DIOS
EXPLORATION

14 KARATS GOLD PROJECT SUMMARY

Claims Status: 3 claim blocks totalling 626 CDC (map-staked mining cells) for 325 sq. km presently staked in the 23D14-12-11 NTS.

Location and topography: the **14 KARATS project** is located about 35-55km east of the Stornoway Renard diamond deposit, and about 50-75 km NE of the Eastmain gold mine (accessible by a 160 km winter-road from Temiscami). The project could be worked by helicopter from DIOS Bohier Island camp along the Eastmain River or from Mirage Pluto Lake camp (both from 50-60km SW and N).

Regional geology: the geology underlying the **14 KARATS** area (23D14-12-11) is poorly known; GSC Eade (1965) and SDBJ (1975) regional reconnaissance mapping showed the dominance of gneiss (migmatized orthogneiss and biotite paragneiss) with some amphibolite that is within the Archean LaGuiche Basin (part of the Opinaca Sub-province). No provincial government mapping was previously carried out on the area.

Although centered on a poorly-outcropping area, DIOS 2011 reconnaissance program outlined a pluri-kilometric sequence of metasediments (conglomerate, biotite grauwacke & silicate iron-formation), metabasalts, dacites, ultramafics and gabbroic-dioritic sills within a Greenschist-grade metamorphic domain (Opatica) adjacent to the LaGuiche migmatitic orthogneiss and paragneiss. Disseminated sulfides (1-15% arsenopyrite-pyrite-pyrrhotite) mineralizations were observed within the silicified metasediments and metavolcanics. Federal magnetic data shows interesting weak magnetic lineaments with some flexure/folding pattern that follow the contact between the Opinaca and Opatica Sub-provinces. Further 10km to the south/southwest, the NE limit of the Archean Upper Eastmain greenstone-belt (40-50km long x 5km wide) is present along William-Wahemen Lakes (23D12-11), and is characterized by a very weak magnetic signature. It is Dios' interpretation that the Greenschist volcano-sedimentary sequence observed from Leran-Wahemen-Patamisk Lakes is the northern extent of the Upper Eastmain greenstone-belt.

Previous work: In 1965, Eades carried out regional mapping over the James Bay territory for the GSC. In 1967, Eagle Head Mining prospected an area W-SW of Wahemen Lake (gm 20972). In the 1970s, a half-mile spaced federal aeromagnetic survey was flown over the region. In 1973-74, Canico-Uranerz flew 5456 lines-miles of airborne (about 400m-spaced) mag-em-radiometric survey, prospecting and winkie-drilling on their Cadieux (U/CU-ZN) project that covers the 23d11-12 NTS sheets (gm

57886, gm 57887, gm 57888). In 1975-76, SDBJ (Societe de developpement de la Baie James) completed two miles spaced lake sediment geochemistry survey over the region (gm?) as well as uranium and base metals regional reconnaissance (gm34048). In the 23D/14, two main arsenic lake sediment anomalies are present: a nice 20km x 10km northern arsenic lake sediment anomaly (4ppm As<x<32 ppm As) that is coincidental with a mag flexure; and a 10km x 5 km southern arsenic lake sediment anomaly (9 ppm As<x< 31 ppm As) that is associated with a magnetic blow.

In 1999, BHP completed an extensive heavy mineral sampling program over the eastern part of the James Bay territory (GM 59085 & 59086) that was targeting diamond and base metals. About forty heavy mineral samples were collected over the 23D/12-13-14 area, and no kimberlite indicator minerals nor metals (gold-arsenopyrite-chalcopyrite-sphalerite) were identified within the samples. In 2000, the discovery of diamond indicators in till, shortly followed by the discovery of diamondiferous kimberlite pipes by Ashton-Soquem in the 33A/16 NTS sparked a staking rush over the region. In 2001-03, during the Otish diamond rush, Dios Exploration carried out systematic till sampling over its 33 Carats diamond project (33A/07-08-09-10-14-15, 33H/01-02). In 2003, Diadem carried out till sampling (9 samples down-ice 3 magnetic anomalies) over the 23D/14 NTS, but no assays or picking is reported (GM 62021). In 2003, Miranda completed an airborne magnetic survey and till sampling on its Lac Leran diamond project (gm60600). In 2006-07, Midland Exploration staked four claim blocks (Daran E, F & G and Wahemen North) over lake sediment anomalies within 23D14, but no assessment work was filed. In 2006, Virginia Gold Mines mapped and prospected the Eastmain-Wahemen Greenstone-belt located about 10-15km south of the 14Karats property.
In 2011, Dios Exploration map-staked the 14karats property and carried out a 7 day reconnaissance (mapping-prospecting and till-esker (54 samples) sampling) program.
In 2012, another reconnaissance (prospecting and tills (69samples)) program was done by Dios.

<u>High points of the 14 KARATS project for gold</u>:
- Covers a 40 km under-explored strike of the northern extent of the Archean Upper Eastmain volcano-sedimentary belt;

-Located near the contact between the Opatica and Opinaca Subprovinces, i.e. at the transition between Greenschist and Amphibolite metamorphic gradients;

-In 2006, Dios re-assayed its 33 Carats diamond tills for gold, and gold anomalies of 1660 ppb Au, 123 ppb Au, 534 ppb Au and 2330 ppb Au (in the concentrate of heavy minerals) are present within a few km down-ice from the interpreted greenstone belt.

-In 2011-12, regional till sampling programs completed by Dios yielded 1010 ppb Au, 836 ppb Au, 642 ppb, Au, 583 ppb Au, 454 ppb Au, 356 ppb Au, 160 ppb Au, 151 ppb Au, 131 ppb Au, 120 ppb Au, , 115 ppb Au, 113 ppb Au, 109 ppb Au (in the concentrate of heavy minerals).

-Up-ice of these goldbearing tills, good arsenic lake sediment anomalies (9 ppm As<x<32 ppm As) are present: a 20 km x 10 km south-western anomaly (including 13, 14, 23, 27, 32 ppm As) and a 7 km x 4 km south-eastern anomaly (including 11, 17, 18 ppm As). A 10 km x 5 km northern arsenic lake sediment anomaly (4 ppm As<x< 31 ppm As) associated with a magnetic blow is also located 10km further north of the first anomaly.

-The lake sediment anomalies are associated with a magnetic flexure (change of direction) of the Opatica- Opinaca contact.

-DIOS 2011 reconnaissance confirmed the presence of disseminated sulfides (1-15% arsenopyrite-pyrite-pyrrhotite) within silicified Greenschist-grade magnetic meta-sediments and metavolcanics, up-ice of 27 and 32 ppm As in lake bottom sediments. In that area, a glacial float assayed 0.45 g/t Au.

-During the DIOS 2012 reconnaissance in the vicinities of 11, 17 and 18 ppm As in lake bottom sediment anomalies, a metric silicied metasedimentary float with disseminated sulfides (2-5% arsenopyrite-pyrite-pyrrhotite) yields 2.6 g/t Au, 0.7 g/t Ag, >1% As, 0.3% W. The same area hosts abundant mineralized (1-10% PY-ASPY-PO) Opatica metasedimentary floats, with several angular blocks reaching up to 6x 6x3m suggesting a local source.

Recommendations: The geological environment suggests a potential for Eleonore-type mineralization. A pluri-kilometric sequence of metasediments (conglomerate, biotite-wackes & silicate iron-formation), with minor chloritized metabasalts, dacites, ultramafics and gabbroic-dioritic-tonalitic sills observed by DIOS in 2011, was extended eastward to the limit between the 23D14 and 23D15. This sequence is characterized by a Greenschists-Low Amphibolite metamorphic grade typical of the Archean Opatica Sub-province. Further east, a 1.5x1.5x1.5m float of silicified & sericitized metasediment hosting 5% ASPY, 2% PY assayed 2.6 g/t Au, 0.7 g/t Ag, >1% As, 2 ppm Sb, 0.3% W. These two main areas should be targeted for follow-ups and a 10-14 days helicopter-supported follow-up is recommended. Additional aeromagnetic data could be available in the future as the Quebec government is considering an airborne survey over the project area, it would greatly help to better define the geology and structures due to the poorly outcropping nature of the area.

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Qualified Person pursuant to 43-101
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