DIOS EXPLORATION INC.

UNAUDITED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2017

Content

The attached interim financial statements have been prepared by Dios Exploration Inc. and its external auditors have not reviewed these unaudited financial statements.

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DIOS EXPLORATION INC.
Interim Statement of Financial Position (unaudited)
(Canadian dollars)

	Notes	March 31 2017	December 31 2016
		$	$
ASSETS			
Current			
Cash and cash equivalents	5	**215 906**	475 878
Term Deposits	5	**375 232**	373 718
Listed shares		**-**	4 466
Good and services tax receivable		**36 399**	2 678
Tax credits receivable		**191 463**	191 463
Prepaid expenses and deposit		**4 999**	-
		823 999	1 048 203
Non-current			
Exploration and evaluation assets	6	**2 917 798**	2 651 109
Total assets		**3 741 797**	3 699 312
LIABILITIES			
Current			
Trade and other payables		**103 783**	18 838
Total liabilities		**103 783**	18 838
EQUITY			
Share capital	7.1	**19 344 758**	19 344 758
Contributed surplus		**2 792 050**	2 787 331
Deficit		**(18 498 794)**	(18 451 615)
Total equity		**3 638 014**	3 680 474
Total liabilities and equity		**3 741 797**	3 699 312

The accompanying notes are an integral part of the financial statements

These financial statements were approved and authorized for issue by the Board of Directors on May 23, 2017

(s) Marie-José Girard
Marie-José Girard
Director

(s) René Lacroix
René Lacroix
Director

DIOS EXPLORATION INC.
Interim Statement of Comprehensive Income (unaudited)

(Canadian dollars)

	Notes	Three-month period ended March 31	
		2017	2016
		$	$
EXPENSES			
Professional fees		**18 720**	21 840
Employee benefits expense	8.1	**9 233**	20 030
Consulting fees		**8 150**	9 100
Trustees, registration fees and shareholders relations		**6 727**	10 138
Publicity, travel and promotion		**2 228**	7 299
Insurance, taxes and permits		**2 095**	2 957
Offices expenses		**1 788**	943
Bank charges		**161**	326
OPERATING LOSS		**49 102**	72 633
OTHER REVENUES AND EXPENSES			
Finance income	9	**2 318**	14 797
Finance costs	9	**(395)**	(892)
		1 923	13 905
LOSS BEFORE INCOME TAXES		**(47 179)**	(58 728)
Deferred income taxes		**-**	(6 226)
NET LOSS AND COMPREHENSIVE INCOME		**(47 179)**	(52 502)
NET LOSS PER SHARE			
Basic and diluted loss per share	10	**(0.001)**	(0.001)

The accompanying notes are an integral part of the financial statements

DIOS EXPLORATION INC.
Interim Statement of Changes in Equity (unaudited)

(Canadian dollars)

	Note	Share capital		Contributed surplus	Deficit	Total equity
		Number of shares issued	$	$	$	$
Balance at January 1, 2016		46 217 393	18 142 608	2 682 744	(16 949 636)	3 875 716
Net loss for the period		-	-	-	(52 502)	(52 502)
Share-based payments	8.2	-	-	17 226	-	17 226
Balance at March 31, 2016		46 217 393	18 142 608	2 699 970	(17 002 138)	3 840 440
Balance at January 1, 2017		55 168 060	19 344 758	2 787 331	(18 451 615)	3 680 474
Net loss for the period		-	-	-	(47 179)	(47 179)
Share-based payments	8.2	-	-	4 719	-	4 719
Balance at March 31, 2017		55 168 060	19 344 758	2 792 050	(18 498 794)	3 638 014

The accompanying notes are an integral part of the financial statements

DIOS EXPLORATION INC.
Interim Statement of Cash Flows (unaudited)

(Canadian dollars)

	Notes	Three-month period ended March 31 2017	2016
		$	$
OPERATING ACTIVITIES			
Net loss		**(47 179)**	(52 502)
Adjustments			
Share-based payments		**4 719**	17 226
Change in fair value of listed shares		**395**	(14 241)
Finance income not cashed		**(1 514)**	-
Deferred income taxes expenses		**-**	(6 226)
Changes in working capital items	11	**46 225**	127 042
Cash flows from operating activities		**2 646**	71 299
INVESTING ACTIVITIES			
Disposal of listed shares		**4 072**	8 240
Tax credits received		**-**	8 275
Additions to exploration and evaluation assets		**(266 690)**	(277 532)
Cash flows from investing activities		**(262 618)**	(261 017)
FINANCING ACTIVITIES			
Issuance of shares by private placement		**-**	-
Cash flows from financing activities		**-**	-
Net change in cash and cash equivalents		**(259 972)**	(189 718)
Cash and cash equivalents, beginning of period		**475 878**	306 448
Cash and cash equivalents, end of period		**215 906**	116 730
Supplemental disclosure			
Interest income received (operating activities)		**804**	556
Interest paid (operating activities)		**-**	892

Additional information - Cash Flows- note 11

The accompanying notes are an integral part of the financial statements

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Dios Exploration Inc. (the "Company") is an exploration company with activities in Canada.

2. GOING CONCERN ASSUMPTION

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) and on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income nor cash flows from its operations. As at March 31, 2017, the Company has a negative cumulated retained deficit of $18,498,794 ($18,451,615 as at December 31, 2016). These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

The carrying amounts of assets, liabilities, revenues and expenses presented in the financial statements and the classification used in the statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate.

3. SUMMARY OF ACCOUNTING POLICIES

Basis 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, SIGNIFICANT ACCOUNTING POLICIES as described in our financial statements for the year ended December 31, 2016. The interim financial statements do not include all of the notes required in annual financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these 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 in the Company's accounting policy for the first period beginning after the effective date of the 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.

IFRS 9 *Financial instruments*

In July 2014, the International Accounting Standards Board (IASB) aims to replace IAS 39 Financial Instruments: Recognition and Measurements in its entirety with IFRS 9. IFRS 9 introduces improvements which include a logical model for classification and measurement of financial assets, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted. Management does not anticipate any material impact on its financial statements arising from this standard.

4. 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.

4. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Significant management judgements

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 likehood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exit 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.

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 judgments based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. See Note 2 for more information.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is 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 interpretations 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 future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Compan'ys 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 expenditure 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

There were no write-off of exploration and evaluation asset for the quarter ended March 31, 2017. No reversal of impairment losses has been recognized for the reporting periods.

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 share, the probable life of share options granted and the time of exercise of those share options. The model used by the Company is the Black-Scholes valuation model.

Tax credits receivable

The calculation of the Company's refundable tax credit on qualified exploration expenditure 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. Difference 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.

(Canadian dollars)

5. CASH AND CASH EQUIVALENTS

	March 31, 2017	December 31, 2016
	$	$
Cash at bank (Bank overdraft) and in hand	**(115 516)**	2 419
Money market fund	**331 422**	473 459
	215 906	475 878

As at March 31, 2016, cash and cash equivalents include monetary fund bearing interest at 0.8% (0.8% as at december 31, 2016), cashable anytime without any penalties.

The term deposits shown in the statements of financial position bear interest at the rate of 1.65% to 1.70% and mature on May 25, 2017.

6. EXPLORATION AND EVALUATION ASSETS

MINING RIGHTS

	January 1, 2017	Additions	**March 31, 2017**
QUEBEC	**$**	$	**$**
33 Carats	73 072	-	**73 072**
Solo-K2	31 782	1 039	**32 821**
AU33 ouest	126 782	-	**126 782**
Clarkie	16 312	446	**16 758**
Others	1 817	-	**1 817**
	249 765	1 485	**251 250**

EXPLORATION

	January 1, 2017	Additions	Tax credits	**March 31, 2017**
QUEBEC	$	$	$	**$**
33 Carats	1 574 000	-	-	**1 574 000**
Solo-K2	135 786	11 231	-	**147 017**
AU33 ouest	634 782	253 244	-	**888 026**
Clarkie	56 776	729	-	**57 505**
	2 401 344	265 204	-	**2 666 548**
TOTAL	2 651 109	266 689	-	**2 917 798**

7. EQUITY

7.1 Share capital

The share capital of the Company consists only of fully paid common shares

Authorized

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

Shares issued and fully paid	Number of shares Three-month period ended	
	March 31, 2017	March 31, 2016
Shares issued and fully paid at the beginning	55 168 060	46 217 393
Total shares issued and fully paid at the end	55 168 060	46 217 393

(Canadian dollars)

7. EQUITY (continued)

7.2 Warrants

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

	Quarter ended March 31, 2017		Year ended December 31, 2016	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise
		$		$
Balance, at beginning	8 470 929	0.15	2 501 428	0.10
Issued	-	-	6 469 501	0.17
Exercised	-	-	(500 000)	0.10
Balance, at the end	8 470 929	0.15	8 470 929	0.15

The number of warrants outstanding exercisable in exchange for an equivalent number of ordinary shares is as follows:

	March 31, 2017	
Expiry date	Number of warrants	Exercise price $
December 2, 2017	2 001 428	0.10
May 18, 2018	332 500	0.20
May 18, 2018	280 000	0.155
May 20, 2018	2 023 667	0.20
May 20, 2018	3 833 334	0.155
	8 470 929	0.15

8. EMPLOYEE REMUNERATION

8.1 Salaries and employee benefits expense

	Three-month period ended March 31	
	2017	2016
	$	$
Salaries and benefits	**62 447**	65 617
Share-based payments	**4 718**	17 226
	67 165	82 843
Less: salaries capitalized in Exploration and evaluation assets	**(57 932)**	(62 813)
Salaries and employee benefits expense	**9 233**	20 030

8.2 Share-based payments

The Company has adopted share-based payment plans under which members of the Board of Directors may award options for common shares to directors, officers, employees and consultants. The maximum number of shares issuable under the plans is 6,600,000. The maximum number of common shares which may be reserved for issuance to any one optionee may not exceed 5% of the common shares outstanding at the date of grant.

The exercise price of each option is determined by the Board of Directors and cannot be less than the market value of the ordinary shares on the day prior the award, and the term of the options cannot exceed five years. The options granted vest in stages over a period of 18 months after the grant date, at the rate of 15% per quarter, with the exception of 10% which may be exercised from the date of the grant. For the options granted to a consultant, it vests in stages over a period of 12 months after the grant, at the rate of 25 % per quarter.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options. The Company's share options are as follows for the reporting periods presented:

	Quarter ended March 31, 2017		Year ended December 31, 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise
Outstanding as at the beginning	5 170 000	0.15	5 110 000	0.18
Granted	-	-	980 000	0.10
Expired	(900 000)	0.235	(920 000)	0.30
Canceled	(535 000)	0.13	-	-
Outstanding as at the end	3 735 000	0.13	5 170 000	0.15
Exercisable as at the end	3 471 000	0.11	4 582 000	0.14

(Canadian dollars)

8. EMPLOYEE REMUNERATION (continued)

8.2 Share-based payments (continued)

The following table summarizes information about common share purchase options outstanding and exercisable as at March 31, 2017

Number of options			
ourstanding	exercisable	exercise price	Expiry date
875 000	875 000	0.15	Dec. 12, 2017
1 100 000	1 100 000	0.15	Oct. 1, 2019
880 000	880 000	0.10	July 16, 2020
880 000	616 000	0.10	Feb. 22, 2021
3 735 000	3 471 000		

In total, $4,718 of employee remuneration expense (all of which related to equity-settled share-based payment transactions) were included in profit or loss for the three-month period ended March 31, 2017 ($17,226 for the three-month period ended March 31, 2016) and credited to Contributed surplus.

9. FINANCE COSTS AND FINANCE INCOME

Finance income may be analyzed as follows for the reporting periods presented:

	Three-month period ended March 31, 2017	2016
	$	$
Change in fair value of listed shares	**-**	14 241
Interest income from cash and cash equivalents	**2 318**	556
	2 318	14 797

Finance costs may be analyzed as follows for the reporting periods presented:

	Three-month period ended March 31, 2017	2016
	$	$
Interest on Advance of an officer	**-**	892
Change in fair value of listed shares	**395**	-
	395	892

10. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in circulation during the period. In calculating the diluted loss per share, potential ordinary 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 7.2 and 8.2.

	March 31, 2017	2016
Net loss	**(47 179)**	(52 502)
Weighted average number of shares in circulation	**55 168 060**	46 217 393
Basic and diluted loss per share	**$(0.001)**	$(0.001)

There have been no other transactions involving ordinary shares between the reporting date and the date of authorization of these financial statements.

(Canadian dollars)

11. ADDITIONAL INFORMATIONS – CASH FLOWS

The changes in working capital items are detailed as follows:

	Three-month period ended March 31,	
	2017	2016
	$	$
Good and services tax receivable	**(33 721)**	(28 501)
Prepaid expenses and deposit	**(4 999)**	(4 999)
Trade and other payables	**84 945**	160 542
	46 225	127 042

12. RELATED PARTY TRANSACTIONS

Transactions with key management personnel

Key management personnel of the Company are members of the Board of Directors, as well as the president, the chief financial officer and the vice-president, exploration. Key management personnel remuneration includes the following expenses:

	Three-month period ended March 31,	
	2017	2016
	$	$
Short-term employee benefits		
Salaries including bonuses and benefits	**55 125**	44 917
Professional fees	**8 150**	9 100
Social security costs	**5 663**	4 811
Total short-term employee benefits	**68 938**	58 828
Share-based payments	**4 611**	14 965
Total remuneration	**73 549**	73 793

13. 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 the 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 flow, 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 the details in Note 7 and the Statements of Changes in Equity.

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.

14. 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 this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

During the reporting period ended December 31, 2016, the Company received $706,850 following flow-through placements for which the Company renounced tax deductions on December 31, 2016. The management is required to dedicate these funds to the exploration of canadian mining properties exploration in the period of one year from the date of renouncement. The balance of the amount of this unexpended flow-through financing at March 31, 2017 is $ 441,645 and is to be expended before December 31, 2017.