

DIOS EXPLORATION INC.
EARNINGS AND DEFICIT
THREE MONTHS ENDING MARCH 31, 2003 (unaudited)

	<u>Three-months period ended March 31</u>	
	2003	2002
	\$	\$
REVENUE		
Interest	<u>2 644</u>	<u>1 606</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Stock based compensation	54 275	-
Public relations	8 926	2 799
Professional fees and consulting	12 679	11 446
Informations to shareholders	3 010	4 857
Registration fees	7 622	4 675
Office	3 438	681
Communications	1 296	159
Insurance, taxes and permits	4 287	250
Interest and bank charges	138	57
	<u>95 671</u>	<u>24 924</u>
NET LOSS BEFORE INCOME TAXES	(93 027)	(23 318)
Future income taxes	32 180	-
NET LOSS	<u>(60 847)</u>	<u>(23 318)</u>
DEFICIT AT BEGINNING	(602 220)	(109 804)
SHARE ISSUANCE EXPENSES	(59 579)	(28 053)
DEFICIT AT THE END	<u>(722 646)</u>	<u>(161 175)</u>
NET LOSS PER SHARE	\$ (0.007)	\$ (0.004)

**DIOS EXPLORATION INC.
BALANCE SHEETS**

	March 31, 2003	December 31, 2002
	(unaudited)	(audited)
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	26 678	272 045
Receivable	32 877	59 697
	<u>59 555</u>	<u>331 742</u>
FUNDS HELD FOR EXPLORATION EXPENSES	382 087	391 200
MINING PROPERTIES	821 852	783 446
DEFERRED EXPLORATION EXPENSES	865 399	708 702
	<u>2 128 893</u>	<u>2 215 090</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	33 074	80 519
FUTURE INCOME TAXES	133 984	106 585
	<u>167 058</u>	<u>187 104</u>
SHAREHOLDER' EQUITY		
Share capital	2 555 206	2 555 206
Stock options	129 275	75 000
Deficit	(722 646)	(602 220)
	<u>1 961 835</u>	<u>2 027 986</u>
	<u>2 128 893</u>	<u>2 215 090</u>

DIOS EXPLORATION INC.
CASH FLOW
THREE-MONTHS ENDING MARCH 31, 2003 (unaudited)

	<u>Three-months period ended March 31</u>	
	2003	2002
	\$	\$
OPERATING ACTIVITIES		
Net loss	(60 847)	(23 318)
Future income taxes	(32 180)	-
Stock based compensation	54 275	-
Change in non-cash working capital items	(20 625)	30 108
	<u>(59 377)</u>	<u>6 790</u>
FINANCING ACTIVITIES		
Share capital issuance	-	9 077
Share issuance expenses	-	(28 053)
	<u>-</u>	<u>(18 976)</u>
INVESTMENT ACTIVITIES		
Deferred exploration expenses	(156 697)	(68 674)
Funds held for exploration expenses	9 113	68 674
Acquisition of mining properties	(38 406)	(61 304)
	<u>(185 990)</u>	<u>(61 304)</u>
CASH DECREASE	(245 367)	(73 490)
CASH POSITION, BEGINNING	272 045	265 606
CASH POSITION, END OF PERIOD	<u>26 678</u>	<u>192 116</u>

NOTES TO FINANCIAL STATEMENTS for the three-months ended March 31, 2003 (unaudited)

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, 2002. These financial statements must be read in parallel with the financial statements for the year ended December 31, 2002.

DIOS EXPLORATION INC.**NOTES TO FINANCIAL STATEMENTS** for the three-months ended March 31, 2003 (unaudited)**2. Share capital**

Authorized

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

	March 31, 2003 (unaudited)	December 31, 2002 (audited)
Shares issued		
8 262 557 common shares	\$ 2 555 206	\$ 2 555 206

During the period no common shares were issued.

Options

Beneficiaries	Number of shares	Price (\$)	Expiry date
Directors and managers	500 000	0.30	10 janvier 2007
Directors and managers	325 000	0.36	6 février 2008

In February 2003, the company granted 325 000 five-years stock purchase options to some of its directors and officers at a exercise price of \$ 0.36. The fair value of these options was estimated using the Black Scholes stock option evaluation model with the following assumptions: estimated weighted average duration of three years for these options, risk free interest rate of 4.5%, forecast volatility of 65 % and no forecast dividend. During the three-months period ended March 31, 2003, remuneration expense in the amount of \$54 275 has been accounted for.

Warrants

Number	Exercise price	Expiry date
333 333	\$ 0.51	April 2003
	\$ 0.58	November 2004
337 744	\$ 0.51	June 2003
	\$ 0.58	June 2004
359 857	\$ 0.39	May 2003
825 450	\$ 0.55	May 2003

3. Subsequent event

As per an agreement dated March 17, 2003, De Beers Exploration Canada Inc. subscribed in April 2003 a placement of \$250 000 for 500 000 shares of the company at \$ 0.50 per share with a warrant exercisable at \$0.65 for twelve months.