DIOS EXPLORATION INC.
INTERIM MANAGEMENT REPORT
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2009

This Management Discussion and Analysis dated November 19, 2009, and provides an analysis of our financial results for the nine-month period ended September 30, 2009. This discussion and analysis of the financial position and results of operation should be read in conjunction with the unaudited interim financial statements for the nine-month period ended September 30, 2009 and the audited financial statements for the year ended December 31, 2008 and the audited financial statements for the year ended December 31, 2007. The unaudited interim financial statements for the period ended September 30, 2009 were not reviewed by the external auditors.

Our report contains «forward-looking statements» not based on historical facts. Forward-looking statements express, as of the date of this report, our estimates, forecasts, projections, expectations and opinions as to future events or results. Forward-looking statements herein expressed are reasonable, but involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, fluctuations in the market price of precious metals, mining industry risks, uncertainty as to calculation of mineral reserves and requirements of additional financing and the capacity of the Company to obtain financing.

COMPANY PROFILE AND MISSION

Dios Exploration Inc. (the "Company" or "Dios") is a leading research and exploration company with over 2,000 sq. kilometres of properties in the high potential areas of central Québec and the Otish Mountains. Dios diversified its exploration strategy on uranium and lithium as well as diamonds, three substances highly in demand in the natural resources industry. If other substances are discovered, Dios' strategy is to find a partner to develop such projects. Dios' strategy is to generate projects and develop them either alone or through farming out agreements, with the benefit of shareholders in mind.

Dios generates most of its exploration projects, from scientific conceptual design to field discovery and tries to evaluate from the start feasible economics in relation with access and facilities. The Company's shares are traded on the TSX Venture Exchange under the symbol **DOS** and 34,333,839 shares were issued as of September 30, 2009. Additional information may be available through the www.sedar.com web site, under the Company's section "Sedar filing" or at www.diosexplo.com.

SUMMARY OF ACTIVITIES DURING THE QUARTER

- Exploration expenses totalling $472,203, as well as $95,374 in mining rights. See "**Summary of exploration activities**" below.
- Write-off of the Opinaca-Nord option Property following an evaluation of the potential of this property.
- Hotish Property:
    - Discovery of the *Godzilla* showing following the summer systematic ground prospecting and exploration program: Out of eight basement rock samples taken on the zone, six returned grades over 0.33% U_3O_8 over an area of 25 m by 14 m, that is 2.56%, 1.55%, 0.722%, 0.335%, 0.502%, 0.33%, and another one returned 0.13% uranium oxide.
    - Discovery of Rare Earth and Zirconium: 0.36% REE (rare earth elements), 0.1% Y (yttrium), 1.5% Zr (Zirconium) (non oxides values). Also on the same area an assay returned 0.787% U_3O_8.
    - On the B-1 anomaly, a few km away, assay has returned this fall 0.34% and 0.23% U_3O_8. See "**Summary of exploration activities**" below.
- Pontax Property:
    - Discovery of a significant lithium occurrence during the quarter.
    - The six assayed and re-assayed rock samples graded from 2.5% up to 5.4% Li_2O.
    - A program of seven diamond drill holes totalling 864 metres was completed in early October. The assay results are expected before the year-end. This property is owned 50%-50% with Resources Sirios Inc. See "**Summary of exploration activities**" below.

RESULTS OF OPERATION

Summary of exploration activities

The Company's team works with a systematic approach and is always looking for new developments in mineral exploration. Discovery of new glacial dispersal trains indicating strong potential of poorly explored regions remains one of the Company's strength.

The growth of uranium's prices offered the opportunity to Dios, as for its pre-existent privileged stand in possession of claims and the expertise of its employees, to diversify the exploration strategy on diamond and uranium, two substances highly requested in the natural resources industry. Discovery of new glacial dispersal trains indicating strong mineral potential of poorly explored regions remains one of the Company's strength.

During the quarter, the prospecting on the Pontax Property led to a significant lithium occurrence. Exploration activities will rapidly determine the significance of this discovery.

During the third quarter, the Company incurred $472,203 in exploration expenses mainly on the Hotish and Pontax properties, as well as $95,374 in mining rights (renewal of $90,984$ and additions of $4,390). Following an evaluation of the potential of the Opinaca-Nord option Property, the Company decided to write-off the cost of the option ($105,640) and its deferred exploration expenses ($325,552).

Exploration Expenses Analysis

Description	Hotish	Pontax-Lithium	Pontax	Upinor	Others	Total
	$	$	$	$	$	$
Geology	257 976	18 616	-	179	896	277 667
Transportation, lodging and logistic	115 126	-	5 092	-	-	120 218
Sampling and analysis	-	-	-	-	-	-
Geophysics	59 703	-	-	-	4 290	63 993
Office and others	5 163	5 160	-	-	2	10 325
	437 968	23 776	5 092	179	5 188	472 203

Acquisitions, disposals, write-off and claims renewal analysis

Properties	Additions	Claims renewal	Write-off	Total
	$	$		$
33 Carats	-	8,640	-	8,640
Hotish	4,390	26,100	-	30,490
Opinaca-Nord	-	(8,600)	(105,640)	(114,240)
Upinor	-	14,940	-	14,940
Pam	-	29,280	-	29,280
U2	-	20,520	-	20,520
Chibouki	-	104	-	104
	4,390	**90,984**	**(105,640)**	**(10,266)**

These amounts represent either staking acquisitions costs or claims renewal costs (cancellation) for the third quarter. The Company always favoured the acquisition of mining properties by map staking.

Following an evaluation of the potential of the Opinaca-Nord option Property, the Company decided during the quarter to write-off the cost of the option and its deferred exploration expenses.

Geological information presented herein was summarized by Marie-José Girard, M.Sc., Geo (President) and Harold Desbiens, M.Sc. Geo, qualified person pursuant to National Instrument 43-101.

Hotish Uranium Property, Otish Sedimentary Basin Area, Qc

During the last quarter ended September 30, 2009, the company completed a large field program on its wholly-owned 740 sq. kilometer Hotish uranium project, James Bay agreement region, QC. This extensive program included systematic mapping and prospecting of selected areas, reconnaissance work on the newly staked blocks, detailed soil geochemistry on the Butte and B-1 spectrometric anomalies, detailed ground VLF

surveys, and additional helicopter-borne spectrometric surveys. During the prospecting, a total of 181 rock samples were collected including 102 from outcrops and 79 from glacial boulders.

The Godzila showing

A significant uranium discovery was made during the 2009 systematic ground prospecting. In outcrops, the new GODZILA showing appears as a 3-4 meters wide by 25 meters long (minimum) fractures corridor within granitic rocks showing. Within the corridor, the fractures (mm-cm) system is dominated by three main orientations and is filled by quartz-magnetite-hematite-uranophane and uraninite. The fractured corridor yielded 12,000 to 44,000 counts per second (cps) and field measurement on RS-125 spectrometer assayed between 0.12 and 1.13% U_3O_8 with good U/Th (19 to 500). A 25 meters long trench was dug with hand shovels and eight grab-samples were collected and sent to laboratories ALS-CHEMEX and Saskatchewan Research Council for assays. Six of the eight samples grade over 0.33% U_3O_8: 2.56%, 1.55%, 0.722%, 0.502%, 0.335%, and 0.33% U_3O_8.

Both extents of this showing remain open as they are covered by overburden. About 200 meters more to the north, two additional grab-samples were collected on granitic rocks that returned 33,000-42,300 cps and 0.49-0.79% U_3O_8 (RS-125) with good U/Th ratios (6-7). The Godzila discovery was made during the course of systematic exploration work up-ice of uranium lake sediment anomalies.

The Hotish property comprises several other high uranium potential areas. Beside the new Godzila high-grade uranium discovery, several good results came from other areas of the Hotish property: in 2009, **there was a rare earth element and zirconium discovery on Hotish:**

The B-1 zone

At one end of the B-1 anomaly, a five meter outcrop returned up to 0.36% REE (rare earth elements; 0.1% Y (yttrium), 1.5% Zr (Zirconium) (values presented in elements and not oxides, which would give higher results), and also **0.787% U_3O_8** (uranium oxides), 14g/t Ag (silver) and 0.45% Pb (lead) from grab sampling with a U/Th ratio of 13.6. It is an uranophane-monazite bearing hematitized granitic outcrop.

Also on the same several kilometre long B-1 anomaly, two other grab-samples from uranophane-bearing biotitized granitic outcrops respectively assay **0.34% U_3O_8 and 0.23% U_3O_8**. Their U/Th ratios vary from 2 to 4. A several meter large rock boulder from the same area also returned 0.04% U_3O_8.

This B-1 zone is one of the first-priority geophysical targets discovered in 2008: it is east-west oriented and characterized by U/Th ratios of 2.0 times the background and extending a minimum of 3.0 km by 0.5-1.0 km. A total of forty-four grab-samples were collected from the vicinities of the radioactive anomaly. Twenty-three samples are located on a hill, from which six (26%) graded more than 0.05% U_3O_8; including values of **0.50%; 0.13%; 0.21% and 0.22% U_3O_8 and also 0.052; 0.076 U_3O_8**. In the adjacent valley, an area of 100m by 150m returned seven assays greater than 0,3% U_3O_8 from nine samples from boulders, including **0.338%; 0.356%; 0.398%; 0.581%; 0.69%; 0.79%; 0.854% U_3O_8.** The highest assays and counts are associated with magnetite-molybdenite-uranophane-smoky quartz bearing biotite-rich granite. The B1 anomaly is located directly over a strong magnetic high associated with a pegmatitic intrusive enclosing east-west striking migmatitic gneisses. The anomaly is located directly up-ice of a northeast-southwest uranium lake sediment anomaly (values from 49 to 93 ppm U INAA) probably associated with a glacial dispersion (boulders) train.

The A-1 zone

The B-1 zone is perfectly line-up (9 km due west) with the A-1 zone (a 3km by 1.0-1,5 km anomaly) associated with Uranerz first-priority TICH-1 and TICH-2 uranium lake sediment anomalies. The TICH-1 anomaly was confirmed by Dios own lake sediment survey that returned up to 1020 ppm U. The A-1 zone is characterized by U/Th of 2.1 times the background. It is also associated with an east-west striking migmatitic gneiss unit with the pegmatitic intrusive.

The Butte zone

On the Butte anomaly, new mineralized areas have been uncovered in 2009 in addition to the uranium mineralized zones discovered last year: new grab-samples from smoky quartz-bearing granite assay **0.15% U_3O_8, 0.10% U_3O_8; 0.06% U_3O_8**. The associated U/Th ratios vary from 1 to 5.

In 2008, Dios reached a significant exploration breakthrough on its wholly owned Hotish project with this discovery. A uranium-bearing radioactive geological unit over some 1 kilometre-wide and extending in strike over several more kilometres was discovered in the field in association with the previously defined 3 km long helicopter-borne spectrometric uranium anomaly (by over 750m wide). For this Butte zone, the airborne measurements show U/Th ratios about 2 times the background and ground readings (RS-120) reached up to 45,000 cps (counts per seconds) in the field. The 2008 surface sampling of the Butte zone returned nine grab-samples (or 22.5%) with values higher than 0.06% U_3O_8 including: 0.063; 0.064; 0.076; 0.076; 0.103; 0.105; 0.139; 0.225 and 0.23%. This geological unit is not structural related, as was first thought due to the related linear airborne magnetic feature: the magnetic lineaments are effectively geological features, but correspond to geological contacts, the contacts of a large meta-sedimentary unit envelope, a priority target.

Thirty-seven rock grab-samples were collected from outcrops on the western part of the C-1 radiometric zone and fourteen (or 38%) assayed more than 0.05% U_3O_8 (uranium oxide), including six samples grading more than 0.1 % U_3O_8 (0.419 %, 0.225 %; 0.23 %; 0.14 %, 0.11% & 0.1% U_3O_8). Some 1.5 kilometres away from this zone and its outcrops, two radiometric in place angular boulders were discovered, one grading as high as 0,639 % U_3O_8. Another few km away from the first zone, the poorly outcropping central-eastern part of the C-1 spectrometric zone, fifty-five grab-samples (33 from outcrops and 22 from glacial floats) were collected.

Three biotitite rock boulders with traces of apatite, uranophane, and uraninite assayed respectively 0.461%; 0.679% and 0.937% U_3O_8. The alteration observed looks like hydrothermal alteration, possibly associated with structural features or conduits. Due to their great softness, the source of these boulders is believed to be very close, particularly as these are biotite-rich altered rocks that could not have been transported very far away by the glaciers without being disintegrated. In the same area, six granitoid boulders with traces of molybdenite and uranophane graded more than 0.1% U_3O_8. Five samples from a biotite-rich and smoky quartz bearing outcrop returned values up to 0.132% and 0.28% U_3O_8. Three other outcrops assayed more 0.05% U_3O_8.

During the Fall 2008, on HOTISH was completed an exploratory drilling program totalling twelve NQ-size holes for 3,000 meters over a 3 km strike length. It aimed at exploring at depth the 2,500 meters by 600 meters radioactive Butte zone. Mineralization consists of disseminated fine- grained uraninite (locally uranophane) in altered granitic rocks with smoky quartz and apatite and associated biotite-altered zones. This is considered a new mineralized discovery in the Otish area as far as the location is concerned as well as the type of mineralization.

The Butte showing

The Butte uranium occurrence is hosted within the larger Butte uranium unit. Dios work aims at discovering other high grade zones and/or extend the Butte mineralized occurrence. This zone with three biotitite rock boulders with traces of apatite, uranophane, and uraninite assayed respectively 0.461%; 0.679% and 0.937% U_3O_8 seems to have a deeper expression. The alteration observed looks like hydrothermal alteration, possibly associated with structural features or conduits.

Dios Hotish drilling intersected up to 0.093% U_3O_8 over 3.5 m (incl. in 0.04 % U_3O_8 over 12.5 m or 0.036 over 13.5 m) and 5.9 g/t Ag; 0.26% Pb; 0.19% Zn over 60.2 m in hole #5, at a vertical depth of 120 m under the surface.

Hole #6 returned 0.056% U_3O_8 over 5.1 m at a vertical 120 m depth underneath hole #5 in the same section, then some 25 m away, hole #7 returned 0.083% U_3O_8 over 2.6 m and a value of 0.045% U_3O_8 over 2 m, this last one is included within 0.031% U_3O_8 over 5m. Hole #10 returned 0.048% U_3O_8 over 4 m. Drill holes 08-363-05, 06 & 07 intersected the same vertical hydrothermal biotite-altered uranium-bearing structure that remains open laterally and at depth.

Drill hole 08-363-05 intersected a 60 meters-wide zone with 3-10% disseminated sulfides (pyrite, pyrrhotite, galena, sphalerite, +/-chalcopyrite) within altered sheared paragneiss (metasediments) injected by minor pegmatite dykelets. The orientation of this disseminated sulphide zone remains unknown.

The significant assays of the base metal zone intersected by hole 08-363-05 and some anomalous sections in hole 08-363-06 are presented in the following table:

HOLE 08-363-	**FROM (meters)**	**TO (meters)**	**INTERVAL (meters)**	**Ag (g/T)**	**Pb (%)**	**Zn (%)**
05	114.4	174.6	60.2	5.9	0.26	0.19
	including					
05	134.4	174.6	40.2	6.9	0.38	0.26
	including					
05	134.4	145.30	10.9	13.7	1.20	0.60
06	174.2	179.6	5.4	2.4	-	-
06	219.8	221.8	2.0	1.2	0.05	-
06	226.8	229.9	3.1	2.5	-	-

Elsewhere, in the Diabase Target area; fourteen blocks were sampled and four graded: 0.024%; 0.080%; 0.115% and 0.201% U_3O_8. One sample from the A-3 target returned 0.081% U_3O_8, and two other ones from the A-4 target assayed 0.047% and 0.048% U_3O_8.

Later in the 2008 fall, on one (Ring Dyke Target) of the geophysical targets, a total of eight samples were taken including five grab-samples that were collected on amphibolitic floats containing 1-2% pyrite and traces of chalcopyrite-malachite. Of these five amphibolitic samples, four returned the following assays:

Sample	U3O8 (%)	Cu (%)	Ag (g/T)	Au (ppb)
36390159	0.129	0.4480	-	-
36390160	0.126	0.0693	-	-
36390164	0.169	1.9000	182	112
36390165	0.058	0.0532	3	3

In 2009, on the Amphibolite anomaly, an amphibolite boulder with disseminated galena and chalcopyrite yields **0.08% U_3O_8, 0.12% Cu, 1.5 g/t Ag**. The associated U/Th ratio is 0.25.

During the 2009 spring, a geological compilation was completed over the Hotish property and the southwestern edge of the Proterozoic Otish Basin. Geophysicist Camille St-Hilaire also compiled pertinent geophysical (magnetic, electromagnetic and radiometric) data available from the Quebec government (MRNFQ) over the same area. Following these works, Dios map-staked several strategic new claims blocks in the vicinities of its wholly-owned Hotish uranium project (1500 cdc totalling 765 square-kilometers) in the Otish region, Northern Quebec. The newly staked blocks are:

- The new "XC" block is composed of 96 contiguous mining cells (cdc) totalling 50 square kilometres, located over the south-western limit of the Otish Basin.
- The new "XR" block is composed of 38 contiguous mining cells (cdc) totalling 20 square kilometres, located about 1 to 4 km south of the previous XR block.
- The new "CAMIE" block is composed of 80 continuous mining cells (cdc) totalling 40 square kilometres, located over the southern limit of the Otish Basin along the Camie River.

Pontax Lithium Property, Pontax River Area, Qc

The Pontax property consists of 594 claims covering around 300 km^2. It is located at around 250 km north of the town of Matagami. Ressources Sirios Inc. ("Sirios") and Dios plan on separating about 42 claims, 17 of which are newly requested claims, in order to create a new lithium property. Each company holds an equal share of the property, with Sirios as the operator.

During a brieve one-day reconnaissance on the lithium occurrence, geological sketches were done and eight grab-samples were collected on a spodumene pegmatite dykes swarm. Those samples assays: 4.08%, 2.71%, 2.90%, 5.46%, 4.02, and 2.06% Li_2O. Additional to the lithium, the samples yield rubidium (Rb) contents from 305 to 1990 ppm (average of 911 ppm Rb); tantalium (Ta) contents from 12 to 79 ppm (average of 43 ppm Ta); cesium (Cs) contents from 37 to 330 ppm (average of 127 ppm Cs), and niobium (Nb) contents from 26 to 97 ppm (average of 54 ppm Nb).

In October, Sirios and Dios have completed the lithium exploration program recently announced on the Pontax property in James Bay, Quebec. Seven diamond drill holes totalling 864 metres tested a portion of the 400 metre swarm of lithium pegmatites that now extends to a minimum of 650 metres in strike length as a result of the discovery of new pegmatites on surface in addition to the ones already identified last summer. All of the seven drill holes intersected the main zone of pegmatitic lithium dykes, varying from 30 to 50 metres in thickness, the zone is open both laterally and at depth. The pegmatites, found in mafic volcanic rocks, generally vary between 3 to 5 metres in thickness but can also reach 9, 11 and 13.5 metres in

thickness. The pegmatites are mineralized in spodumene (lithium mineral) whereas many of the volcanic rocks contained holmquistite, another lithium mineral.

Detailed geological mapping and systematic channel sampling of 205 rock samples were also completed during the drilling program. Seven series of channel samples composed of 1 metre each were spread over a 500 metres portion of the pegmatitic lithium swarm. All drilling core samples (488) and channel samples (205) were shipped this week for assaying. The assay results are expected within the next three to four weeks.

Pontax Diamond Property, Pontax River Area, Qc

A 137 samples helicopter-borne till program was completed by IOS Services Geoscientifiques on the Pontax diamond claims in June. The till samples are still being processed for kimberlite indicator minerals and gold at IOS laboratory in Saguenay,Qc.

UpinorProperty

In September 2009, Sirios advised the Company it would not participate in renewal of certain mining claims on the property and wanted to reserve the right to initiate or not a process of dilution on these claims.

SUMMARY OF PLANNED EXPLORATION PROGRAMS FOR 2009

Compared to our 2009 planning indicated in our management report of December 31, 2008, we reduced the 2009 annual budget from $1,885 000 to $1,375,000. The main changes are:

- Drilling on the Hotish property postponed to 2010 (decrease of $750,000);
- Additional work done on Pontax due to the discovery of lithium (increase of $400,000);
- Write-off of the Opinaca-Nord option Property (decrease of $50,000); and
- Decrease on planned works for 33 Carats and U2 properties (decrease of $100,000).

PROJECTS	PLANNED WORKS	BUDGET $	FOLLOWING WORKS
HOTISH	Geological and geophysical compilation, structural interpretation and ground prospecting	750,000	Additional mapping and prospecting, Drilling
UPINOR	Geological and geophysical compilation	25,000	Mapping, channel sampling and drilling
PONTAX	Airborne geophysics and till sampling	134,000	Additional till sampling and drilling
PONTAX LITHIUM	Mapping, channel sampling and drilling	400,000	Channel sampling and drilling
U2	Geophysical compilation	25,000	Additional airborne geophysics and prospecting
LAC CHABRAN (CHAT BRUN)	Geophysical compilation	2,500	Additional airborne geophysics and prospecting
UGO	Geophysical compilation	3,500	Additional airborne geophysics and prospecting
PAM	Geological and geochemical compilation	35,000	Additional airborne geophysics and prospecting
TOTAL 2009		**1,375,000**	

MINING PROPERTIES ACCOUNTING VALUES

At the end of each quarter, exploration work done on mining properties is reviewed to evaluate their potential. Following this analysis, write-offs are done if needed. During the quarter, the Company decided to write-off the cost of the Opinaca-Nord option Property and its deferred exploration expenses.

SUMMARY OF FINANCIAL ACTIVITIES

Net loss for the quarter is $497,418 (net loss of $549,372 for the third quarter 2008) whereas administration expenses for the quarter totalled $73,454 ($193,659 for the third quarter 2008). During the quarter, no disbursement has been done concerning the following expenses:

- Write-off of the Opinaca-Nord option Property: $431,192;
- Stock based compensation: $42,630; and
- Future income taxes expense: $17,598.

Interest income for the quarter decreased to $24,826 from $54,796 for the same period last year due to less cash being invested and lower interest rates paid by banks.

Analysis of Administrative Expenses

Description	Quarter ended September 30		Nine-month period ended September 30	
	2009	2008	**2009**	2008
	$	$	**$**	$
Stock based compensation	**42,630**	126,420	**115,060**	370,770
Salaries-management and directors	**11,016**	4,816	**41,643**	17,502
Professional fees	**8,447**	7,223	**62,534**	88,495
Publicity and public relations	**5,190**	39,590	**15,604**	130,405
Office and rent	**3,694**	8,975	**9,087**	20,883
Registration fees	**1,420**	3,920	**8,194**	19,618
Shareholders information	**894**	2,136	**17,455**	29,950
Insurances, taxes and permits	**-**	276	**11,224**	14,549
Banking fees and interests	**163**	303	**604**	703
	73,454	193,659	**281,405**	692,875

During the nine-month period ended September 30, 2009, one notes mainly:

- Reduction of Stock based compensation: Decrease in the number of options exercisable in 2009.
- Decrease in promotion expenses: Public relation and Communications contracts ended in November 2008 and January 2009.
- The Company paid during the quarter $5,426 in director fees during the quarter (nil in 2008).
- Rent in 2009 is allocated to deferred exploration expenses. The premises are now dedicated to Dios's geologists.

SUMMARY OF QUARTERLY RESULTS

	2009				2008				2007
($ 000 except loss/share)	Q3	Q2	Q1		Q4	Q3	Q2	Q1	Q4
Income	25	30	28		(224)	14	72	64	109
Net loss	497	93	90		105	549	292	199	152
Net loss per share(basic and diluted)	0.014	0.002	0.003		0.003	0.02	0.009	0.006	0.008

Variations in quarterly loss can be explained by the following:

2009-Q3 Write-off of a mining property and related deferred exploration expenses for $431,192.

2009-Q2 New Director fees policy in force during the quarter. Grant of 980,000 options in May 2009.

2009-Q1 End of the Public relation and Communications contract in January. Decrease in the number of options exercisable in 2009 resulting in a reduction of the stock compensation charge.

2008-Q4 Income tax liability following the accounting of tax credits. Write-off of a mining property and related deferred exploration expenses for $226,794.

2008-Q3 Accounting for stock based compensation expenses of $126,420. Important future income taxes related to exploration activities.

2008-Q2 Accounting for stock based compensation expenses of $126,420. Costs related to the annual shareholders meeting.

2008-Q1 Communication and marketing contract granted in January 2008 (Vector and Shift). Grant of 980,000 options in February 2008 (Accounting for stock based compensation expenses of $117,930). Participation in the mining shows of Vancouver and Toronto (PDAC).

2007-Q4 Investor relation contract granted during the quarter (Publicity and promotion). Part XII.6 taxes paid during the quarter. Accounting for stock based compensation expenses of $101,465. Participation in the mining shows of Toronto, Québec Exploration and Montreal (investir soi-même).

CASH FLOW SITUATION

The working capital decreased by $1,406,826 as at September 30, 2009 going from $4,173,416 as at June 30, 2009 to $2,766,590 as at September 30, 2009. The decrease is mainly due to the purchase of long term investments, to exploration activities and the administrative expenses incurred during the quarter.

The cash and the short and long term investments (free cash flow) amounted to $3,539,047 as at September 30, 2009 compared to $4,151,078 as at June 30, 2009.

The Company is entitled to a refundable tax credit for mining exploration companies on qualified explorations expenditures incurred after March 29, 2001.This tax credit refundable for the nine-month period ended September 30, 2009 is estimated to $291,356 and will be recorded at the 2009 year-end financial statement.

The Company is also entitled to a refundable mining rights tax credit on mining exploration expenditures incurred in Quebec. This tax credit refundable for the nine-month period ended September 30, 2009 is estimated to $55,264 and will be recorded at the 2009 year-end financial statement.

The Company is considered to be in the exploration stage, thus it is dependent on obtaining regular financing in order to continue exploration. Despite previous success in acquiring sufficient financing, there is no guarantee of obtaining any future financing. **Moreover, the current climate of uncertainty requires larger efforts than before to obtain funds from investors.**

The Company considers the cash on hand sufficient for the known obligations. As at September 30, 2009, the Company did not have any debt or any financial commitments in the upcoming quarters.

As at September 30, 2009 :

- 34,333,839 common shares were issued.
- 3,730,000 options were granted and a total of 2,995,000 can be exercised at prices between $ 0.15 to $ 0.75 between 2011 and 2014. Each option can be exchanged by its holder thereof for one common share of the Company.

Variation in share capital as at November 19, 2009 is the following:

Description	Number of shares	Amount $
As at December 31, 2008	34,333,839	16,146,451
As at September 30 and November 19, 2009	**34,333,839**	**16,146,451**

Options

Variation in outstanding options as at November 19, 2009 is the following:

	Number of options	Average exercise price $
As at December 31, 2008	3,390,000	0.48
Granted	980,000	0.15
Expired	(640,000)	0.37
As at September 30 and November 19, 2009	**3,730,000**	**0.41**

Options granted and exercisable as at November 19, 2009:

Expiry date	Number of options	Exercisable	Price ($)
April 7, 2011	270,000	270,000	0.33
January 29, 2012	450,000	450,000	0.50
March 8, 2012	1,000,000	1,000,000	0.75
October 29, 2012	50,000	50,000	0.38
February 12, 2013	980,000	980,000	0.31
May 19, 2014	980,000	245,000	0.15
	3,730,000	2,995,000	0.41

The fair value of these options was estimated using the Black Scholes stock option evaluation model with the following assumptions: estimated average duration of 5 years for these options, risk free interest rate of 1.65% to 4.5%, forecast volatility of 49% to 113% and no forecast dividend.

Warrants

Variation in outstanding warrants since the beginning of year is as follows:

	Number of warrants	Average exercise price $
As at December 31, 2008	6,450,183	1.00
Expired	(6,450,183)	1.00
As at September 30 and November 19, 2009	**-**	**-**

Broker's units options

Variation in outstanding Broker's units options since the beginning of year is as follows:

	Number of options	Average exercise price $
As at December 31, 2008	1,290,036	0.66
Expired	(1,290,036)	0.66
As at September 30 and November 19, 2009	**-**	**-**

RELATED PARTY TRANSACTIONS

The Company is related to another company, Sirios Resources Inc., because of certain common officers.

As at September 30, 2009, there is a balance of $35,333 ($125,645 as at December 31, 2008) receivable from this company. This receivable bears a monthly interest of 0.5% (1% in 2008).

Also, during the nine-month period ended September 30, 2009, in the normal course of activities, a company with a common director invoiced the Company $27,800 ($27,345 in 2008) for professional fees.

These transactions were measured at the exchange amount that is the amount established and accepted by the parties.

CONVERGENCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

In February 2008, Canada's Accounting Standards Board ('AcSB') confirmed January 1, 2011 as the changeover date to move financial reporting for Canadian publicly accountable enterprises to the International Financial Reporting Standards ('IFRS'). The Company will follow the key events timeline proposed by the AcSB to obtain training and thorough knowledge of IFRS, finalize assessment of accounting policies with reference to IFRS and plan convergence to be ready for the changeover planned in 2011.

The Company has begun the planning activities, including the establishment of a steering committee comprised the Finance responsible and an independent member of the audit committee, and is currently progressing through the detailed assessment and design of the overall implementation strategy.

Based on a preliminary analysis, the following IFRS could have a potential impact on the financial statements of the Company:

IFRS 1 : Provides guidance on the general approach to be taken when first adopting IFRS.

IFRS 2 Share-based payments: For grades-vesting features, this IFRS requires each instalment to be treated as a separate share option grant.

IFRS 6 : As per this IFRS, the Company would be required to develop an accounting policy to specifically identify which expenditures on exploration and evaluation activities will be recorded as assets.

IAS 36 (International Accounting Standards): This standard concerns the method of depreciation of assets based on discounted cash flows.

The accounting system is simple and the Company believes to be able to adapt it under the IFRS.

RISK AND UNCERTAINTIES

Risks inherent in the nature of mineral exploration and development

Mineral exploration and development involve several risks which experience, knowledge and careful evaluation may not be sufficient to overcome. Large capital expenditures are required in advance of anticipated revenues from operations. Many exploration programs do not result in the discovery of mineralization; moreover, mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labor are some of the risks involved in the conduct of exploration programs and the operation of mines. The commercial viability of exploiting any precious metal deposit is dependent on a number of factors including infrastructure and governmental regulations, in particular those respecting the environment, price, taxes, and royalties. No assurance can be given that minerals of sufficient quantity, quality, size and grade will be discovered on any of the Company's properties to justify commercial operation. Numerous external factors influence and may have significant impacts on the operations of the Company and its financing needs.

Financial risks

The Company is an exploration company. The Company will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Tax

No assurance can be made that Canada Revenue Agency or Quebec Minister of Revenue will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses.

Dependence on key personnel

The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

Conflicts of interest

Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith of view to the best interests of the Company and to disclose any interest, which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

Environmental risks

The Company is subject to various environmental incidents that can occur during exploration work. The Company maintains an environmental management system including operational plans and practices.

DISCLOSURE CONTROLS AND PROCEDURES

As required by Multilateral Instrument 52-109, the Company's evaluated the effectiveness of its disclosure controls and procedures and the internal control over financial reporting as of September 30, 2009 under the supervision and with the participation of the President and the Chief Financial Officer. Based on the results of this evaluation, the President and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were generally effective.

The only issue identified during the process was related to internal control over financial reporting. The issued identified, the concentration of some duties, is one that affects small companies. As a small organization, the Company's management is composed of a small number of key individuals, resulting in a situation where limitations in segregation of duties have to be compensated by more effective supervision and monitoring by the President and the Chief Financial Officer. Company's officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased funding costs of such hiring could threaten the Company's financial viability, the Company's management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when budgets will enable that action.

MANAGEMENT'S RESPONSABILITY FOR FINANCIAL INFORMATION

The Company's financial statements are the responsibility of the Company's management, and have been approved by the board of directors. The financial statements were prepared by the Company's management in accordance with generally accepted Canadian accounting principles. The financial statements include certain amounts based on the use of estimated and assumptions that affect the balance sheet and the earnings statements. Significant areas where management judgment is applied are mining assets and stock-based compensation. Actual results could differ from these estimates. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

(signed) Marie-José Girard, President (signed) Dominique Doucet, Treasurer

Montreal, November 19, 2009