DIOS EXPLORATION INC.

INTERIM FINANCIAL STATEMENTS

MARCH 31, 2012

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 2012	December 31 2011
		$	$
ASSETS			
Current			
Cash and cash equivalents	5	**350 888**	564 130
Accounts receivable		**50 417**	55 390
Investments	6	**629 297**	614 949
Good and services tax receivable		**14 379**	14 795
Tax credit and credit on duties receivable		**802 400**	802 400
Exploration and evaluation asset held for sale	7	**-**	107 487
Prepaid expenses and deposit		**8 386**	-
		1 855 767	2 159 151
Non-current			
Investments	6	**297 154**	406 675
Exploration and evaluation assets	7	**8 302 929**	8 040 244
		8 600 083	8 446 919
Total assets		**10 455 850**	10 606 070
LIABILITIES			
Current			
Trade and other payables		**18 560**	94 735
Non-current			
Deferred taxes		**34 640**	-
Total liabilities		**53 200**	94 735
EQUITY			
Share capital	8.1	**17 724 148**	17 724 148
Contributed surplus		**2 256 406**	2 211 290
Deficit		**(9 577 904)**	(9 424 103)
Total equity		**10 402 650**	10 511 335
Total liabilities and equity		**10 455 850**	10 606 070

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 16, 2012

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

(s) René Lacroix
René Lacroix
Director

DIOS EXPLORATION INC.

Interim Statement of Comprehensive Loss (unaudited)

(Canadian dollars)

	Notes	Three-month period ended March 31	
		2012	2011
		$	$
EXPENSES			
Salaries and employee benefits expense	9.1	**60 715**	68 270
Professional fees		**31 000**	27 833
Trustees, registration fees and shareholders relations		**7 934**	10 966
Publicity, travel and promotion		**6 982**	10 935
Offices expenses		**11 058**	7 499
Insurance, taxes and permits		**4 170**	3 826
Bank charges		**199**	78
OPERATING INCOME		**122 058**	129 407
OTHER REVENUES AND EXPENSES			
Finance income	10	**7 369**	12 684
Gain on sale of exploration and evaluation asset	7	**112 513**	-
Change in fair value of listed shares		**(116 985)**	3 015
		2 897	15 699
LOSS BEFORE INCOME TAXES		**(119 161)**	(113 708)
Deferred income taxes		**34 640**	-
NET LOSS AND COMPREHENSIVE LOSS		**(153 801)**	(113 708)
NET LOSS PERSHARE			
Basic and diluted loss per share	11	**(0.004)**	(0.003)

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
		$	$	$	$
Balance at January 1, 2012		17 724 148	2 211 290	(9 424 103)	10 511 335
Net loss for the period		-	-	(153 801)	(153 801)
Share-based payments	9.2	-	45 116	-	45 116
Balance at March 31, 2012		17 724 148	2 256 406	(9 577 904)	10 402 650
Balance at January 1, 2011		16 231 701	2 033 223	(6 705 007)	11 559 917
Net loss for the period		-	-	(153 801)	(153 801)
Share-based payments		-	21 330	-	21 330
Shares issued by private placement		1 192 349	-	-	1 192 349
Shares issued for the acquisition of mining rights		82 500	-	-	82 500
Exercice of options		21 000	-	-	21 000
Value of exercised options		11 200	(11 200)	-	-
Balance at March 31, 2011		17 538 750	2 043 353	(6 858 808)	12 723 295

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 2012	2011
		$	$
OPERATING ACTIVITIES			
Net loss		**(153 801)**	(113 708)
Adjustments			
Share-based payments		**45 116**	21 330
Change in fair value of listed shares		**116 985**	(3 015)
Gain on sale of exploration and evaluation asset		**(112 513)**	-
Deferred income taxes		**34 640**	-
Changes in working capital items	12	**(79 172)**	18 062
Cash flows from operating activities		**(148 745)**	(77 331)
INVESTING ACTIVITIES			
Investments redeemed		**602 657**	400 000
Investments		**(404 468)**	(610 154)
Additions to exploration and evaluation assets		**(262 686)**	(594 974)
Cash flows from investing activities		**(64 497)**	(805 128)
FINANCING ACTIVITIES			
Issuance of shares by private placement		-	1 200 000
Issuance cost of shares		-	(7 651)
Exercice of options		-	21 000
Cash flows from financing activities		-	1 213 349
Net change in cash and cash equivalents		**(213 242)**	330 890
Cash and cash equivalents, beginning of period		**564 130**	32 283
Cash and cash equivalents, end of period		**350 888**	363 173
Supplemental disclosure			
Interests income cashed		**10 025**	11 073

Additional information - Cash Flows- note 12

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.

The Company is incorporated under the Canada Business Corporations Act. The address of the Company's registered office and its principal place of business is 1000, St-Antoine Street West, Suite 711, Montreal, Quebec, Canada. The Company's shares are listed on the TSX Venture Exchange.

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, 2012, the Company has a negative cumulated retained deficit of $9,577,904 ($9,424,103 as at December 31, 2011). 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. BASIS OF 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, 2011. The interim financial statements do not include all of the notes required in annual financial statements.

4. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Impairment of property and equipment 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.

Determining whether to test for impairment of exploration and evaluation assets requires management's judgment, among others, regarding the following: the period for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

(Canadian dollars)

4. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS (continued)

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next period. No impairment loss of the exploration and evaluation assets was recognized during the period.

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

5. CASH AND CASH EQUIVALENTS

	March 31, 2012	December 31, 2011
	$	$
Cash at bank (Bank overdraft) and in hand	(44 131)	66 253
Monetary fund	395 019	497 877
	350 888	564 130

As at March 31, 2012, cash and cash equivalents include monetary fund bearing interest at 0.5%, cashable anytime without any penalties.

The balance on flow-through financing not spent according to the restrictions imposed by these financing arrangements represents $30,550 ($150,000 as at December 31, 2011). The Company has to dedicate these funds to Canadian mining properties exploration.

6. PLACEMENTS

	Rate ranging from	Rate ranging to	**March 31, 2011**	December 31, 2011
			$	$
Current				
Guaranteed investment certificates	1.25%	3.05%	**517 237**	605 904
Shares listed	-	-	**112 060**	9 045
			629 297	614 949
Non-current				
Guaranteed investment certificates	2.35%	2.60%	-	305 741
Others investments from financial institutions	2.20%	3.05%	297 154	100 934
			297 154	406 675

(Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS

MINING RIGHTS

	January 1, 2012	Additions	March 31, 2012
QUEBEC	$	$	$
33 Carats	595 456	35 547	**631 003**
Hotish	326 681	159	**326 840**
Pontax	-	4 517	**4 517**
Shadow	20 318	58 425	**78 743**
Lac LeCaron	154 920	34 317	**189 237**
AU33 ouest	60 926	-	**60 926**
Shipshaw	216 286	5 966	**222 252**
Hotish Nord	11 574	-	**11 574**
14 Carats	54 060	4 305	**58 365**
Carbon 14	23 382	-	**23 382**
Carbon Goeland	3 564	-	**3 564**
Carbo	3 100	-	**3 100**
	1 470 267	143 236	**1 613 503**

EXPLORATION

		January 1, 2012	Additions	Disposal	March 31, 2012
QUEBEC		$	$	$	$
33 Carats		1 569 005	15 975	-	**1 584 980**
Hotish		3 470 094	3 940	-	**3 474 034**
Pontax		-	1 443	-	**1 443**
Pontax Lithium	note	107 487	-	(107 487)	**-**
Shadow		116 180	12 503	-	**128 683**
Lac LeCaron		420 994	22 754	-	**443 748**
AU33 ouest		164 259	-	-	**164 259**
Shipshaw		714 753	40 092	-	**754 845**
Hotish Nord		3 017	418	-	**3 435**
14 Karats		81 932	22 324	-	**104 256**
Carbon 14		27 609	-	-	**27 609**
Carbon Goeland		540	-	-	**540**
Carbo		1 594	-	-	**1 594**
		6 677 464	119 449	(107 487)	**6 689 426**
TOTAL		8 147 731	262 685	(107 487)	**8 302 929**

Note: Pontax-Lithium

During the quarter, the Company sold to Khalkos Exploration Inc. (Khalkos) its interest in the Pontax Lithium property for 1,000,000 common shares of Khalkos (attributed value of $220,000. A gain on sale of exploration and evaluation asset of $112,513 was recorded during the quarter.

8. EQUITY

8.1 Share capital

The share capital of the Company consists only of fully paid ordinary shares.

Authorized

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

(Canadian dollars)

8.1 Share capital (continued)

Shares issued and fully paid	Number of shares Three-month period ended March 31, 2012	March 31, 2011
Shares issued and fully paid at the beginning	**39 095 961**	34 633 839
Private placement	-	3 428 572
Acquisition of mining rights	-	250 000
Exercise of share options	-	140 000
Total shares issued and fully paid at the end	39 095 961	38 452 411

8.2 Warrants

The number of outstanding warrants which could be exercised for an equivalent number of common shares is as follows:

Expiration date	Number	Exercice price
September 6, 2012 / September 6, 2013	428 550	$0.49 / $0.63

9. EMPLOYEE REMUNERATION

9.1 Salaries and employee benefits expense

	Three-month period ended March 31 2012	2011
	$	$
Wages, salaries	**78 946**	86 042
Professional fee paid to an officer	**10 900**	9 400
Social security costs	**2 882**	2 970
Share-based payments	**45 116**	21 330
Defined contribution State plans	**5 357**	4 889
	143 201	124 631
Less: salaries capitalized in Exploration and evaluation assets	**(82 486)**	(56 361)
Salaries and employee benefits expense	**60 715**	68 270

9.2 Share-based payments

The Company has adopted share-based payment plans under which members of the Board of Directors may award options for ordinary shares to directors, officers, employees and consultants. The maximum number of shares issuable under the plans is 6,000,000. 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, at 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:

	Options	Weighted average exercise price $
Outstanding as at December 31, 2011	3 985 000	0.38
Granted	995 000	0.235
Expired	(1 020 000)	0.67
Outstanding as at March 31, 2012	3 960 000	0.27
Exercisable as at March 31, 2012	2 637 000	0.27

(Canadian dollars)

9.2 Share-based payments (continued)

On February 28, 2012, the Company granted 995,000 options exercisable at $0.235 to officers, directors and employees of the Company. The options have a term of five years and can be exercised gradually over a period of eighteen months.

The table below summarizes the information related to share options as at March 31, 2012:

Range of exercise price	Outstanding options		
$	Number of options	Weighted average exercise price	Remaining life (years)
		$	
0.10 to 0.29	1 695 000	0.20	3.76
0.30 to 0.50	2 265 000	0.32	2.85
	3 960 000		

The weighted fair value of these options ($0.16 per option issued) during the year ($0.21 per option issued in 2011) was estimated using the Black-Scholes stock option pricing model with the following weighted average assumptions:

	2012	2011
Average share price at date of grant	**$0.235**	$0.30
Dividends yield	**0%**	0%
Expected weighted volatility	**98%**	98%
Risk-free interest average rate	**1.1%**	2,00%
Expected average life	**5 years**	5 years
Average exercise price at date of grant	**$0.235**	$0.30

The underlying expected volatility was determined by reference to historical data of Company's shares over a period of time since its listing on the TSX Venture Exchange. No special features inherent to the options granted were incorporated into measurement of fair value.

In total, $45,116 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, 2012 ($21,330 for the three-month period ended March 31, 2011) and credited to Contributed surplus.

10. FINANCE INCOME

	Three-month period ended March 31,	
	2012	2011
	$	$
Interest income from cash and cash equivalents	**1 248**	1 264
Interest income from guaranteed investment certificates	**4 020**	8 198
Interest income from other investments	**2 101**	3 222
Finance income	**7 369**	12 684

11. 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 8.2 and 9.2.

	March 31,	
	2012	2011
Net loss	$(153,801)	$(113,708)
Weighted average number of shares in circulation	39 095 961	37 182 569
Basic and diluted loss per share	$(0.004)	$(0.003)

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

(Canadian dollars)

12. ADDITIONAL INFORMATIONS – CASH FLOWS

The changes in working capital items are detailed as follows:

	Three-month period ended March 31, 2012	2011
	$	$
Good and services tax receivable	**416**	15 702
Accounts receivable	**4 973**	-
Prepaid expenses and deposit	**(8 386)**	(1 987)
Trade and other payables	**(76 175)**	(10 359)
Account payable to a mining company	**-**	14 706
	(79 172)	18 062

Non cash transactions in the Statement of Financial Position are:

Listed shares value received as consideration for disposal of exploration and evaluation assets	**220 000**	-

13. RELATED PARTY TRANSACTIONS

The Company's related parties include its associate, one related company and joint key management, as described below. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

13.1 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, 2012	2011
	$	$
Short-term employee benefits		
Salaries including bonuses and benefits	**63 750**	86 042
Professional fees	**10 900**	9 400
Social security costs	**6 552**	7 859
Total short-term employee benefits	**81 202**	103 301
Share-based payments	**38 366**	19 807
Total remuneration	**119 568**	123 108

An important part of the remuneration of the President and Vice-President Exploration has been allocated to Exploration and evaluation assets.

13.2 Transactions with an related company

The Company was related to another corporation until April 1, 2011, as they have in common certain directors.

For the period ended April 1, 2011, in the normal course of activities, a company with a common director invoiced the Company $12,234 for professional fees.

14. 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. Capital for the reporting periods under review is summarized in Note 8 and in the statement of changes in 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 Notes 5 and 15.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the 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 return capital to shareholders, issue new shares, or sell assets to reduce debt.

No changes were made in the objectives, policies and processes for managing capital during the reporting periods.

15. 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. 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.

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.

Commitments to carry out exploration work that are not respected are subject to a combined tax rate of 30% (Canada and Quebec).

In 2011, the Company received $150,000 following flow-through placements for which the Company renounced tax deductions on December 31, 2011. As at March 31, 2012, the Cash and cash equivalent included an amount of $30,550 ($150,000 as at December 31, 2011) representing the unexpended flow-through shares proceeds .