

**DIOS EXPLORATION INC.  
EARNINGS AND DEFICIT**

	<b>Three-months period ended June 30 2002</b>	<b>Six-months period ended June 30 2002</b>
<b>REVENUE</b>		
Interest	\$ 3 141	\$ 4 747
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Public relations	12 835	15 634
Professional fees and consulting	4 462	15 908
Informations to shareholders	10 351	15 208
Registration fees	4 314	8 989
Office	267	948
Travel	484	484
Communications	303	462
Insurance, taxes and permits	-	250
Internet web site	2 500	2 500
Interest and bank charges	103	160
	<u>35 619</u>	<u>60 543</u>
NET LOSS	<u>(32 478)</u>	<u>(55 796)</u>
DEFICIT AT BEGINNING	(161 175)	(109 804)
SHARE ISSUANCE EXPENSES	(121 026)	(149 079)
DEFICIT AT THE END	<u>\$ (314 679)</u>	<u>\$ (314 679)</u>
NET LOSS PER SHARE	<u>\$ (0.004)</u>	<u>\$ (0.007)</u>
<b>BALANCE SHEETS</b>		
	June 30, 2002	December 31, 2001
	(unaudited)	(audited)
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	269 462	265 606
Receivable	44 508	4 657
	<u>313 970</u>	<u>270 263</u>
FUNDS HELD FOR EXPLORATION EXPENSES	564 683	344 400
MINING PROPERTIES	765 465	650 219
DEFERRED EXPLORATION EXPENSES	296 956	5 000
	<u>1 941 074</u>	<u>1 269 882</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	164 549	104 186
<b>SHAREHOLDER' EQUITY</b>		
Share capital	2 091 205	1 275 500
Deficit	(314 680)	(109 804)
	<u>1 776 525</u>	<u>1 165 696</u>
	<u>1 941 074</u>	<u>1 269 882</u>

<b>DIOS EXPLORATION INC.</b>	<b>Three-months period ended June 30 2002</b>	<b>Six-months period ended June 30 2002</b>
<b>CASH FLOWS</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss	\$ (32 478)	\$ (55 796)
Change in non-cash working capital items	(9 597)	20 511
	<u>(42 075)</u>	<u>(35 285)</u>
<b>FINANCING ACTIVITIES</b>		
Share capital issuance	806 628	815 705
Share issuance expenses	(121 026)	(149 079)
	<u>685 602</u>	<u>666 626</u>
<b>INVESTMENT ACTIVITIES</b>		
Deferred exploration expenses	(223 282)	(291 956)
Funds held for exploration expenses	(288 957)	(220 283)
Acquisition of mining properties	(53 942)	(115 246)
	<u>(566 181)</u>	<u>(627 485)</u>
<b>CASH INCREASE</b>	77 346	3 856
<b>CASH POSITION, BEGINNING</b>	192 116	265 606
<b>CASH POSITION, END OF PERIOD</b>	<u>\$ 269 462</u>	<u>\$ 269 462</u>

**NOTES TO FINANCIAL STATEMENTS** for the six months ended June 30, 2002 (unaudited)

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**1. Significant accounting policies**

The interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles, using the same accounting policies as outlined in Note 2 of the financial statements for the year ended December 31, 2001. These financial statements must be read in parallel with the financial statements for the year ended December 31, 2001.

**2. Share capital**

Authorized

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

	June 30, 2002 (unaudited)	December 31, 2001 (audited)
Shares issued	<u>2,091,205 \$</u>	<u>1,275,500 \$</u>
7,227,141 common shares ( 5,394,191 as at December 31, 2001)		

During the period 152,050 common shares were issued at the price of \$ 0.39 per share following the subscription of common share purchase warrants. Also in May 2002, pursuant to a Short Form Offering Document, the Company issued 1 680 900 common shares at the price of \$ 0.45 per share.