



**SIRIOS RESOURCES INC.**  
**TSX-V: SOI**

**Interim Financial Statements (unaudited)**

**SEPTEMBER 30, 2021**

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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, 2021	June 30, 2021
		\$	\$
<b>ASSETS</b>			
Current			
Cash		1,348,208	3,107,538
Term deposit	4	53,294	53,294
Amounts receivable from listed companies		4,481	4,481
Listed shares		412,081	490,655
Good and services tax receivable		491,432	100,556
Tax credits receivable		31,181	31,181
Prepaid expenses		141,710	225,424
		2,482,387	4,013,129
Non-current			
Property and equipment	5	584,342	296,372
Advances on exploration and evaluation assets		-	197,592
Exploration and evaluation assets	6	30,595,149	27,775,111
<b>Total assets</b>		<b>33,661,878</b>	<b>32,282,204</b>
<b>LIABILITIES</b>			
Current			
Trade and other payables		893,767	418,957
Other liabilities		324,254	611,672
		1,218,021	1,030,629
Non-current			
Future tax liabilities		498,934	520,817
Loan guaranteed by the Government of Canada	7	40,000	40,000
<b>Total liabilities</b>		<b>1,756,955</b>	<b>1,591,446</b>
<b>EQUITY</b>			
Share capital	8.1	53,905,144	52,968,542
Contributed surplus		5,068,971	4,998,971
Deficit		(27,069,192)	(27,276,755)
<b>Total equity</b>		<b>31,904,923</b>	<b>30,690,758</b>
<b>Total liabilities and equity</b>		<b>33,661,878</b>	<b>32,282,204</b>

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 18, 2021.

*(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,	
		2021	2020
		\$	\$
<b>EXPENSES</b>			
Salaries and employee benefit expenses	9.1	95,035	66,149
Investors and shareholders' relations		38,209	44,007
Professional fees		25,414	7,319
Insurances, taxes and permits		22,373	2,483
Rent expenses		5,874	7,059
Office expenses		3,756	4,359
Publicity and sponsorship		2,521	2,891
Trustees and registration fees		1,921	234
Training		900	4,998
Bank charges		407	614
Amortization of property and equipment		360	961
Project generation expenses		2,622	37,759
<b>OPERATIONAL LOSS</b>		<b>199,392</b>	<b>178,833</b>
<b>OTHER REVENUES AND EXPENSES</b>			
Finance costs	10	(56,336)	(175,699)
Finance income	10	1,391	879
		(54,945)	(174,820)
<b>LOSS BEFORE INCOME TAX</b>		<b>(254,337)</b>	<b>(353,653)</b>
Deferred income taxes		518,693	73,864
<b>NET INCOME (LOSS) AND COMPREHENSIVE LOSS</b>		<b>264,356</b>	<b>(279,789)</b>
<b>NET LOSS PER SHARE - basic and diluted</b>	11	-	(0.002)

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)

	Notes	Share capital	Contributed surplus	Deficit	Total Equity
		\$	\$	\$	\$
<b>As of July 1st, 2020</b>		49,856,412	4,608,111	(25,883,975)	28,580,548
Net loss and comprehensive loss		-	-	(279,789)	(279,789)
Issuance cost of shares (a)		-	-	(64,450)	(64,450)
Exercise of options	8.1	32,000	(12,000)	-	20,000
<b>As of September 30, 2020</b>		49,888,412	4,596,111	(26,228,214)	28,256,309
<b>As of July 1st, 2021</b>		52,968,542	4,998,971	(27,276,755)	30,690,758
Net income (loss) and comprehensive loss		-	-	264,356	264,356
Issuance cost of shares (b)		-	-	(56,793)	(56,793)
Issuance of units and shares	8.1	936,602	70,000	-	1,006,602
<b>As of September 30, 2021</b>		53,905,144	5,068,971	(27,069,192)	31,904,923

(a) Net of a deferred tax asset of an amount of \$57,601.

(b) Net of a deferred tax liabilities of an amount of \$20,475.

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)

	Notes	Three-month period ended	
		September 30,	
		2021	2020
		\$	\$
<b>OPERATING ACTIVITIES</b>			
Net income (loss)		264,356	(279,789)
Adjustments			
Amortization of property and equipment		360	961
Change in fair value of listed shares		56,285	175,669
Deferred income taxes		(518,693)	(73,864)
Changes in working capital items	12	(488,062)	(189,222)
Cash flows used in operating activities		(685,754)	(366,245)
<b>INVESTING ACTIVITIES</b>			
Disposal of listed shares		22,290	-
Additions to property and equipment		(433,854)	-
Disposal of advances on exploration and evaluation assets		197,592	-
Additions to exploration and evaluation assets		(2,018,806)	(724,839)
Cash flows used in investing activities		(2,232,778)	(724,839)
<b>FINANCING ACTIVITIES</b>			
Issuance of units and shares		1,236,468	35,000
Issuance cost of shares		(77,266)	(6,848)
Cash flows from financing activities		1,159,202	28,152
<b>NET CHANGE ON CASH</b>		(1,759,330)	(1,062,932)
<b>CASH, BEGINNING OF THE PERIOD</b>		3,107,538	1,585,502
<b>CASH, END OF THE PERIOD</b>		1,348,208	522,570
<b>Supplementary information</b>			
Interest paid related to operating activities		51	30
Interest received related to operating activities		1,391	879

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, 2021 (unaudited)

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(in Canadian dollars)

#### 1. NATURE OF OPERATIONS

Since its creation in 1994, Sirios Resources Inc., ("Sirios" or "the Company") goal is to discover world-class gold deposits in the James Bay region, in Quebec.

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, 2021. The interim financial statements do not include all of the notes required in annual financial statements.

##### **Standards, amendments and interpretations of standards which are not yet in force and which have not been early adopted by the Company**

At the date of authorization of these interim 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.

#### 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

# **SIRIOS RESOURCES INC.**

## **Notes to Interim Financial Statements**

### **For the three-month period ended September 30, 2021 (unaudited)**

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(in Canadian dollars)

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

##### **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 of September 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.

##### **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.

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, 2021 and 2020, there were no impairment. No reversal impairment losses has been recognized for the reporting periods.

There was no testing impairment required this year on its 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.

# SIRIOS RESOURCES INC.

## Notes to Interim Financial Statements

### For the three-month period ended September 30, 2021 (unaudited)

(in Canadian dollars)

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

##### 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 statement of financial position is redeemable annually, bearing interest at 2.55% (2.40% in 2020), maturing in June 2023.

#### 5. PROPERTY AND EQUIPMENT

	Leasehold improvements	Vehicles	Exploration camp and equip.	Office furniture	Computer equipment	Total
	\$	\$	\$	\$	\$	\$
<b>Gross carrying amount</b>						
Balance on July						
1st, 2021	3,388	31,846	1,700,602	36,683	121,485	1,894,004
Additions	-	-	432,488	-	1,366	433,854
Balance on September						
30, 2021	3,388	31,846	2,133,090	36,683	122,851	2,327,858
<b>Accumulated amortization</b>						
Balance on July						
1st, 2021	2,440	24,341	1,413,209	36,683	120,959	1,597,632
Amortization	171	1,605	143,919	-	189	145,884
Balance on September						
30, 2021	2,611	25,946	1,557,128	36,683	121,148	1,743,516
<b>Carrying amount on</b>						
<b>September 30,</b>						
<b>2021</b>	<b>777</b>	<b>5,900</b>	<b>575,962</b>	<b>-</b>	<b>1,703</b>	<b>584,342</b>

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*.



# SIRIOS RESOURCES INC.

## Notes to Interim Financial Statements

### For the three-month period ended September 30, 2021 (unaudited)

(in Canadian dollars)

#### 6. EXPLORATION AND EVALUATION ASSETS

##### *Mining rights*

	June 30, 2021	Additions	September 30, 2021
	\$	\$	\$
(a) Aquilon	908,598	-	908,598
(b) Cheechoo	1,031,348	-	1,031,348
(c) Cheechoo-extension	4,674	-	4,674
(d) Pontax	1	-	1
(e) Goldorak	1	-	1
(f) Niska	35,205	-	35,205
(g) Tilly 2	7,949	-	7,949
(h) Maskwa	57,288	-	57,288
	<u>2,045,064</u>	<u>-</u>	<u>2,045,064</u>

##### *Exploration and evaluation expenses*

	June 30, 2021	Additions	September 30, 2021
	\$	\$	\$
(a) Aquilon	2,123,907	71,900	2,195,807
(b) Cheechoo	23,258,366	2,748,138	26,006,504
(d) Pontax	38,796	-	38,796
(f) Niska	165,862	-	165,862
(g) Tilly 2	11,088	-	11,088
(h) Maskwa	132,028	-	132,028
	<u>25,730,047</u>	<u>2,820,038</u>	<u>28,550,085</u>
<b>TOTAL</b>	<u><b>27,775,111</b></u>	<u><b>2,820,038</b></u>	<u><b>30,595,149</b></u>

##### **(a) Aquilon**

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

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 Corp. 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. retains a net return royalty on gold mineral products ranging from 2.5% to 4%, depending on the gold price and 4% of the net returns 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 Corp. and is adjacent to the west block of the Cheechoo property.

# SIRIOS RESOURCES INC.

## Notes to Interim Financial Statements

### For the three-month period ended September 30, 2021 (unaudited)

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(in Canadian dollars)

#### 6. EXPLORATION AND EVALUATION ASSETS (cont'd)

##### (d) Pontax

The property, owned at 100% by the Company, consists of 70 claims, divided in two-continuous blocks of 64 and 6 claims. It is located in James Bay (Qc), approximately 350 km north of Matagami.

##### (e) Goldorak

The property, owned at 100% by the Company, consists of 6 claims in the James Bay area (Qc).

##### (f) Niska

The property, owned at 100% by the Company, consists of 229 claims and covers almost 100 km<sup>2</sup> in James Bay, Quebec.

##### (g) Tilly 2

The property, owned at 100% by the Company, consists of 58 claims in the James Bay area (Qc).

##### (h) Maskwa

The property, owned at 100% by the Company, consists of 372 claims. It is located approximately 100 km southwest of Radisson and approximately 120 km east of Wemindji in the James Bay area (Qc).

#### 7. LOAN GUARANTEED BY THE GOVERNMENT OF CANADA

The Company received a loan of \$60,000 under the Emergency Account for Canadian Businesses program. If the Company repays an amount totaling \$40,000 of the loan by December 31, 2022, no further amount will be repayable. Otherwise, the balance of the loan will bear interest at the rate of 5% and may be repayable in 36 monthly installments, principal and interest, or repayable at maturity on December 31, 2025.

Given that the government assistance of \$20,000 is not repayable if the Company repays the amount of \$40,000 by December 31, 2022, this amount was recognized as an other income at the time the government assistance was granted.

#### 8. EQUITY

##### 8.1 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.

# SIRIOS RESOURCES INC.

## Notes to Interim Financial Statements

### For the three-month period ended September 30, 2021 (unaudited)

(in Canadian dollars)

#### 8.1 Share capital (cont'd)

	Number of shares	
	Three-month period ended September 30,	
	2021	2020
Common shares issued and fully paid at beginning of the period	202,069,527	178,558,525
Private placement (a)	3,500,000	-
Flow-through private placement (b)	7,387,233	-
Exercise of options (c)	-	200,000
Common shares issued and fully paid at the end of the period	<u>212,956,760</u>	<u>178,758,525</u>
Preferred shares, Serie A	<u>100,000</u>	<u>100,000</u>

(a) On September 17, 2021, the Company completed the closing of a private placement for a total of \$350,000. It was composed of 3,500,000 unit. The unit, offered at \$0.10, was composed of one common share and one warrant. In total, 3,500,000es, as well as 3,500,000 warrants, were issued. Each warrant entitled its holder to subscribe for one common share at \$0.15 per share for a period of eighteen months. An amount of \$70,000, related to warrants, was recorded as an increase in contributed surplus.

(b) On August 31 and September 17, 2021, the Company completed the closing of a flow-through private placement for a total of \$886,468. It was composed of 7,387,233 flow-through shares at a price of \$0.12 each. An amount of \$656,601 was recorded in share capital and an amount of \$229,867 was recorded as other liabilities in the statement of financial position.

(c) During the three-month period ended September 30, 2020, 200,000 options were exercised. An amount of \$20,000 was received and an amount of \$12,000, representing the fair value of the options at the time of the issue, were recorded as an increase in share capital.

#### 8.2 Warrants

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

	Three-month period ended September 30, 2021		Year ended June 30, 2021	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Balance, at beginning	11,405,501	0.23	5,925,000	0.30
Issued	3,500,000	0.15	11,405,501	0.23
Expired	-	-	(5,925,000)	(0.30)
Balance, at the end	<u>14,905,501</u>	<u>0.21</u>	<u>11,405,501</u>	<u>0.23</u>

# SIRIOS RESOURCES INC.

## Notes to Interim Financial Statements

### For the three-month period ended September 30, 2021 (unaudited)

(in Canadian dollars)

#### 8.2 Warrants (cont'd)

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

Expiration date	September 30, 2021	
	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
	<u>14,905,501</u>	<u>0.21</u>

#### 9. EMPLOYEE REMUNERATION

##### 9.1 Salaries and employee benefit expenses

Salaries and employee benefit expenses recognized are analyzed below:

	Three-month period ended September 30,	
	2021	2020
	\$	\$
Salaries and benefits	266,126	196,738
Share-based payments	-	-
	<u>266,126</u>	<u>196,738</u>
Less: salaries and share-based payments capitalized in Exploration and evaluation assets or presented in Project generation expenses	<u>(171,091)</u>	<u>(130,589)</u>
Salaries and employee benefit expenses	<u>95,035</u>	<u>66,149</u>

##### 9.2 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:

- 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 21,295,676 on September 30, 2021 (maximum of 20,206,953 on June 30, 2021);
- the maximum number of shares that can be reserved for a beneficiary is limited to 5% of issued and outstanding shares;
- 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;
- 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;

# SIRIOS RESOURCES INC.

## Notes to Interim Financial Statements

### For the three-month period ended September 30, 2021 (unaudited)

(in Canadian dollars)

#### 9.2 Share-based payments (cont'd)

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 September 30, 2021		Year ended June 30, 2021	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding and exercisable, beginning of the period	13,775,000	0.26	11,680,000	0.28
Granted	-	-	2,925,000	0.15
Exercised	-	-	(700,000)	(0.10)
Expired	-	-	(130,000)	0.10
Outstanding and exercisable, end of the period	<u>13,775,000</u>	0.26	<u>13,775,000</u>	0.26

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

Range of exercise price	September 30, 2021	
	Number of options	Weighted average remaining contractual life (years)
From \$0 to \$0.35	11,350,000	2.78
From \$0.36 to \$0.70	2,425,000	0.15
	<u>13,775,000</u>	

No share-based payments was recorded for the three-month period ended September 30, 2020 (no share-based payments for the three-month period ended September 30, 2019).

# SIRIOS RESOURCES INC.

## Notes to Interim Financial Statements

### For the three-month period ended September 30, 2021 (unaudited)

(in Canadian dollars)

#### 10. FINANCE COSTS AND INCOME

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

	Three-month period ended September 30,	
	2021	2020
	\$	\$
Change in fair value of listed shares	(56,285)	(175,669)
Interests on trade accounts	(51)	(30)
	<u>(56,336)</u>	<u>(175,699)</u>

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

	Three-month period ended September 30,	
	2021	2020
	\$	\$
Interests income from cash	1,391	879

#### 11. 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 8.2 and 9.2.

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 2021 and 2020.

	Three-month period ended September 30,	
	2021	2020
Net income (loss)	264,356	(279,789) \$
Weighted average number of shares	204,938,872	178,571,568
Basic and diluted loss per share	- \$	(0.002) \$

#### 12. ADDITIONAL INFORMATION - CASH FLOWS

The changes in working capital items are detailed as follows:

	Three-month period ended September 30,	
	2021	2020
	\$	\$
Good and services tax receivable	(390,876)	(18,861)
Prepaid expenses	83,714	22,143
Trade and other payables	(180,900)	(192,504)
	<u>(488,062)</u>	<u>(189,222)</u>

# SIRIOS RESOURCES INC.

## Notes to Interim Financial Statements

### For the three-month period ended September 30, 2021 (unaudited)

(in Canadian dollars)

#### 12. ADDITIONAL INFORMATION - CASH FLOWS (cont'd)

	Three-month period ended September 30,	
	2021	2020
	\$	\$
Trades related to exploration and evaluation assets	655,710	17,206
Amortization of property and equipment included in exploration and evaluation assets	145,524	113,833

#### 13. 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.

##### 13.1 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,	
	2021	2020
	\$	\$
Salaries and benefits	66,808	67,733
Share-based payments	-	-
Total remuneration	66,808	67,733

For the three-month period ended September 30, 2021, an amount of \$15,170 of salaries and benefit expenses was recorded in Exploration and evaluation assets (\$13,071 for the three-month period ended September 30, 2020).

#### 14. 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 flow-through shares for which an amount should be used for exploration work. See all details in Notes 8.1 and 15.

# **SIRIOS RESOURCES INC.**

## **Notes to Interim Financial Statements**

### **For the three-month period ended September 30, 2021 (unaudited)**

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(in Canadian dollars)

#### **14. CAPITAL MANAGEMENT POLICIES AND PROCEDURES (cont'd)**

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.

#### **15. 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 placements (three years for placements completed in 2020);
- One year after the Company has renounced the tax deductions relating to the exploration work (two years for placements completed in 2020).

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.

As of September 30, 2021, the product of unspent funding related to flow-through financings totals \$1,822,972 (\$279,274 on September 30, 2020).