



SIRIOS RESOURCES INC.
TSX-V: SOI

Interim Financial Statements (unaudited)

DECEMBER 31, 2022

Table of content

Interim Statement of Financial Position	2
Interim Statement of Comprehensive Loss	3
Interim Statement of Changes in Equity	4
Interim Statement of Cash Flows	5
Notes to Interim Financial Statements	6-17

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	December 31, 2022	June 30, 2022
		\$	\$
ASSETS			
Current			
Cash		705,956	375,600
Term deposit	4	54,653	54,653
Subscriptions receivable		25,960	-
Listed shares		27,545	32,523
Good and services tax receivable		51,647	86,274
Tax credits receivable		639,402	639,402
Prepaid expenses		99,098	121,895
		1,604,261	1,310,347
Non-current			
Property and equipment	5	312,375	579,935
Exploration and evaluation assets	6	33,335,301	31,871,903
Total assets		35,251,937	33,762,185
LIABILITIES			
Current			
Trade and other payables		124,646	329,273
Other liabilities		70,212	102,259
		194,858	431,532
Non-current			
Deferred tax liabilities		1,382,536	1,061,476
Loan guaranteed by the Government of Canada	7	40,000	40,000
Total liabilities		1,617,394	1,533,008
EQUITY			
Share capital	8.1	57,299,039	55,195,143
Contributed surplus		5,234,721	5,168,221
Deficit		(28,899,217)	(28,134,187)
Total equity		33,634,543	32,229,177
Total liabilities and equity		35,251,937	33,762,185

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 February 22, 2023.

(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		Six-month period ended	
		December 31,		December 31,	
		2022	2021	2022	2021
		\$	\$	\$	\$
EXPENSES					
Salaries and employee benefit expenses		99,401	107,233	174,178	202,268
Professional fees		51,490	57,505	82,949	82,919
Investors and shareholders' relations		40,287	35,626	70,670	73,834
Trustees and registration fees		34,901	36,460	38,744	38,381
Insurances, taxes and permits		5,642	4,835	11,481	27,209
Publicity and sponsorship		5,071	15,021	7,591	17,541
Rent expenses		4,500	4,500	9,000	10,374
Office expenses		2,533	9,897	7,593	13,652
Amortization of property and equipment		535	360	1,733	720
Training		451	-	618	900
Bank charges		252	432	928	840
Income taxes of section XII.6		-	-	574	-
Project generation expenses		-	25,324	-	27,946
OPERATIONAL LOSS		245,063	297,193	406,059	496,584
OTHER REVENUES AND EXPENSES					
Finance costs	10	-	(32,893)	(4,977)	(89,229)
Finance income	10	3,632	485	3,834	1,875
		3,632	(32,408)	(1,143)	(87,354)
LOSS BEFORE INCOME TAX		(241,431)	(329,601)	(407,202)	(583,938)
Deferred income taxes		(8,209)	62,737	(252,682)	581,430
NET LOSS AND COMPREHENSIVE LOSS		(249,640)	(266,864)	(659,884)	(2,508)
NET LOSS PER SHARE - basic and diluted	11	(0.001)	(0.001)	(0.003)	-

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

SIRIOS RESOURCES INC.

Interim Statement of Changes in Equity (unaudited)

(in Canadian dollars)

	Notes	Share capital	Contributed surplus	Deficit	Total Equity
		\$	\$	\$	\$
As of July 1st, 2021		52,968,542	4,998,971	(27,276,755)	30,690,758
Net loss and comprehensive loss		-	-	(2,508)	(2,508)
Share-based payments	9.2	-	89,250	-	89,250
Issuance cost of shares (a)		-	-	(62,675)	(62,675)
Issuance of units and shares	8.1	936,602	70,000	-	1,006,602
As of December 31, 2021		53,905,144	5,158,221	(27,341,938)	31,721,427
As of July 1st, 2022		55,195,143	5,168,221	(28,134,187)	32,229,177
Net loss and comprehensive loss		-	-	(659,884)	(659,884)
Share-based payments	9.2	-	66,500	-	66,500
Issuance cost of shares (b)		-	-	(105,146)	(105,146)
Issuance of units and shares	8.1	2,103,896	-	-	2,103,896
As of December 31, 2022		57,299,039	5,234,721	(28,899,217)	33,634,543

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

(b) Net of a deferred tax asset of an amount of \$35,097.

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)

	Six-month period ended	
	December 31,	
Notes	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Net loss	(659,884)	(2,508)
Adjustments		
Share-based payments	46,000	51,000
Amortization of property and equipment	1,733	720
Change in fair value of listed shares	4,977	89,178
Deferred income taxes	252,682	(581,430)
Changes in working capital items	12 (185,608)	(79,827)
Cash flows used in operating activities	(540,100)	(522,867)
INVESTING ACTIVITIES		
Disposal of listed shares	-	22,290
Additions to property and equipment	(10,401)	(433,854)
Disposal of advances on exploration and evaluation assets	-	197,592
Additions to exploration and evaluation assets	(1,127,808)	(3,123,564)
Cash flows used in investing activities	(1,138,209)	(3,337,536)
FINANCING ACTIVITIES		
Issuance of units and shares	2,149,364	1,236,468
Issuance cost of shares	(140,699)	(83,149)
Cash flows from financing activities	2,008,665	1,153,319
NET CHANGE ON CASH	330,356	(2,707,084)
CASH, BEGINNING OF THE PERIOD	375,600	3,107,538
CASH, END OF THE PERIOD	705,956	400,454
Supplementary information		
Interest paid related to operating activities	-	52
Interest received related to operating activities	3,833	1,875

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

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2022 (unaudited)

(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 of 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, 2022. 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 six-month period ended December 31, 2022 (unaudited)

(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 December 31, 2022 and 2021, 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 six-month period ended December 31, 2022 and 2021, there were no impairment. No reversal impairment losses has been recognized for the reporting periods.

There was no testing impairment required during the period on 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.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2022 (unaudited)

(in Canadian dollars)

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

Tax credits

The calculation of the Company's refundable tax credit on qualified exploration expenditures incurred and refundable tax credit involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessment has been issued by the relevant taxation authority and payment has been received. Differences arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to the refundable tax credit and refundable tax credit, exploration and evaluation assets, and income tax expense in future periods.

4. TERM DEPOSIT

Term deposit presented in the interim statement of financial position is redeemable annually, bearing interest at 2.70% (2.55% in 2021), maturing in June 2023.

5. PROPERTY AND EQUIPMENT

	Leasehold improvements	Vehicles	Exploration camp and equip.	Office furniture	Computer equipment	Total
	\$	\$	\$	\$	\$	\$
Gross carrying amount						
Balance on July 1st, 2022	3,388	31,846	2,375,212	36,683	122,851	2,569,980
Additions	-	-	6,094	-	4,307	10,401
Balance on December 31, 2022	3,388	31,846	2,381,306	36,683	127,158	2,580,381
Accumulated amortization						
Balance on July 1st, 2022	3,118	30,710	1,797,824	36,683	121,710	1,990,045
Amortiz.	270	1,136	274,895	-	1,660	277,961
Balance on December 31, 2022	3,388	31,846	2,072,719	36,683	123,370	2,268,006
Carrying amount on December 31, 2022						
	-	-	308,587	-	3,788	312,375

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 six-month period ended December 31, 2022 (unaudited)

(in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

Mining rights

	June 30, 2022	Additions	December 31, 2022
	\$	\$	\$
(a) Aquilon	845,210	200,000	1,045,210
(b) Cheechoo	1,047,062	12,000	1,059,062
(c) Pontax	1	-	1
(d) Niska	25,205	-	25,205
(e) Tilly 2	3,509	3,200	6,709
(f) Maskwa	32,288	-	32,288
	<u>1,953,275</u>	<u>215,200</u>	<u>2,168,475</u>

Exploration and evaluation expenses

	June 30, 2022	Additions	December 31, 2022
	\$	\$	\$
(a) Aquilon	2,394,205	32,587	2,426,792
(b) Cheechoo	27,213,241	1,215,611	28,428,852
(d) Niska	165,862	-	165,862
(e) Tilly 2	13,292	-	13,292
(f) Maskwa	132,028	-	132,028
	<u>29,918,628</u>	<u>1,248,198</u>	<u>31,166,826</u>
TOTAL	<u>31,871,903</u>	<u>1,463,398</u>	<u>33,335,301</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) and is fully owned by the Company.

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

In July 2022, the Company buy back three-quarters of the 1% Net Smelter Return ("NSR") royalty retained by a private investor for an amount of \$200,000 on the property. Therefore, the royalty has been reduced to 0.25%.

In December 2022, the Company signed a property option agreement with Sumitomo Mining Canada Ltd. ("Sumitomo"), pursuant to which has agreed to grant to Sumitomo an option to acquire up to an 80% interest, following an investment totaling \$14.8M on the Aquilon property. Sumitomo can earn an initial 51% interest by incurring an aggregate \$4.6M in mineral exploration expenditures over a period of 3 years. Sirios will be operator during this earn-in period. A firm commitment of \$1.6M will be spent on the property during this earn-in period. Sumitomo can earn an additional 29% interest in the project, for an aggregate of 80%, by incurring an additional aggregate of \$10M in mineral exploration expenditures over a period of 3 additional years. Following the earn-in of an 80% interest, a joint venture will be formed. In the event a joint venture, participant's interest is diluted to below 10%, it will convert its joint venture interest to a net smelter return royalty of 2%.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2022 (unaudited)

(in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

(b) Cheechoo

The property located 320 km north of Matagami, Eeyou Istchee James Bay in Quebec, was originally composed of two blocks of non-contiguous claims. Its 121-claims main block is adjacent to the east of Newmont Corp.'s Eleonore gold mine. 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 Gold Royalty Corp 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.

During the months of March, April and November 2022, Sirios added 144 new claims to the property. A first block of 35 new claims is adjacent to the central-eastern part of the main block and another block of 34 claims forms a third block not contiguous to the original blocks of the property. These 144 new claims are 100% owned by Sirios and are not subject to any royalties.

The Cheechoo property is therefore now composed of three blocks of non-contiguous claims comprising 300 claims for a total area of 157 km².

(c) 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.

A private investor holds a 0.5% NSR royalty, half of which is redeemable for \$200,000.

(d) Niska

The property, owned at 100% by the Company, consists of 190 claims and covers almost 100 km² in James Bay, Quebec.

A private investor holds a 0.5% NSR royalty, half of which is redeemable for \$200,000.

(e) Tilly 2

The property, owned at 100% by the Company, consists of 86 claims in the James Bay area (Qc).

A private investor holds a 0.5% NSR royalty on 76 claims, half of which is redeemable for \$200,000.

(f) 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).

A private investor holds a 0.5% NSR royalty, half of which is redeemable for \$200,000.

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, 2023, no further amount will be repayable. Otherwise, the balance of the loan will bear interest at the rate of 5% and will be 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, 2023, this amount was recognized as an other income at the time the government assistance was granted. The estimated instalments payable in the next years are \$40,000 in 2024.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2022 (unaudited)

(in Canadian dollars)

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.

	Number of shares Six-month period ended December 31,	
	2022	2021
Common shares issued and fully paid at beginning	234,456,760	202,069,527
Private placement (a) (b)	19,588,749	3,500,000
Flow-through private placement (c) (d)	14,285,704	7,387,233
Common shares issued and fully paid at the end	268,331,213	212,956,760
Preferred shares, Serie A	100,000	100,000

(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, 3,500,000 shares, 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 July 28, 2022, the Company completed the closing of a private placement for a total of \$1,175,325. It was composed of 19,588,749 unit. The unit, offered at \$0.06, was composed of one common share and one warrant. In total, 19,588,749 shares, as well as 19,588,749 warrants, were issued. Each warrant entitled its holder to subscribe for one common share at \$0.10 per share for a period of twenty-four months.

(c) 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.

(d) On December 22, 2022, the Company completed the closing of a flow-through private placement for a total of \$999,999. It was composed of 14,285,704 flow-through shares at a price of \$0.07 each. An amount of \$928,571 was recorded in share capital and an amount of \$71,428 was recorded as other liabilities in the statement of financial position.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2022 (unaudited)

(in Canadian dollars)

8.2 Warrants

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

	Six-month period ended December 31, 2022		Year ended June 30, 2022	
	Number of warrants	Weighted average exercise price \$	Number of warrants	Weighted average exercise price \$
Balance, beginning	3,500,000	0.15	11,405,501	0.23
Issued	19,588,749	0.10	3,500,000	0.15
Expired	-	-	(11,405,501)	(0.23)
Balance, at the end	23,088,749	0.11	3,500,000	0.15

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

Expiration date	December 31, 2022	
	Number of warrants	Exercise price \$
March 17, 2023	3,500,000	0.15
July 28, 2024	19,588,749	0.10
	23,088,749	0.11

9. EMPLOYEE REMUNERATION

9.1 Salaries and employee benefit expenses

Salaries and employee benefit expenses recognized are analyzed below:

	Three-month period ended December 31,		Six-month period ended December 31,	
	2022 \$	2021 \$	2022 \$	2021 \$
Salaries and benefits	179,088	204,050	404,451	470,176
Share-based payments	66,500	89,250	66,500	89,250
	245,588	293,300	470,951	559,426
Less: salaries and share-based payments capitalized in Exploration and evaluation assets or presented in Project generation expenses	(146,187)	(186,067)	(296,773)	(357,158)
Salaries and employee benefit expense	99,401	107,233	174,178	202,268

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2022 (unaudited)

(in Canadian dollars)

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:

- i) the maximum number of shares that may be issued under the plan is limited to 10% of the issued shares at the time of the grant of the options, maximum of 26,833,121 on December 31, 2022 (maximum of 23,445,676 on June 30, 2022);
- ii) the maximum number of shares that can be reserved for a beneficiary is limited to 5% of issued and outstanding shares;
- iii) the maximum number of shares that can be reserved for a consultant during a 12-month period is limited to 2% of issued and outstanding shares;
- iv) the maximum number of shares that can be reserved for a supplier of investors' relation services during any 12-month period is limited to 2% of issued and outstanding shares; moreover, the options granted maybe exercised by steps over a period of 12 months after the grant, at the rate of 25% per quarter;
- v) the options granted to directors, officers, employees and consultants may be exercised entirely at the date of the grant.

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

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

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

	Six-month period ended December 31, 2022		Year ended June 30, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Outstanding and exercisable, at beginning	13,825,000	0.18	13,775,000	0.26
Granted	3,325,000	0.07	3,225,000	0.08
Expired	(2,275,000)	(0.30)	(3,175,000)	(0.44)
Outstanding and exercisable, at the end	14,875,000	0.13	13,825,000	0.18

On December 15, 2022, the Board of Directors of the Company granted 3,325,000 options under its stock option incentive plan to employees, directors, officers and consultants, at an exercise price of \$0.07. The options expire five (5) years from the date of grant.

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2022 (unaudited)

(in Canadian dollars)

9.2 Share-based payments (cont'd)

The weighted average fair value of stock options granted is \$0.02 (\$0.03 for the period ended December 31, 2021) and was estimated using the Black & Scholes model and based on the following weighted average assumptions:

	2022	2021
Share price at the date of issuing	\$0.05	\$0.07
Expected dividend yield	0%	0%
Expected weighted volatility	60%	57%
Expected interest average rate	3.40%	1.22%
Expected average life	5 years	5 years
Average exercise price at the date of grant	\$0.07	\$0.08

The underlying expected volatility was determined by reference to historical data of the Company's share over the expected average life of the options. No special features inherent to the options granted were incorporated into measurement of fair value.

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

	December 31, 2022	
Range of exercise price	Number of options	Weighted average remaining contractual life (years)
From \$0 to \$0.15	9,325,000	4.02
From \$0.16 to \$0.30	5,550,000	1.52
	<u>14,875,000</u>	

In total, \$66,500 of share-based payments (all of which related to equity-settled share-based payment transactions) was recorded (\$46,000 in profit or loss as salaries and employee benefit expenses and \$20,500 capitalized in exploration and evaluation assets) for the six-month period ended December 31, 2022 (\$51,000 in profit or loss as salaries and employee benefit expenses and \$38,250 capitalized in exploration and evaluation assets for the six-month period ended December 31, 2021) and credited to contributed surplus.

10. FINANCE COSTS AND INCOME

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

	Three-month period ended December 31,		Six-month period ended December 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Change in fair value of listed shares	-	(32,893)	(4,977)	(89,177)
Interests on trade accounts	-	-	-	(52)
	-	<u>(32,893)</u>	<u>(4,977)</u>	<u>(89,229)</u>

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2022 (unaudited)

(in Canadian dollars)

10. FINANCE COSTS AND INCOME (cont'd)

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

	Three-month period ended December 31,		Six-month period ended December 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Interests income from cash	1,018	485	3,834	1,875
Change in fair value of listed shares	2,614	-	-	-
	3,632	485	3,834	1,875

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 2022 and 2021.

	Three-month period ended December 31,		Six-month period ended December 31,	
	2022	2021	2022	2021
Net loss	(249,640) \$	(266,864) \$	(659,884) \$	(2,508) \$
Weighted average number of shares	255,598,303	212,956,760	251,947,470	208,947,816
Basic and diluted loss per share	(0.001) \$	(0.001) \$	(0.003) \$	- \$

12. ADDITIONAL INFORMATION - CASH FLOWS

The changes in working capital items are detailed as follows:

	Six-month period ended December 31,	
	2022	2021
	\$	\$
Amounts receivable from listed companies	-	4,481
Good and services tax receivable	34,627	19,973
Prepaid expenses	22,797	131,313
Trade and other payables	(243,032)	(235,594)
	(185,608)	(79,827)

SIRIOS RESOURCES INC.

Notes to Interim Financial Statements

For the six-month period ended December 31, 2022 (unaudited)

(in Canadian dollars)

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

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

	Six-month period ended December 31,	
	2022	2021
	\$	\$
Trades related to exploration and evaluation assets	38,405	215,652
Amortization of property and equipment included in exploration and evaluation assets	276,031	274,744
Share-based payments included in exploration and evaluation assets	20,500	38,250
Subscriptions to receive included in share capital	25,960	-

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 December 31,		Six-month period ended December 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Salaries and benefits	51,194	50,193	112,735	117,002
Share-based payments	35,500	45,750	35,500	45,750
Total remuneration	86,694	95,943	148,235	162,752

For the six-month period ended December 31, 2022, an amount of \$28,806 of salaries and benefit expenses was recorded in *Exploration and evaluation assets* (\$28,188 for the six-month period ended December 31, 2021).

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 six-month period ended December 31, 2022 (unaudited)

(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;
- One year after the Company has renounced the tax deductions relating to the exploration work.

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

As of December 31, 2022, the product of unspent funding related to flow-through financings totals \$982,969 to be incurred before December 31, 2023 (\$1,242,544 on December 31, 2021).

16. SUBSEQUENT EVENT

On February 16, 2023, the Company signed a sale and purchase agreement with the Australian company Cygnus Gold Ltd. ("Cygnus") and its wholly owned Canadian subsidiary Avenir Metals (Canada) Limited ("Avenir") for the sale of the Pontax property. Cygnus will pay Sirios \$1.2M (CAD) upon signing and issue 750,000 shares, half of which will have a one-year hold period.

If a resource of 4M metric tonnes at a minimum grade of 0.8% Li₂O is delineated on the property (validated under the JORC code), Cygnus will be required to make a further cash payment of \$1M and issue 500,000 shares. Finally, an additional payment of \$2M will be required, in addition to the issuance of 500,000 shares, in the event that the resource on Pontax (validated under the JORC code) reaches 6M metric tonnes at a minimum grade of 0.8% Li₂O.

Sirios will hold a 1.5% net smelter return royalty with a buy-back clause by Cygnus for 0.75% in consideration of a \$600,000 payment.

Completion of the sale of the Pontax property is conditional to the satisfaction of mutually agreeable ancillary agreements on or before the expiry of a delay of 90 days after the signature of the sale and purchase agreement.