

Annual Management Discussion and Analysis for 2020-2021



Discovering James Bay



Sirios Resources Inc.

TSX V: SOI
www.sirios.com

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**SIRIOS RESOURCES INC.
ANNUAL MANAGEMENT DISCUSSION AND ANALYSIS FOR
THE YEAR ENDED JUNE 30, 2021**

This Management Discussion and Analysis is dated October 21, 2021, and provides an analysis of the financial results for the year ended June 30, 2021 of Sirios Resources Inc. This discussion and analysis of the financial position and results of operations should be read in conjunction with the audited financial statements for the years ended June 30, 2021 and 2020.

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.

These annual financial statements have been prepared in accordance with International Financing Reporting Standards ("IFRS") and in accordance with accounting policies that the Company proposes to adopt for the financial statement of the year ending June 30, 2021. These accounting policies are based on IFRS, which, according to the Company, will thus be in force.

1. CORPORATE PROFILE AND MISSION

Sirios Resources Inc. ("Sirios" or "the Company") mission is to discover world-class gold deposits in the James Bay region of Eastern Canada. Over the years, Sirios has developed extensive expertise in the exploration of this region.

Common shares of Sirios, a Tier 1 company, trade on the TSX Venture Exchange, under the symbol "SOI". On June 30, 2021, there are 202,069,527 common shares issued and outstanding.

Sirios owns, on June 30, 2021, numerous high potential properties such as:

- CHEECHOO (100%): gold discovery in the vicinity of Newmont Corp.'s Eleonore gold mine;
- AQUILON (100%): host of high-grade gold vein system.

2. SUMMARY OF THE ACTIVITIES OF THE EXERCISE

- Closing of flow-through private placements for a total of \$3,430,590;
- Closing of a private placement for an amount of \$520,500;
- Start of a diamond drilling campaign of a total of 6,836 m on the Cheechoo property;
- Final report received of the results of cyanidation tests in bottle and column on samples collected on the Cheechoo property;
- Soil survey on the Aquilon property;
- Till survey on the Maskwa property;
- Exploration and evaluation expenses of \$2,078,704, incurred mostly on the Cheechoo property.

3. RESULTS OF OPERATIONS

3.1 Summary of exploration activities

The following table consists of the main exploration and evaluation expenses by the Company on the Aquilon, Cheechoo, Pontax, Niska, Solo and Maskwa properties during the year. Other properties have not been subject to exploration work during the year.

	Aquilon	Cheechoo	Pontax	Niska	Solo	Maskwa	TOTAL
Geology	38,867	-	1,228	57,666	-	-	97,761
Geochemistry	-	-	-	-	1,230	132,028	133,258
Geophysics	-	-	-	-	-	-	-
Drilling	144,645	602,213	-	-	-	-	746,858
Property evaluation	-	4,906	-	3,991	-	-	8,897
Stripping/ Excavation	-	26,021	-	-	-	-	26,021
Bulk sampling	66,964	106,360	-	-	-	-	173,324
Technical evaluation	-	-	-	-	-	-	-
Other*	54,320	786,612	37,402	12,453	1,798	-	892,585
TOTAL	304,796	1,526,112	38,630	74,110	3,028	132,028	2,078,704

* An amount of \$504,674, 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 on the Cheechoo property contained in this report have been approved by Dominique Doucet, P.Eng., President of Sirios and Jordi Turcotte, Senior Geologist, qualified persons, as defined by National Instrument 43-101. The technical data for the Aquilon property contained in this report has been approved by Dominique Doucet and Roger Moar, Senior Geologist, also a qualified person. The technical data on the Pontax, Maskwa, Niska and Solo properties contained in this report has been approved by Dominique Doucet. Projects are located in Figure 1. Readers are asked to refer to the Company's website (www.sirios.com) for more information about its exploration activities.

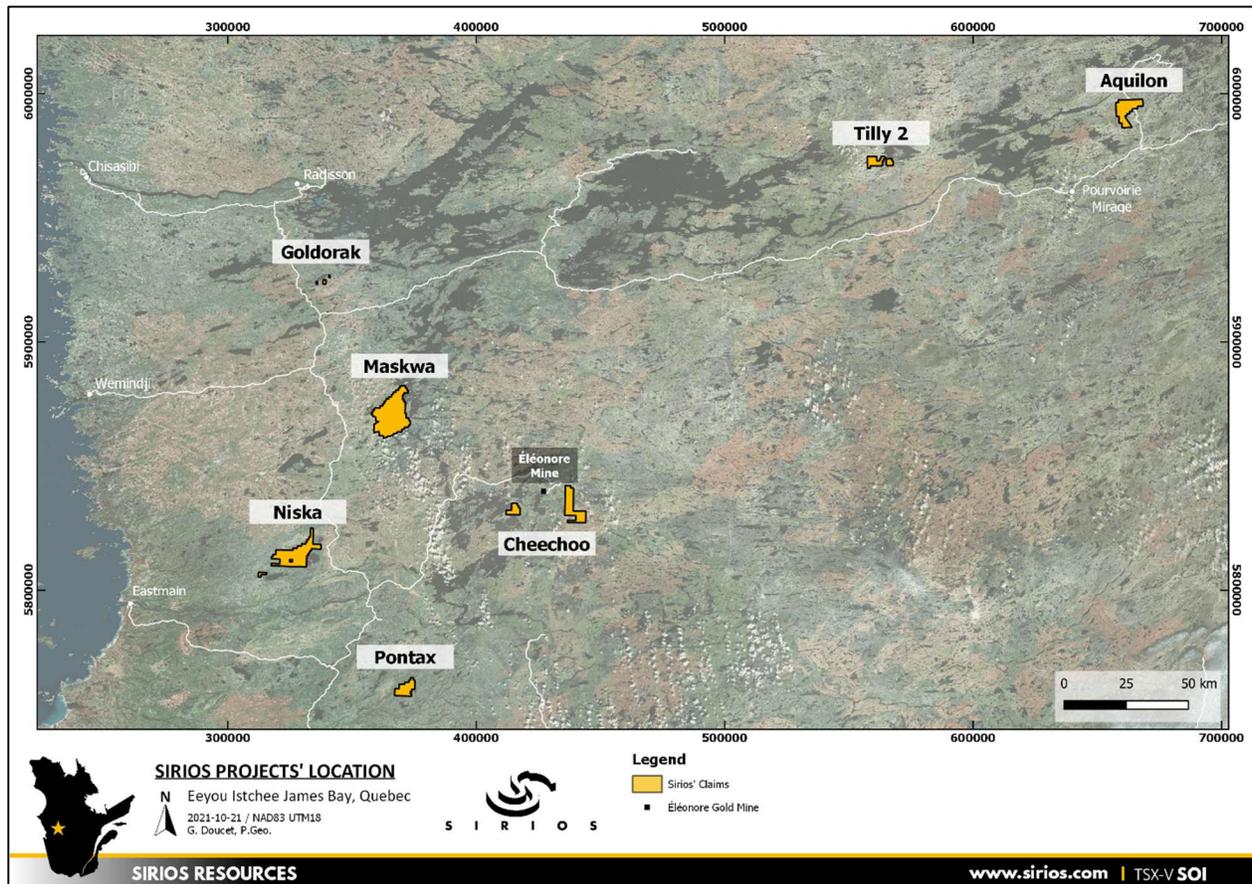


Figure 4-1: Location of Sirios projects

4.1 Cheechoo property

The property located 320 km north of Matagami, Eeyou Istchee James Bay in Quebec, is composed of two blocks of non-contiguous claims that cover an area of 81 km². Its 121-claims main block is adjacent to the east of Newmont Corp.'s Eleonore gold mine in the 33B12 NTS sheet (Figure 2). The second block consists of 35 claims and is located about 20 km west of the main block. The 156 claims are 100% held by Sirios with a net return royalty for gold on 145 claims to Golden Valley Mines Ltd. which varies between 2.5% and 4% of the net return depending on the price of gold and 4% net return for all other minerals extracted from the project. Notably, the gold royalty would be 3.5% for a price of gold of between CAD\$1,200 and \$2,400 per ounce.

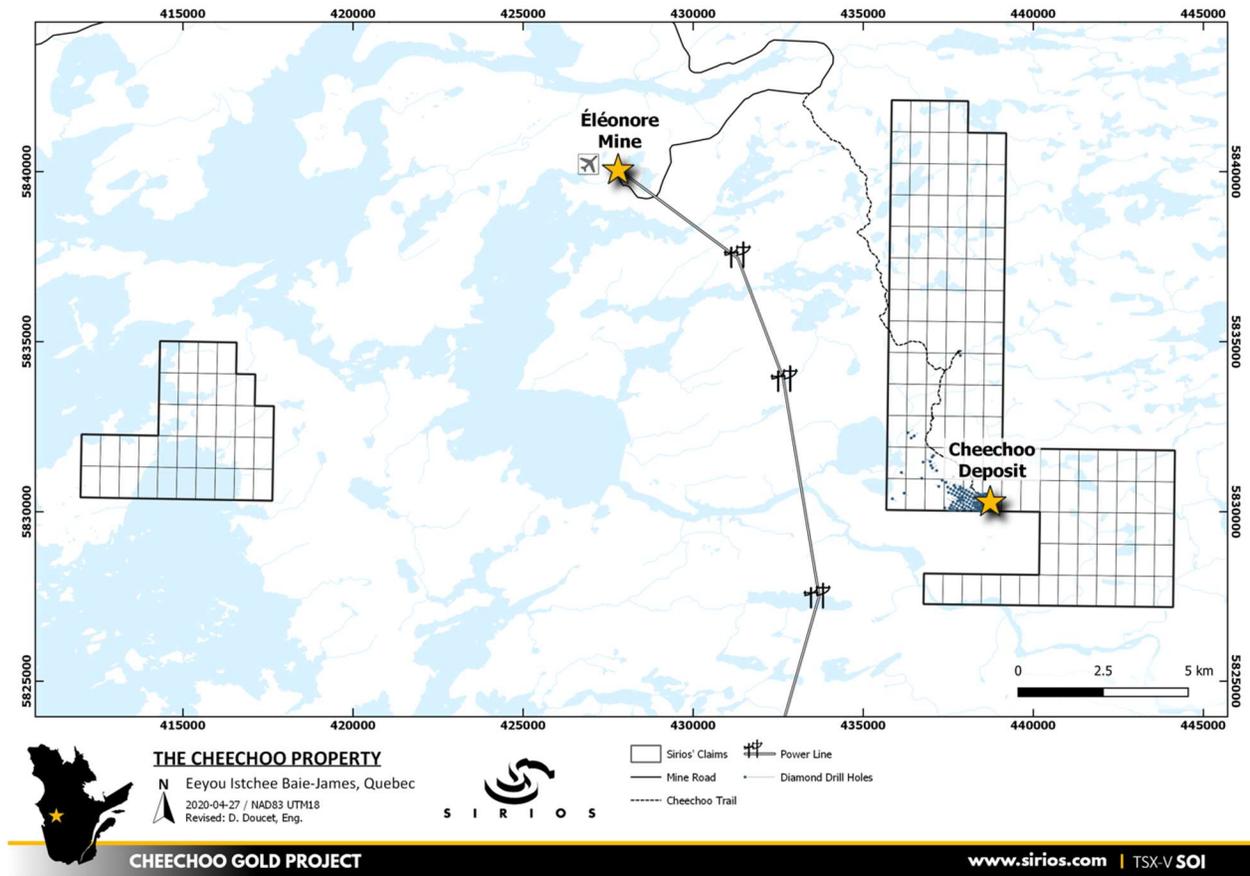


Figure 4-2: Location of the Cheechoo Project claims

4.1.1 Executed work

The following were either started or completed during the period, for a total amount of \$3,006,516:

1. Winter diamond drilling campaign (22 NQ drills totaling 5,237 m)
2. Resource estimate
3. Metallurgical tests
4. Re-assaying program on 1 kg samples
5. Summer diamond drilling
6. Wildlife and plant survey and aquatic environment component study

All geological work was carried out by the Sirius exploration team. Logistics support for operations was provided by the Services Technominex Inc. team in Rouyn-Noranda.

2020 Winter diamond drilling campaign

The assay results of the last sixteen holes of the winter 2020 drilling campaign (#247, #250, #252 and #255 to #267) have been received and added to the database. Several of these holes, mainly located near the western edge of the Cheechoo deposit, gave significant results showing the presence of gold mineralization outside the conceptual pit of the December 6, 2019, mineral resource estimate. The details, maps and sections relating to these results are available in the August 17, 2020 press release.

Resource estimate

Following the drilling campaign carried out in early 2020 and totaling 5,237 m, a resource update was completed by the consulting firm BBA inc. during the period. It added 355,000 ounces of gold to the initial resource estimate, which represents an increase of 22% (ref. press release of November 17, 2020).

The new resource estimate (Table 1) for this open-pit model includes an inferred resource of 1.955 million ounces of gold, contained in 93.0 million tonnes at an average grade of 0.65 grams of gold per tonne. This allowed the original 2019 conceptual pit to be enlarged to the west as shown in Figure 3.

Table 1: Conceptual pit-constrained Inferred Mineral Resource Estimate using a 0.25 g/t Au cut-off for the Cheechoo Project

Classification	Tonnage	Grade	Ounces
	(Mt)	Au (g/t)	Au (oz)
Inferred	93.0	0.65	1,955,000

This resource estimate update, located entirely within the limits of the Sirios property, is presented at different cut-off grades in Table 2, the content of which is for guidance only and should not be interpreted as NI 43-101 approved, and therefore not to be relied upon.

Table 2: Cut-off grade sensitivity table

Cut-off Grade Au (g/t)	Tonnage	Grade	Ounces
	(Mt)	Au (g/t)	Au (oz)
0.50	40.4	1.04	1,357,000
0.40	55.1	0.88	1,568,000
0.30	77.9	0.73	1,822,000
0.25	93.0	0.65	1,955,000
0.20	110.2	0.59	2,079,000

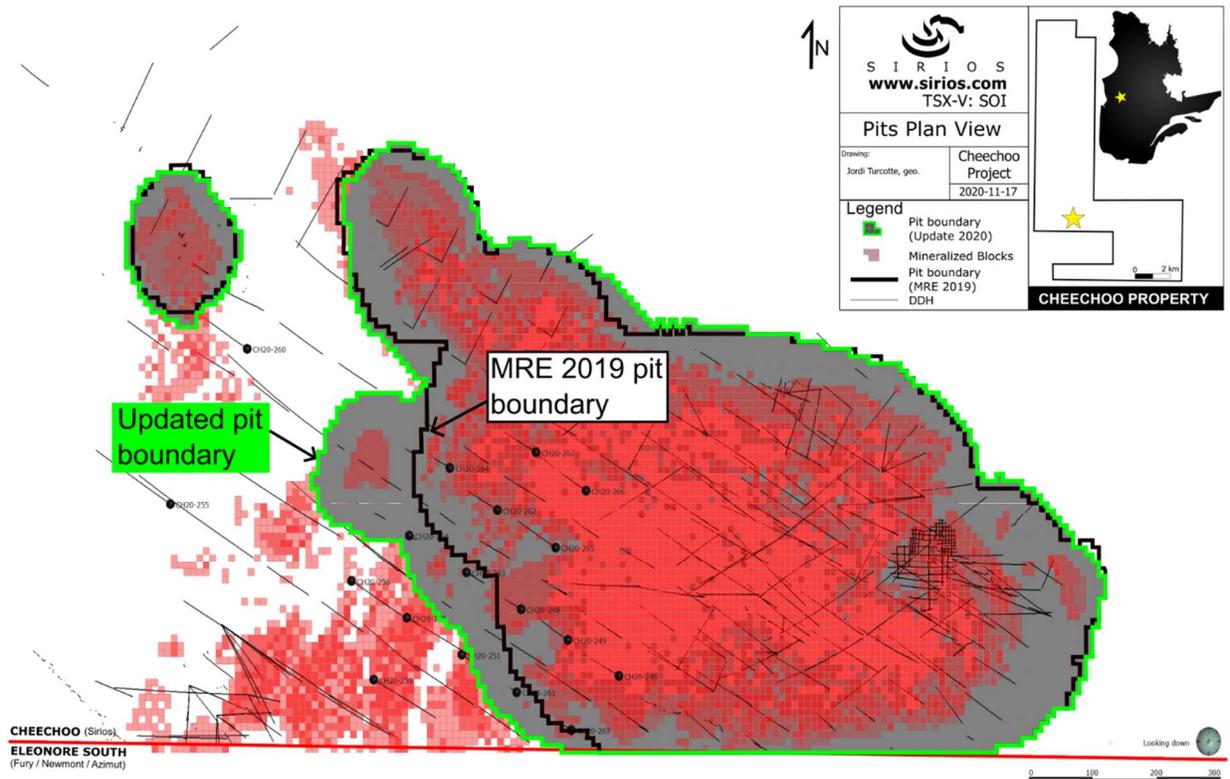


Figure 4-3: Conceptual pit plan view. The black-outlined conceptual pit contains the first resource estimate of 1.6M oz gold.

The mineral resource estimate was prepared by consulting firm BBA Inc. in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) Definition Standards incorporated by reference in National Instrument 43-101. The estimate is based on data from 295 diamond drill holes totaling 67,652 metres and 385 channel samples totalling 3,214.88 metres which were completed by Sirios between 2012 and April 2020. The full technical report will be available on SEDAR (www.sedar.com) and on the Company’s website (www.sirios.com).

In addition to the resources mentioned above, there is significant potential to increase the mineral resource on the Cheechoo property, should an agreement be reached with the owners of the neighboring property allowing the company to gain access to this material.

Notes to the MRE Table:

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 in situ for an open-pit scenario and are considered to have reasonable prospects for economic extraction. Although calculated cut-off grades range from 0.28 to 0.29 g/t, 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 was calculated using the following parameters (amongst others): Gold price = USD\$1,300, CAD:USD exchange rate = 1.30, Hard Rock Mining cost = \$2.60/t mined with incremental bench costs of 0.05\$ per 10m 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%, 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 re-evaluated 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 t/m³ to 2.71 t/m³. A fixed density of 2.00 t/m³ 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 metric tons (tonnes) and ounces were rounded to the nearest hundred thousand and nearest thousand respectively.
10. CIM definitions and guidelines for Mineral Resource Estimates have been followed.
11. The author is not aware of any known environmental, permitting, legal, title-related, taxation, sociopolitical or marketing issues, or any other relevant issues not reported in this Technical Report that could materially affect the Mineral Resource Estimate.

Metallurgical tests

Bottle and column cyanidation tests which began in Spring 2020 at the Kappes, Cassidy & Associates laboratory (in Reno, Nevada, USA) were completed during the period. A summary of the results is presented in the press release of February 3, 2021. Column leaching tests were executed on 160 kg material (4 columns out of 40 kg of material each) from a 500 kg sample representative of gold mineralization. The average gold grade obtained during the four columns tests was 0.87 g/t Au compared to 0.62 g/t Au initially obtained in 2016 with fire assays of 50 g on 10 samples. After 151 days of column leaching, with a crush size of 6.3 mm, the gold recovery rates were 80% at 20°C and 76% at 4°C (Table 1). The tests were carried out at different temperatures to simulate the conditions that could be encountered in a pile of crushed mineralized rock in the area of the Cheechoo project. The average of the results obtained therefore reaches 78%, which exceeds the recovery rates usually obtained for gold in heap leaching projects (from 55 to 75%) depending on the Canadian Mining Journal¹. The tests also showed that the consumption of reagents remained low throughout the leaching (average of 1.93 kg/t of NaCN).

Table 3: Results of column leaching tests on 4 samples (from the report of Kappes, Cassidy & Associates “Cheechoo Project Report of Metallurgical Test Work February 2021”)

Temp.	Crush Type	Calculated Head Grade (g/t Au)	Gold Extracted	Consumption of NaCN (kg/t)	Addition Cement (kg/t)	Days of Leach	Crush Size (mm)
20°C	HPGR	0.967	80%	2.45	2.02	151	6.3
4°C	HPGR	0.802	76%	1.40	2.02		
20°C	Conv.	0.807	68%	2.35	2.01		
4°C	Conv.	0.912	73%	1.41	2.01		

¹ Canadian Mining Journal, 2020-09-01, « Sorting through the heap », www.canadianminingjournal.com/features/sortingthrough-the-heap-6

Re-assaying program on 1 kg samples

Following the results of the various metallurgical tests carried out at COREM (2019) and KCA (2020), a statistical analysis comparing the different masses sampled with their gold content (AA on 50 g and metal sieving on 1,000 g) was carried out. This led to the conclusion that the average gold grade of the Cheechoo deposit is probably underestimated by around 10% and that the most appropriate analytical method for our project was on 1 kg samples of material would be sufficient and more precise of the true average gold content than with the analyzes carried out on 50 g of material. A program is planned to re-assay the Cheechoo samples on masses of 1,000 g. Up to 5,800 samples could be re-assayed. This program will be carried out in several phases to validate the hypothesis along the way and reduce the risk of cost overruns. The re-assaying program began in early April 2021. The first assay results were received in August 2021. A total of 359 samples were reanalyzed using 1 kg of material per sample using the “LeachWELL” leaching technique. The recent assay results show an increase in the gold content of approximately 15% compared to previous assays performed on 50g of material (August 26, 2020 press release). Assays are ongoing, with many more results expected during the next period.

Definition drilling campaign

The diamond and reverse circulation drilling campaign originally scheduled for Winter 2021 was carried out during the Summer 2021 due to the lack of availability of drilling contractors and in part by COVID-19 restrictions. The campaign started in June and ended around the end of September. A total of 34 holes totaling 6,837 m were completed including two holes by reverse circulation for 221 m. Due to the higher production output of diamond drilling compared to that of reverse circulation drilling, reverse circulation drilling was stopped to continue only with diamond drilling.

The samples were sent and prepared in Rouyn-Noranda by Technominex Services and sent to the Actlabs analysis laboratory. Currently, the core samples from 20 drill holes are in the laboratory and the results are pending. Samples from the other surveys will be sent in the coming weeks.

Wildlife/plant survey and aquatic environment component study

In June and September 2021, a survey of the fauna and flora as well as a study on aquatic environment components were conducted on the Cheechoo property by biologists of the environmental consultant company Groupe Hémisphère. These studies will allow for the completion of an environmental baseline study that was started in 2019. Environmental characterization studies are conducted in order to better understand the natural environment of the area and to help support the decisions regarding the development of the project. Sirios actively conducts environmental studies in order to have the necessary data for developing the project and to meet regulatory requirements.

4.2 Aquilon project

The Aquilon property is 100% owned by Sirios. It consists of 140 claims and covers approximately 70 km², 10 kilometres south of the LA-1 hydroelectric complex in the region of Eeyou Istchee James Bay, Quebec. It is located approximately 490 km east of Radisson and is easily accessible year-round by road via the Trans-Taiga highway crossing the Eeyou Istchee James Bay region. An airstrip outfitter is located at less than a 40-minute drive from the property. Drilling on the property is optimal in winter given the presence of swampy areas.

4.2.1 Executed work

Drilling campaign

The assay results of the seven drill holes (Figure 3) of the 2020 Winter-Summer drilling campaign (AQ20-105 to 111) were received and integrated into the database. Drill hole AQ20-108 intersected **4.65 g/t Au over 6.9 m**, including

10.3 g/t Au over 2.9 m. It extends the Moman vein showing laterally over 175 m to the west, joining the Fleur de lys showing. The AQ20-105 drill hole intersected a quartz vein with an interval of 4.36 g/t Au over 1.2 m. In the Lingo area, the main vein was intersected in depth by the AQ20-106 drill hole with 1.43 g/t Au over 1 m. In addition to lode-type mineralization (quartz veins) intersected in the Moman/Fleur de lys and Lingo showing areas, gold mineralization was also associated with semi-massive to disseminated sulphides, similar to the surface SLD showing, and observed in drill hole #109. The drill hole intersected an interval of disseminated sulphides which assayed 4.63 g/t Au over 1 m, as well as another anomalous zone of 0.16 g/t Au over 21.4 m hosted in a tonalite containing less than 5% of disseminated sulphides (pyrite, pyrrhotite).

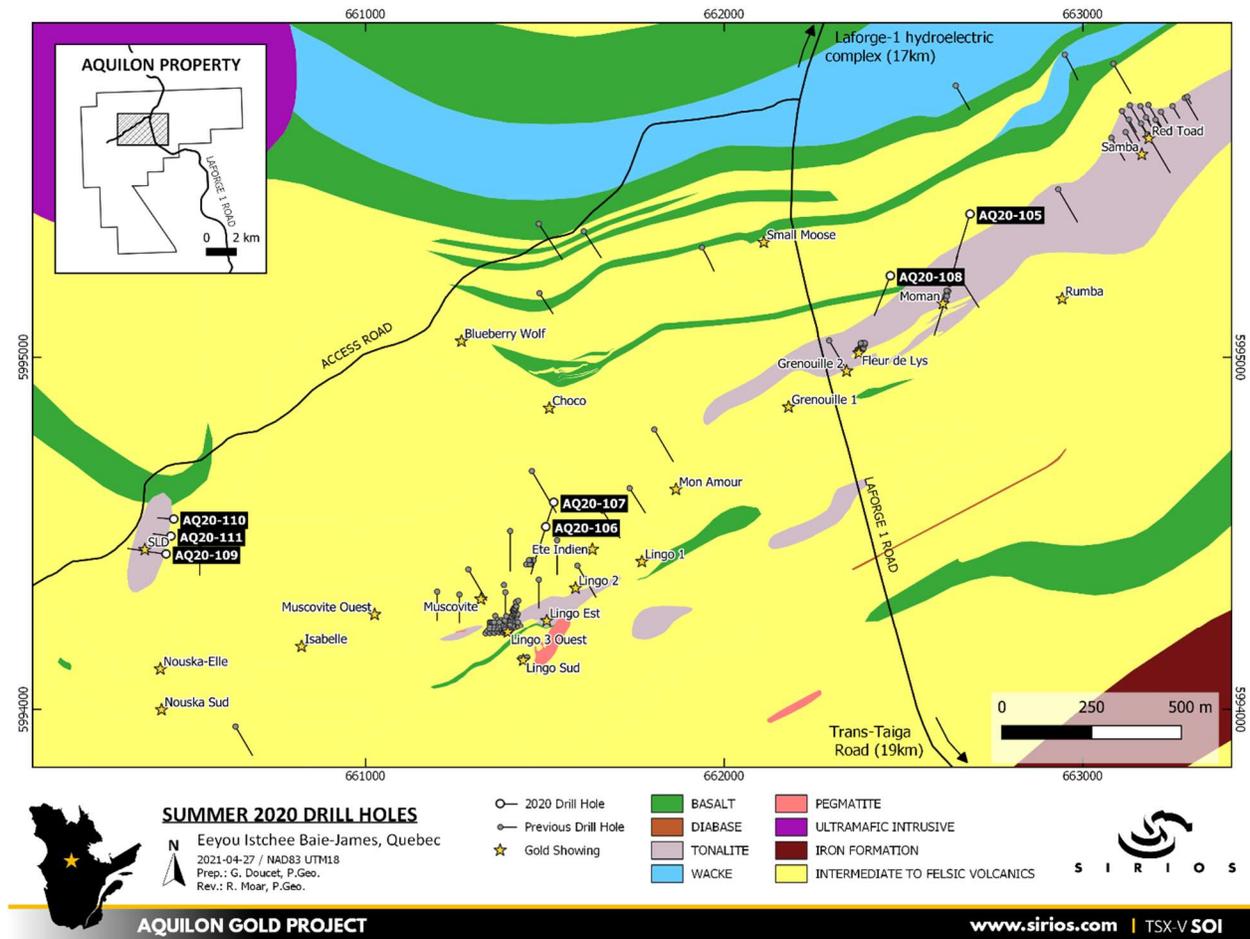


Figure 3: Location of the drill holes from the 2020 Winter-Summer campaign on Aquilon

Ground survey work

Ground survey work (humus) was carried out on the property during July 2020 by IOS Geoscientific Services Inc. The objective of the survey was to test the geochemical signal of part of the Wolf auriferous trend where most of the property's high-grade gold showings are located. A total of 643 samples were collected during this campaign. The interpretation report received in the Fall of 2021 revealed two gold anomalies which therefore constitute exploration targets (press release of September 13, 2021).

High resolution helicopter-borne aeromagnetic survey

A high-resolution helicopter-borne aeromagnetic survey was completed in early September 2021 by Geo Data Solutions GDS Inc. on the property. The survey, covering the entire property, totals approximately 1,027 kilometres of lines spaced 75 metres apart. The purpose of this survey is to identify geophysical features and targets along recently identified soil anomalies and will allow the Sirius exploration team to better define the geology and detailed structural pattern of the property.

Structural geology study

In October, Sirius Resources called on the firm InnovExplo inc. to carry out a structural geological study on the gold property. Seven days of fieldwork have been carried out and a report is expected in mid-November.

Data compilation report

During this period, a report was drawn up covering the complete re-evaluation of the project, following the compilation and integration of all data into a database which had started in previous periods.

4.3 Pontax property

The Pontax property, consisting of 70 claims (approximately 37 km²) is located approximately 30 km by helicopter south of the road relay km 381, and approximately 275 km north of the city of Matagami (Figures 1). The property is 100% owned by Sirius, it straddles SNRC sheets 32N15 and 33C02. The Pontax project is a silver and polymetallic project (Ag, Zn, Au, Cu) centered on a volcano-sedimentary sequence with gold potential in its eastern part. Different fieldwork were carried out: ground survey, till sampling, magnetic survey, and induced polarization survey on part of the property, two drilling campaigns in 2007 and 2011 as well as mineralogy studies.

A recompilation and integration of all data into a database was carried out in order to achieve a complete reassessment of the project started during the previous period and completed during this period. A report has been written.

4.4 Maskwa property

The property is wholly owned by Sirius. The 355 claims were acquired by map designation in August and September 2020, covering an area of approximately 181 km². The property is located about 100 km southeast of Radisson and about 120 km east of Wemindji.

A till sampling was undertaken by IOS Services Géoscientifiques Inc. in August 2020 and 97 till samples were collected and assayed. Samples were taken approximately every 250 metres along three axes of 18, 12 and 7 km oriented NW-SE and spaced 4 to 8 km apart. The results of this program were received during the period. A total of 523 grains of gold were recovered from the IOS proprietary ARTGold process and 35% of these are intact. The average of around 5 grains of gold per sample is relatively low for the industry. Five samples have counts varying between 20 and 50 grains (normalized to 10 kg) thus defining three distinct targets. One of the targets shows an association of the gold grains with platinum group minerals (mainly sperrylite) and another with tungsten minerals (scheelite). Such associations are considered favorable to sources of gold mineralization. These three targets will require additional sampling and prospecting.

4.5 Niska property

The Niska property is wholly owned by Sirius. It is located about 30 km northwest of the 381 km relay station on the James Bay road connecting Matagami to Radisson in Eeyou Istchee, James Bay, Quebec. It consists of 229 claims, bringing its area to nearly 120 km². It is located between the Munischiwan property co-owned by Azimut Exploration and SOQUEM and Patwon's recent gold discovery on the Elmer property of Azimut, where drilling results yielded 3.15 g/t Au over 102.0 m including 10.1 g/t Au over 20.5 m (ref.: Azimut press release 01/14/2020).

A prospecting program was undertaken in the 2020 Summer. This program was a follow-up of the observations made during fieldwork in 2019 and evaluate the auriferous potential of a NE-SW shear zone that seem to extend to the newly acquired claims. A total of 36 lithological samples (35 outcrops and 1 boulder) were collected and sent to the laboratory. The samples did not yield significant results.

4.6 Solo property

Due to the impossibility of carrying out a diamond drilling during the winter of 2021, Sirios abandoned its option to acquire an interest in the Solo property held by Dios Exploration inc.

5. OPERATION RESULTS AND SELECTED ANNUAL INFORMATION

The net loss of the Company was \$1,210,295 (\$0.006 per share) for the year ended June 30, 2021, in comparison to a net loss of \$2,920,283 (\$0.018 per share) for the year ended June 30, 2020.

Annual results summary	June 30, 2021 \$	June 30, 2020 \$
Finance income	8,646	378,518
Write-off of exploration and evaluation assets	38,807	-
Devaluation of exploration and evaluation assets	-	3,054,702
Share-based payments	204,750	418,000
Net loss	1,210,295	2,920,283
Net loss per share	0.006	0.018
Total assets	32,282,204	29,271,787

Finance income is comprised of interest on cash and the change in fair value of listed shares.

5.1 General and administrative expense analysis

General and administrative expenses, for the exercise ended in 2021 totaled \$683,375 in comparison with \$1,156,618 in 2020.

General and administrative expenses	2020-2021 \$	2019-2020 \$
Salaries and employee benefit expenses (excluding share-based payments)	327,657	414,439
Investors and shareholders' relations	129,116	401,950
Professional fees	88,248	136,090
Trustees and registration fees	30,423	38,713
Office expenses	29,284	20,016
Publicity and sponsorship	22,667	39,201
Rent expenses	19,058	80,866
Insurances, taxes and permits	18,188	12,026
Training	15,445	7,937
Bank charges	2,514	1,930
Interest charges	775	487
Income taxes of section XII.6	-	2,963
TOTAL	683,375	1,156,618

Comparing the general and administrative expenses for the exercises ended June 30, 2021 and 2020, we note a decrease in *Salaries and employee benefit expenses*, *Investors and shareholders' relations*, *Professional fees*, *Trustees and registration fees*, *Publicity and sponsorship* and *Rent expenses*. Those decreases can be explained by the slowdown in the Company's activities due to the COVID-19 pandemic.

In order to mitigate the impact on day-to-day operations, the Company promoted online training (increase in *Training* compared to last year), established telecommuting and participated in the federal work-sharing program for its employees.

The increase in *Office expenses* can be explained by the increase in purchases of office supplies, in comparison to last year, to facilitate telecommuting for all employees. In addition, the decrease in *Rental expenses* can be explained by renegotiating the lease of the offices of the Company, after having adopted teleworking.

5.2 General analysis

Total assets of the Company fluctuated from \$29,271,787 in 2020 to \$32,282,204 in 2021.

Cash, including cash held for exploration charges, totaled \$3,107,538 in 2021 in comparison with \$1,585,502 in 2020; the term deposit totaled \$53,294 in 2021 in comparison with \$52,045 in 2020. The cash as well as the term deposit variations are directly linked to exploration fieldwork and administrative activities of the Company.

The amounts receivable from listed companies are \$4,481 in 2021 and 2020.

Listed shares totaled \$826,695 in 2020 and \$490,655 in 2021. The variation can be explained by the purchase and sale of shares of listed companies during the year, as well as the variation in the stock prices of these companies.

The credits receivable fluctuated from \$322,354 in 2020 to \$31,181 in 2021. The tax credits receivable for 2020 include those for 2019 and 2020, and those for 2021 include tax credits of 2020.

Property and equipment fluctuated from \$679,220 in 2020 to \$296,372 in 2021. The decrease can be explained by the smaller acquisitions in 2021, compared to those in 2020.

Cash held for exploration expenses is \$3,476,560 on June 30, 2021 compared to \$962,431 on June 30, 2020. The amount in 2021 must be incurred before December 31, 2022.

Exploration and evaluation assets and advances on exploration and evaluation assets varied from \$25,639,373 and \$0 in 2020 to \$27,775,111 and \$197,592 in 2021. Tax credits totaling \$1,614 in 2021 (not recognized in the financial statements since it is not significant (\$276,608 \$ in 2020) are recorded as a reduction of exploration and evaluation assets.

5.3 Summary of quarterly results

	2020-2021				2019-2020			
	T4 \$	T3 \$	T2 \$	T1 \$	T4 \$	T3 \$	T2 \$	T1 \$
Other revenues and expenses	75,000	(10,846)	(134,389)	(174,820)	479,477	(85,194)	54,408	(70,660)
Net loss	(27,404)	42,166	915,744	279,789	1,578,484	344,740	777,469	219,590
Net loss per share	-	0.0002	0.0050	0.0020	0.010	0.002	0.005	0.001

Other revenues and expenses consist mainly of changes in value of listed shares as well as interest income on cash.

For the Q4-2020, the devaluation of the Pontax, Goldorak and Amikap properties for a total amount of \$3,054,704 increased the net loss.

For the Q3-2021, the write-off of the Solo, Amikap and Keoz properties for a total amount of \$38,807 increased the net loss.

For the Q1-2020, Q3-2020, Q1-2021, Q2-2021 and Q3-2021, the negative variation in the value of the listed shares for amounts of \$79,608, \$91,587, \$175,669, \$134,397 and \$34,195 respectively, decreased revenues.

For the Q2-2020, Q4-2020 and Q4-2021, the positive variation in the value of listed shares for amounts of \$50,102, \$477,793 and \$71,335 respectively, increased revenues.

6. WORKING CAPITAL AND CASH FLOWS

The working capital, including cash held for exploration expenses, varied from an amount of \$2,734,227 on June 30, 2020 to an amount of \$2,982,500 on June 30, 2021. During the exercise, cash was used for exploration and administrative activities.

Management of Sirios is aware of the cash position as of June 30, 2020, and continually controls very strictly its general and administrative expenses. 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. Moreover, the current economic climate requires larger efforts than before to obtain funds from investors.

As of June 30, 2021:

- 202,069,527 common shares were issued as well as 100,000 preferred shares;
- 11,405,501 warrants were issued. Each warrant can be exchanged by its holder thereof for one common share of the Company;
- 13,775,000 options were granted and exercisable. Each option can be exchanged by its holder thereof for one common share of the Company.

7. INFORMATION ON ISSUED AND OUTSTANDING SHARES

Table of variation in issued and outstanding shares

	2020-2021		2019-2020	
	Quantity	Amount \$	Quantity	Amount \$
Common shares				
<i>Issued</i>				
Balance, beginning	178,558,525	49,806,412	156,213,503	46,263,259
Common shares	3,469,996	485,799	7,400,000	1,295,000
Flow-through common shares	19,341,006	2,514,331	14,505,022	2,175,753
Exercise of options	700,000	112,000	440,000	72,400
Preferred shares, Serie A				
<i>Issued and fully paid</i>	100,000	50,000	100,000	50,000
TOTAL	202,169,527	52,968,542	178,658,525	49,856,412

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.

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

In November 2019, 275,000 options were exercised at a price of \$0.10 and 40,000 options at a price of \$0.12.

On December 20, 2019, the Company completed the closing of a flow-through private placement for a total of \$1,781,125. A total of 7,744,022 flow-through shares were issued at a price of \$0.23.

On December 20, 2019, the Company completed the closing of a flow-through private placement for a total of \$64,980. A total of 361,000 flow-through shares were issued at a price of \$0.18.

On June 30, 2020, the Company completed the closing of a flow-through private placement for a total of \$960,000. A total of 6,400,000 flow-through shares were issued at a price of \$0.15.

In September 2020, 200,000 options were exercised at a price of \$0.10.

In October 2020, 300,000 options were exercised at a price of \$0.10.

In November 2020, 150,000 options were exercised at a price of \$0.10.

In December 2020, 50,000 options were exercised at a price of \$0.10.

On December 11 and 16, 2020, the Company completed a flow-through private placement for a total of \$2,567,140. In total, 14,261,889 flow-through shares were issued, at a price of \$0.18, as well as 7,130,944 warrants.

On December 11 and 16, 2020, the Company completed a flow-through private placement for a total of \$863,450. In total, 5,079,117 flow-through shares were issued, at a price of \$0.17, as well as 2,539,559 warrants.

On December 17, 2020, the Company completed a private placement for a total of \$520,500. In total, 3,469,996 shares were issued as well as 1,734,998 warrants.

Description	Number of shares	Amount \$
As of June 30, 2021	202,169,527	52,968,542
Common shares	3,500,000	280,000
Flow-through common shares	7,387,233	656,601
As of October 21, 2021	213,056,760	53,905,143

On August 31 and September 17, 2021, the Company completed a flow-through private placement for a total of \$886,468. In total, 7,387,233 flow-through shares were issued, at a price of \$0.12.

On September 17, 2021, the Company completed a private placement for a total of \$350,000. In total, 3,500,000 shares were issued, at a price of \$0.10, as well as 3,500,000 warrants.

8. INFORMATION ON OUTSTANDING OPTIONS

Table of variation of options in circulation

	2020-2021		2019-2020	
	Number of options	Average exercise price \$	Number of options	Average exercise price \$
Balance, beginning	11,680,000	0.28	8,590,000	0.31
Granted	2,925,000	0.15	3,800,000	0.185
Exercised	(700,000)	(0.10)	(440,000)	(0.10)
Expired and cancelled	(130,000)	(0.10)	(270,000)	(0.18)
Balance, end	13,775,000	0.26	11,680,000	0.28
Expired	(300,000)	(0.59)		
Balance, on October 21, 2021	13,475,000	0.25		

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

The Board of Directors of Sirios has granted, on November 19, 2019, 3,800,000 stock options under its Stock Option Incentive Plan to employees, directors, officers and consultants at an exercise price of \$0,185 per share. The options expire five (5) years from the date of grant.

In November 2019, 275,000 options were exercised at a price of \$0.10 each and 40,000 options at a price of \$0.12 each.

In September 2020, 200,000 options were exercised at a price of \$0.10 each.

In October 2020, 300,000 options were exercised at a price of \$0.10.

In November 2020, 150,000 options were exercised at a price of \$0.10.

The Board of Directors of Sirios has granted, on December 9, 2020, 2,925,000 stock options under its Stock Option Incentive Plan to employees, directors, officers, and consultants at an exercise price of \$0,15 per share. The options expire five (5) years from the date of grant.

In December 2020, 50,000 options were exercised at a price of \$0.10.

Options granted to employees, directors, officers and consultants and exercisable as of October 21, 2021

Expiry date	Options granted and exercisable	Exercise price \$
November 29, 2021	2,125,000	0.500
November 27, 2022	2,475,000	0.190
November 13, 2023	2,150,000	0.220
November 19, 2024	3,800,000	0.185
December 9, 2025	2,925,000	0.150
	13,475,000	0.25

9. INFORMATION ON OUTSTANDING WARRANTS

Table of variation of outstanding warrants

	2020-2021		2019-2020	
	Number of warrants	Average exercise price \$	Number of warrants	Average exercise price \$
Balance, beginning	5,925,000	0.30	2,225,000	0.29
Issued	11,405,501	0.23	3,700,000	0.30
Expired	(5,925,000)	(0.30)	-	-
Balance, end	11,405,501	0.23	5,925,000	0.30
Issued	3,500,000	0.15		
Balance, on October 21, 2021	14,905,501	0.21		

For the closing of the private placement of October 18, 2019, 3,700,000 warrants were issued at a price of \$0.30 each.

For the closings of the private placement of December 11 and 16, 2020, 9,670,503 warrants were issued at a price of \$0.23 each.

For the closing of the private placement of December 17, 2020, 1,734,998 warrants were issued at a price of \$0.23 each.

For the closing of the private placement of September 17, 2021, 3,500,000 warrants were issued at a price of \$0.15 each.

Warrants issued as of October 21, 2021

Expiry date	Number of warrants	Exercise price \$
June 11, 2022	3,872,725	0.23
June 16, 2022	5,797,778	0.23
June 17, 2022	1,734,998	0.23
March 17, 2023	3,500,000	0.15
	14,905,501	0.21

10. RELATED PARTY TRANSACTIONS

10.1 Key management personnel

The remuneration of the Company's key management personnel and members of the Board of Directors is as follow:

	June 30, 2021 \$	June 30, 2020 \$
Salaries and employee benefit expenses	315,992	327,951
Share-based payments	122,500	242,000
	438,492	569,951

11. 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 employee, of all levels, understands its social and environmental responsibilities and that it works towards improving its 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.

12. JUDGMENTS, ESTIMATES AND ASSUMPTIONS

12.1 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.

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 June 30, 2021 and 2020, 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.

12.2 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 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 year ended June 30, 2021, the Company wrote-off the Amikap, Keoz and Solo properties (devalued of the Pontax, Goldorak and Amikap properties on June 30, 2020). Total impairments of write-off in profit or loss amounts to \$38,807 (devaluation of \$3,052,702 on June 30, 2020). No reversal impairment losses have been recognized for the reporting periods.

There was no testing impairment required this year on the other 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.

12.3 Off-balance sheet arrangements

The Company did not set up any off-balance sheet arrangements, as of June 30, 2021.

13. 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 not 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 of 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.

14. 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, October 21, 2021.

(signed) Dominique Doucet, President

(signed) Frederic Sahyouni, Chief Financial Officer