	91,436
Property evaluation	-	-	1,921	542	542	3,005
Stripping /Excavation	-	-	-	-	-	-
Bulk sampling	-	2,292	-	-	-	2,292
Technical evaluation	-	61,580	-	-	-	61,580
Other*	11,378	325,178	225	-	-	336,781
Total	55,232	594,248	2,166	542	3,895	656,083

* An amount of \$226,570, included in the "Other" category, does not constitute an outflow of money. It is mainly composed of the charge for the granting of stock options as well as the amortization charge.

During the six-month period ended December 31, 2018, the Company incurred \$1,387,174 in exploration expenses compared to \$1,306,615 for the same period in 2018.

Analysis of the six-month period ended December 31, 2019

	Aquilon	Cheechoo	Goldorak	Amikap	Niska	Tilly 2	TOTAL
Geology	126,382	266,190	40,355	37,623	30,291	9,702	510,543
Geochemistry	2,621	-	-	-	-	-	2,621
Geophysics	-	-	-	-	-	-	-
Surveying	2,807	160,170	-	-	-	-	162,977
Property evaluation	-	-	2,703	542	3,755	-	7,000
Stripping /Excavation	-	2,783	-	-	-	-	2,782
Bulk sampling	-	2,292	-	-	-	-	2,292
Technical evaluation	-	128,307	-	-	-	-	128,307
Other*	25,681	541,209	2,011	1,750	-	-	570,651
Total	157,491	1,100,951	45,069	39,915	34,046	9,702	1,387,174

* An amount of \$339,920, included in the "Other" category, does not constitute an outflow of money. It is mainly composed of the charge for the granting of stock options as well as the amortization charge.

4. Exploration projects

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. Information for the Aquilon property that are included in this report have been revised by Roger Moar, Geologist, also a qualified person. Information for the 39 property that are included in this report have been revised by Dominique Doucet. Projects are located in figure 1.

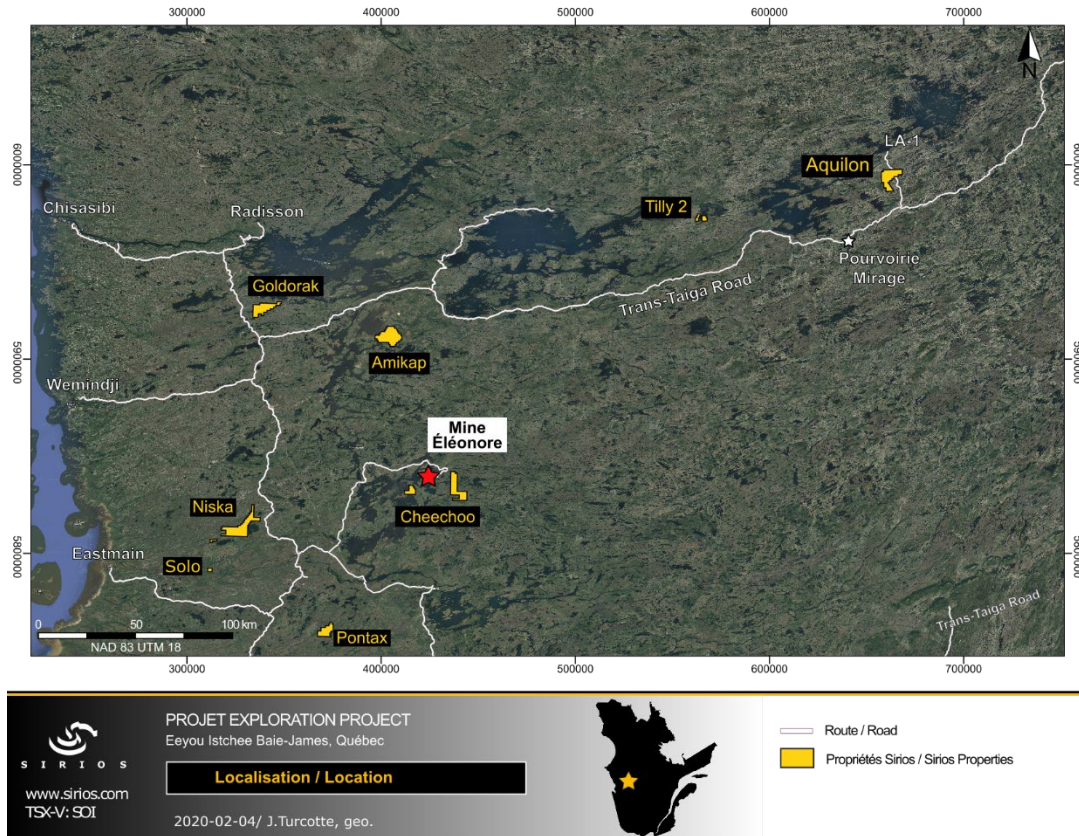


Figure 1: Localisation of Sirios' projects

4.1 Cheechoo property

The Company owns 100% of the property which consists of 156 claims covering 81 km² divided in two non-contiguous blocks (figure 1). It is located 320 km north of Matagami in Quebec, and 13 km east of the Eleonore gold mine of Newmont Inc. The main block of 121 claims, located in the 33B12 NTS sheet, is adjacent to the east of the Eleonore mine. The second block of 35 claims is located in the 33C09 NTS sheet and at around 20 km west of the main block. Golden Valley Mines Ltd. retains a royalty on all claims, except for 11 claims of the second block. This net smelter return royalty is 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 would be 3% for a gold price per ounce between \$1,200 and \$2,400.

4.1.1 Executed work

The following were executed during the period for a total amount of \$594,248:

1. Resource estimate
2. Metallurgical tests
3. Characterization of wetlands
4. Permit application and fieldwork planning

4.1.2 Resource estimate

Results of the first resource estimate for the Cheechoo property were released on December 11, 2019 (see Table 1). The final 43-101 resource estimate report produced by the independent consulting firm BBA was released to the public on January 28, 2019. It is available on SEDAR and on the Sirius website.

Classification	Tonnage	Grade	Ounces
	(t)	Au (g/t)	Au (oz)
Inferred Resources	71,000,000	0.69	1,600,000

Table 1: Pit-constrained inferred mineral resource estimate for the Cheechoo project

Notes on the table of mineral resources:

1. The independent qualified person for the 2019 MRE, as defined by NI 43-101 guidelines, is Pierre-Luc Richard, P. Geo., of BBA Inc. The effective date of the estimate is December 6, 2019.
2. These mineral resources are not mineral reserves as they do not have demonstrated economic viability. The quantity and grade of reported Inferred resources in this MRE are uncertain in nature and there has been insufficient exploration to define these resources as Indicated or Measured; however, it is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
3. Resources are presented as undiluted and pit constrained scenario and are considered to have reasonable prospects for economic extraction. Although calculated cut-off grades range from 0.28 g/t Au to 0.29 g/t Au, a cut-off grade of 0.30 g/t Au was used for the MRE. The pit optimization was done using Deswik mining software version 2019.3.491. The constraining pit shell was developed using pit slopes of 45 to 50 degrees in hard rock and 26 degrees in overburden. The cut-off grade and pit optimization were calculated using the following parameters (amongst others): Gold price = USD1,300; CAD:USD exchange rate = 1.30; Hard Rock Mining cost = \$2.60/t mined with incremental bench costs of \$0.05 per 10 m bench; Overburden Mining Cost = \$3.50/t mined; Mining Recovery = 95%; Mining dilution = 5% at 0 g/t Au; Metallurgical Recovery varying from 85% to 88%; Processing cost = \$10.00/t processed; G&A = \$2.94/t processed; Royalty of 3%; and Refining and Transportation cost = \$5.00/oz. The conceptual pit-constrained resource has a 1.1:1 stripping ratio. The cut-off grade will be reevaluated in light of future prevailing market conditions and costs.
4. The MRE was prepared using Geovia® GEMS 6.8.2 and is based on 270 surface drillholes and 385 surface channel samples, with a total of 47,363 assays. The resource database was validated before proceeding to the resource estimation. Grade model resource estimation was calculated from drillhole data using an OK interpolation method in a block model using blocks measuring 10 m x 10 m x 10 m in size. The cut-off date for drillhole database was March 20, 2019.
5. The model comprises 37 mineralized zones (which have a minimum thickness of 3 m), five lithological units and one low-grade mineralized body mostly included in the tonalite intrusive unit, each defined by drillholes' intercepts.
6. High-grade capping was done on the composited assay data and established on a per unit basis. Capping grades used vary from 5 g/t to 80 g/t Au and the use of restricted search ellipsoids was also used. A value of zero grade was applied in cases of core not assayed.
7. Fixed density values were established on a per unit basis, corresponding to the median of the SG data of each unit ranging from 2.65 to 2.71. A fixed density of 2.00 g/cm³ was assigned to the overburden.
8. The MRE presented herein is categorized as an Inferred Resource. The Inferred Mineral Resource category is defined for blocks that are informed by a minimum of two drillholes where drill spacing is less than 100 m for the mineralized intrusive-related mineralization. Where needed, some materials have been either upgraded or downgraded to avoid isolated blocks.
9. The number of tonnes (metric) and ounces were rounded to the nearest hundred thousand.
10. CIM definitions and guidelines for mineral resource estimates have been followed.
11. The author is not aware of any problem relating to the environment, permits, titles, legal, fiscal, socio-political or marketing, or of any other relevant problem not mentioned in this technical report which may have significant impact on the estimation of mineral resources.

4.1.3 Metallurgical tests

Phase II of the metallurgical tests was completed during the period. The final report is in preparation.

4.1.4 Characterization of wetlands

The wetlands characterization report produced by the Hémisphères firm was received on November 4, 2019.

4.1.5 Permits application and fieldwork planning

Planning and permit application for exploration work in 2020 are underway. A request for non-subjugation as well as a CDPNQ request (Presence of threatened or vulnerable flora or fauna species or likely to be so designated) were sent in order to obtain authorizations to build six trenches in the summer of 2020. A non-exclusive lease renewal request has also been sent to allow access to unconsolidated equipment required for the improvement of the road leading to the Cheechoo project.

4.2 Aquilon property

The compilation work in progress in the previous period has been finalized. The report on the work accomplished on Aquilon will be completed before the end of February 2020. It seems obvious that the rest of the work on Aquilon will have to be done by drilling since the sector with the highest potential for gold corresponds to the marshy zone which covers the deformation zone of the Loup.

4.3 Goldorak property

The 2019 summer exploration report on the Goldorak property was completed during the period. Only 4 mining titles have been renewed (CDC 2510606, CDC 2510607, CDC 2510616 et CDC 2510617).

4.4 Niska property

The property 39, now renamed "Niska", has been extended with on map demand for 150 new mining titles (see Figure 2). The property is composed of 189 claims owned at 100% by Sirios and covers almost 100 square km. The titles were acquired quickly after the discovery of the Elmer Lake gold discovery by Azimut Exploration, since the start of a rush to acquire mining titles was presumed in this sector. The acquisition of these titles allows Sirios to "protect" the shear zone presumed by Sirios which was behind the creation of the 39 property and which would extend to the area around the discovery of Azimut. During the summer of 2019, prospecting work was carried out on the property to assess the gold potential of an interpreted northeast to southwest trending shear zone. A much greater lithological diversity than mapped by the Quebec Ministry of Energy and Natural Resources (MERNQ) was observed on the property, with the presence of a variety of lithological units, including felsic volcanic rocks. Additional prospecting was recommended based on this previous work.

4.5 Solo property

On February 10, 2020, the Company signed an agreement with Dios Exploration Inc. ("Dios"), allowing it to obtain a 90% interest of Dios' Solo gold property. The property is located approximately 50 km west of the 381 km relay station on the James Bay Highway, connecting Matagami to Radisson. It consists of 10 claims covering 5 km² (see Figure 2). It is located less than 20 km southwest of the Sirios' Niska property and approximately 13 km southwest of the recent Patwon discovery on Azimut's Elmer Gold property.

The agreement allows Sirios to obtain a 51% interest in the property over a three-year period, with payments totalling \$125,000 and exploration work totalling \$600,000. Once the 51% interest is obtained, Sirios will have the option to continue the exploration in a joint venture with Dios on a 51/49 basis or to increase its interest in the property to 90%. To increase its interest Sirios will have to make payments totalling \$150,000 over an additional three-year period, and complete a total of 20,000 metres of drilling on the property. Sirios will have to complete a minimum of 3,000 metres of drilling in each of these three additional years. Dios could choose to convert its 10% interest into a 2% Net Smelter Return ("NSR") royalty, half of which may be purchased by Sirios for 1M\$, with a first right of refusal for the remaining NSR.

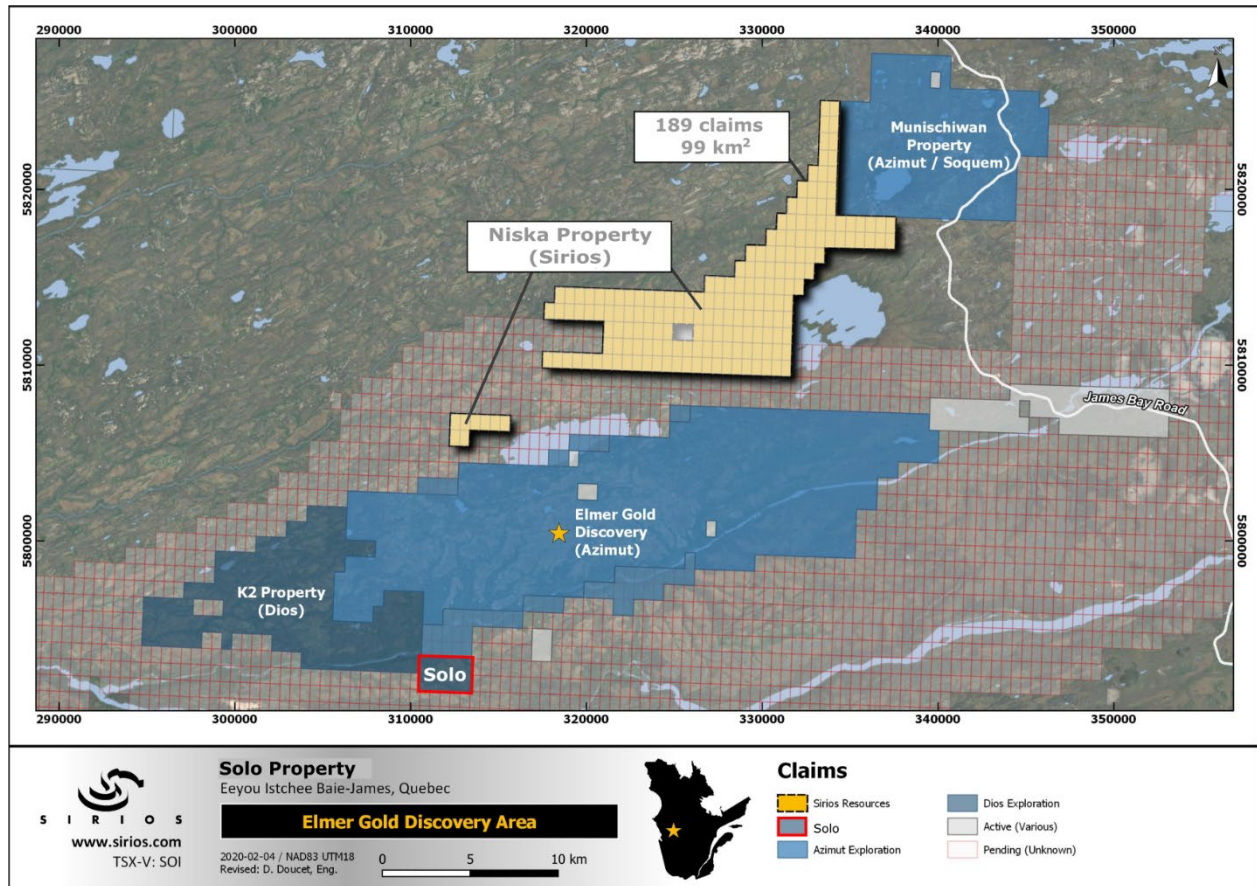


Figure 2: Location of the 189 mining titles of the Niska property and the Solo property.

5. Overall performance

Quarter ended December 31, 2019 (3 months)

The net loss of the quarter is \$777,469 (net loss of \$454,689 for the same period in 2018) whereas expenses for the quarter totalled \$354,619 (\$344,448 for the same period in 2018).

Analysis

- Increase in *Salaries and employee benefit expenses* due to the high share-based compensation expense this year compared to the previous year (items not requiring cash outflows);
- Increase in *Professional fees* due to the closing of three financings this year compared to only two last year;
- Increase in *Publicity and sponsorship* due to the participation of Sirios in a post-doctoral research and development project undertaken by a UQAM student, on the Cheechoo project as well as participating in the Fonds Restor-Action Cri;
- Decrease in *Consulting fees* due to the end of the hiring of an external controller to replace the controller who was on maternity leave.

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

	Quarter ended December 31, 2019	Quarter ended December 31, 2018
	\$	\$
Share-based payments	(305,140)	(119,600)
Deferred income taxes	(166,469)	56,236
Change in fair value of listed shares	50,102	(47,004)
Amortization of property and equipment	(5,649)	(4,611)

Period ended December 31, 2019 (6 months)

The net loss for the six-month period is \$997,352 (\$901,841 for the same period last year) whereas expenses for the period totalled \$612,899 (\$546,135 for the same period last year).

Analysis

- Increase in *Salaries and employee benefit expenses* due to the high share-based compensation expense this year compared to the previous year (items not requiring cash outflows);
- Increase in *Publicity and sponsorship* due to the participation of Sirios in a post-doctoral research and development project undertaken by a UQAM student, on the Cheechoo project as well as participating in the Fonds Restor-Action Cri;
- Decrease in *Consulting fees* due to the end of the hiring of an external controller to replace the controller who was on maternity leave.

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

	Period ended December 31, 2019	Period ended December 31, 2018
	\$	\$
Share-based payments	(305,140)	(119,600)
Deferred income taxes	(51,726)	56,236
Change in fair value of listed shares	(29,506)	(305,403)
Amortization of property and equipment	(11,335)	(9,234)

6. Financial position

- Working capital increase by \$943,499, going from \$2,173,401 on June 30, 2019 to \$3,116,900 on December 31, 2019. The increase can be explained by the closing of three financings during the period as well as the reception of the tax credits from 2018;
- Cash and term deposit totaled \$2,834,291 on December 31, 2019 in comparison with \$352,519 on June 30, 2019;
- The product of unspent funding related to flow-through financings is \$1,815,891 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, 2019, Sirios has accrued \$368,903 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, 2019, the compensation in salaries was \$349,407 (\$203,102 for the same period last year). Included in these amounts are share-based payments totaling \$242,000 (\$237,500 for the same period last year). An amount of \$22,808 (\$19,092 for the same period last year) was capitalized in *Exploration and evaluation assets*.

For the six-month period ended December 31, 2019, the compensation in salaries was \$414,075 (\$263,982 for the same period last year). Included in these amounts are share-based payments totaling \$242,000 (\$110,000 for the same period last year). An amount of \$35,839 (\$31,839 for the same period last year) was capitalized in *Exploration and evaluation assets*.

Montreal, Quebec.
February 11, 2020.