

DIOS EXPLORATION INC.

Interim Financial Statements

March 31, 2009

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

DIOS EXPLORATION INC.
Earnings, comprehensive loss and deficit (unaudited)

	Three-month period ended	
	March 31,	
	2009	2008
	\$	\$
ADMINISTRATIVE EXPENSES		
Stock based compensation	32 295	117 930
Professional fees	31 657	49 883
Insurances, taxes and permits	10 395	13 611
Salaries-management	10 362	4 672
Publicity and promotion	7 619	32 066
Shareholders information	5 000	9 303
Office expenses	2 855	4 429
Trustees and registration fees	1 277	5 031
Rent	-	2 250
Bank fees and interests	216	177
	101 676	239 352
OTHER INCOME AND EXPENSES		
Interest	19 315	70 066
Unrealized gain (loss) on listed shares	9 045	(6 030)
	28 360	64 036
LOSS BEFORE INCOME TAXES	(73 316)	(175 316)
FUTURE INCOME TAXES	16 553	23 921
NET LOSS AND COMPREHENSIVE LOSS	(89 869)	(199 237)
DEFICIT AT BEGINNING	(5 802 530)	(4 657 166)
NET LOSS	(89 869)	(199 237)
DEFICIT AT END	(5 892 399)	(4 856 403)
NET LOSS PER SHARE	basic and diluted	
	(0.003)	(0.006)
WEIGHTED AVERAGE NUMBER OF OUTSTANDING COMMON SHARES	34 333 839	34 333 839

The accompanying notes are an integral part of the financial statements

DIOS EXPLORATION INC.

Balance sheets

	As at March 31, 2009 (unaudited) \$	As at December 31, 2008 (audited) \$
ASSETS		
CURRENT ASSETS		
Cash	87 812	165 142
Term deposits	2 429 537	2 013 633
Listed shares held for trading at market value (cost of \$104,417)	19 597	10 552
Sales tax receivable	29 439	462 962
Exploration tax credit receivable	2 178 101	2 331 278
Accounts receivable from related company (note 7)	130 859	125 645
	4 875 345	5 109 212
MINING PROPERTIES (note 3)	1 103 771	1 076 826
DEFERRED EXPLORATION EXPENSES (note 4)	6 881 778	6 743 832
	12 860 894	12 929 870
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	80 270	108 225
FUTURE INCOME TAXES	825 813	809 260
	906 083	917 485
SHAREHOLDER'S EQUITY		
Share capital (note 5)	16 146 451	16 146 451
Contributed surplus (note 6)	1 700 759	1 668 464
Deficit	(5 892 399)	(5 802 530)
	11 954 811	12 012 385
	12 860 894	12 929 870

The accompanying notes are an integral part of the financial statements

DIOS EXPLORATION INC.
Deferred explorations expenses (unaudited)

	Three-month period ended	
	March 31,	
	2009	2008
	\$	\$
BALANCE, BEGINNING OF THE PERIOD	6 743 832	4 423 904
ADD:		
Geology	76 627	42 010
Diamond drilling and assays	37 650	142 736
Sampling and analysis	-	4 601
Transport, lodging and logistics	17 714	1 300
Furnitures, office and others	5 955	8 691
Total expenses of the period	137 946	199 338
DEDUCT:		
Tax credit	-	-
NET DEFERRED EXPENSES OF THE PERIOD	137 946	199 338
BALANCE, END OF THE PERIOD	6 881 778	4 623 242

The accompanying notes are an integral part of the financial statements

DIOS EXPLORATION INC.**Cash flows (unaudited)**

	Three-month period ended	
	March 31,	
	2009	2008
	\$	\$
OPERATING ACTIVITIES		
Net loss	(89 869)	(199 237)
Non-cash items		
Stock based compensation	32 295	117 930
Unrealized loss (gain) on listed shares	(9 045)	6 030
Future income taxes	16 553	23 921
	(50 066)	(51 356)
Changes in non-cash operating working capital items		
Prepaid expenses	-	(7 624)
Sales tax receivable	433 523	(33 847)
Tax credit receivable	153 177	-
Accounts receivable from related company	(5 214)	90 543
Accounts payable and accrued liabilities	(27 955)	(620 039)
Accounts payable to a related company	-	14 394
	503 465	(607 929)
INVESTING ACTIVITIES		
Term deposits redeemed (purchase)	(415 904)	780 232
Mining properties	(26 945)	(37 567)
Deferred exploration expenses	(137 946)	(199 338)
	(580 795)	543 327
FINANCING ACTIVITIES		
Share capital issuance	-	-
Share issuance expenses	-	-
	-	-
NET INCREASE (DECREASE) IN CASH	(77 330)	(64 602)
CASH , AT BEGINNING	165 142	48 842
CASH (BANK OVERDRAFT), AT END	87 812	(15 760)

The accompanying notes are an integral part of the financial statements

DIOS EXPLORATION INC.

Notes to the financial statements (unaudited)

1. NATURE OF ACTIVITIES AND GOING CONCERN

The Company was incorporated under the *Canada Business Corporations Act* to purchase, explore, develop, and eventually operate mining properties.

The Company is in the process of exploring its mining property interests and has not yet determined whether its mining property interests contain mineral deposits that are economically recoverable.

Although the Company has taken steps to verify title to mining properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and on the basis on the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company's ability to continue as a going concern is dependant upon its ability to raise additional financing to further explore its mineral properties. The current conditions of the capital market are unfavourable for raising additional equity financing and 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. Management assesses its need for financing and its alternatives in strategic changes, including potential changes to its mineral properties agreements, its exploration programs and its discretionary expenses.

The carrying amounts of assets, liabilities, revenues and expenses presented in the financial statements and the balance sheet classification have not been adjusted as would be required if the going concern assumption were not

2. ACCOUNTING POLICIES

The unaudited interim financial statements must be read in conjunction with the financial statements for the year ended December 31, 2008. They have been prepared in accordance with Canadian generally accepted accounting principles, using the same accounting policies as outlined in Note 3 of the financial statements for the year ended December 31, 2008.

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.

DIOS EXPLORATION INC.
Notes to the financial statements (unaudited)

3. MINING PROPERTIES

	As at December 31, 2008	Additions	As at March 31, 2009
	\$	\$	\$
33 Carats	454 458	2 415	456 873
Hotish	191 265	27 656	218 921
Pontax	53 979	(3 126)	50 853
Opinaca-Nord	93 140	-	93 140
Upinor	50 075	-	50 075
PAM et Ugo	72 565	-	72 565
Chibouki	94 379	-	94 379
U2 ET U3	53 280	-	53 280
Lac Chabran	13 685	-	13 685
	1 076 826	26 945	1 103 771

4. DEFERRED EXPLORATION EXPENSES

	As at December 31, 2008	Additions	As at March 31, 2009
	\$	\$	\$
33 Carats	1 332 852	365	1 333 217
Hotish	2 812 172	122 803	2 934 975
Pontax	906 720	1 965	908 685
Opinaca-Nord	323 809	1 743	325 552
Upinor	437 636	5 678	443 314
PAM et Ugo	42 521	2 584	45 105
Chibouki	855 349	365	855 714
U2 ET U3	16 659	1 095	17 754
Lac Chabran	13 575	1 348	14 923
Others	2 539	-	2 539
	6 743 832	137 946	6 881 778

5. SHARE CAPITAL

Authorised

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

Issued and fully paid	Number	Amount \$
Balance December 31, 2008	34 333 839	16 146 451
Balance March 31, 2009	34 333 839	16 146 451

DIOS EXPLORATION INC.
Notes to the financial statements (unaudited)

5. SHARE CAPITAL (continued)

Options

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

	Number	Average Exercise price (\$)
Balance as at December 31, 2008	3 390 000	0.48
Balance as at March 31, 2009	3 390 000	0.48

Options granted and exercisable as at March 31, 2009

Expiration date	Number of options		Exercise Price (\$)
	outstanding	Exercisable	
September 7, 2009	640 000	640 000	0.37
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	42 500	0.38
February 14, 2013	980 000	686 000	0.31
	<u>3 390 000</u>	<u>3 088 500</u>	

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 3.5% 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:

Date	Number	Average exercise price (\$)
As at December 31, 2008	6 450 183	1.00
Expired	(5 110 933)	1.03
As at March 31, 2009	1 339 250	1.15

Warrants characteristics as at March 31, 2009 are the following:

Number	Exercise price \$	Expiry date
1 339 250	1.15	May 2, 2009

DIOS EXPLORATION INC.
Notes to the financial statements (unaudited)

5. SHARE CAPITAL (continued)

Brokers' units options

Outstanding brokers' units options as at March 31, 2009:

Date of issue	Number of units options	Exercise price	Expiry date	Carrying value
		\$		\$
May 2, 2007	267 850	0,70	May 2, 2009	80 545

Each unit is comprised of one common share and half a warrant. Each warrant can be exercised like the following:

Number	Exercise Price	Expiry date
133 925	\$ 1.15	May 2009

The fair value of each option granted was estimated on the grant date using Black-Sholes and the binominal option pricing model.

6. CONTRIBUTED SURPLUS

	\$
Balance, December 31, 2008	1 668 464
Options granted (exercisable)	32 295
Balance, March 31, 2009	1 700 759

7. RELATED PARTY TRANSACTIONS

The Company is related to another company since they have certain directors in common.

As at March 31, 2009, there is a balance of \$130,859 (\$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 year, in the normal course of activities, a company with a common director invoiced the Company \$5,880 (\$9,217 in 2008) for professional fees.

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

DIOS EXPLORATION INC.

Notes to the financial statements (unaudited)

8. FINANCIAL INSTRUMENTS

Objectives and politics concerning financial risks management

The Company is exposed to different financial risks resulting from both its operations and investing activities. The management of the financial risks is done by the management of the Company.

The Company does not conclude agreements for financial instruments including financial derivatives for speculation purpose.

Financial risks

The principal financial risks to which the Company is exposed as well as its politic concerning the management of the financial risks are detailed as follow:

Interest rate risk

The term deposits and the account receivable from a mining company are at fixed rates and therefore expose the Company to risk of fair value variation due to interest rate variation. The other financial assets and liabilities of the Company does not represent interest risk because they are conclude without interest. The Company does not use financial derivatives to decrease its exposure to interest risk.

Liquidity risk

The management objective is to maintain sufficient cash to ensure that the Company has at its disposal sufficient sources of financing such as private financing. The Company also establishes budget and liquidity forecasts to ensure that it has to its disposal sufficient funds to meet its financial obligations. Obtaining additional funds make it possible to the Company to continue its 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.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is subject to concentrations of credit risk through cash, term deposits and account receivable from a mining company. The Company reduces its credit risk by maintaining its cash and term deposits in financial instruments guaranteed by and held with a Canadian chartered bank. The Company aims at signing partnership agreements with established companies and follows closely their cash position to reduce its credit risk on accounts receivable.

Market risk related to listed shares

The listed shares held by the Company are exclusively shares from venture issuers acting in the mineral exploration area.

DIOS EXPLORATION INC.

Notes to the financial statements (unaudited)

8. FINANCIAL INSTRUMENTS (continued)

Fair value of listed shares

The fair value of investments is equivalent to the market value based on the current bid price.

Interest rate sensitivity analysis

Assuming that the Company will keep the financial assets and financial liabilities held as at March 31, 2009 until their maturity of settlement, without taking any measures to change the interest rate risk, an immediate and sustained 1% variation in the market interest rates for all maturities would make a variation in the Company's net loss for the year and its equity by \$20,000 respectively.

9. CAPITAL DISCLOSURES

The Company's objectives in managing capital is to safeguard its ability to continue its operations as well as its acquisition and exploration programs. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The Company's capital is composed of shareholders' equity. To effectively manage the Company's capital requirements, the Company has in place a rigorous planning and budgeting process to help determine the funds required to endure the Company has appropriate liquidity to meet its operating and growth objectives. The Company is not subjected to any externally imposed capital requirements.

As at March 31, 2009, the Shareholders' Equity totals \$11,954,811 (12,012,385 as at December 31, 2008).

10. SUBSEQUENT EVENT

On May 19, 2009, the Company granted to certain employees, directors and officers a total of 980,000 stock options that may be exercised over a period of 5 years, at an exercise price of \$0.15 and having a fair value of \$0.08.