DIOS EXPLORATION INC.

UNAUDITED INTERIM FINANCIAL STATEMENTS

June 30, 2014

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

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

(Canadian dollars)

	Notes	June 30 2014	December 31 2013
		$	$
ASSETS			
Current			
Cash and cash equivalents	5	**373 571**	316 474
Investments	6	**96 525**	56 568
Good and services tax receivable		**4 041**	37 713
Tax credits receivable		**35 585**	380 004
Prepaid expenses and deposit		**3 652**	-
		513 374	790 759
Non-current			
Exploration and evaluation assets	7	**4 713 029**	9 528 410
Total assets		**5 226 403**	10 319 169
LIABILITIES			
Current			
Trade and other payables		**12 000**	113 146
Other liabilities		**-**	45 000
Total liabilities		**12 000**	158 146
EQUITY			
Share capital	8.1	**17 775 898**	17 775 898
Contributed surplus		**2 532 728**	2 532 728
Deficit		**(15 094 223)**	(10 147 603)
Total equity		**5 214 403**	10 161 023
Total liabilities and equity		**5 226 403**	10 319 169

The accompanying notes are an integral part of the interim financial statements

These financial statements were approved and authorized for issue by the Board of Directors on August 5, 2014

(s) Marie-José Girard	*(s) René Lacroix*
Marie-José Girard	René Lacroix
Director	Director

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

(Canadian dollars)

	Notes	Three-month period ended June 30		Six-month period ended June 30	
		2014	2013	**2014**	2013
		$	$	**$**	$
EXPENSES					
Salaries and employee benefits expense	9.1	**9 818**	49 194	**21 166**	118 877
Trustees, registration fees and shareholders relations		**13 970**	11 072	**20 992**	18 001
Professional fees		**892**	5 770	**27 492**	31 770
Offices expenses		**2 392**	3 315	**4 338**	8 726
Insurance, taxes and permits		**3 565**	2 337	**5 609**	6 301
Publicity, travel and promotion		**223**	485	**2 809**	3 140
Write-off of exploration and evaluation assets		**4 949 524**	-	**4 949 524**	-
Bank charges		**322**	144	**670**	(227)
OPERATING INCOME		**4 980 706**	72 317	**5 032 600**	186 588
OTHER REVENUES AND EXPENSES					
Finance income	10	**372**	1 333	**1 023**	5 414
Loss on disposal of investments		-	(700)	-	(6 168)
Change in fair value of listed shares		**20 302**	(14 028)	**39 957**	(16 950)
		20 674	(13 395)	**40 980**	(17 704)
LOSS BEFORE INCOME TAXES		**(4 960 032)**	(85 712)	**(4 991 620)**	(204 292)
Deferred income taxes		**20 250**	-	**45 000**	-
NET LOSS AND COMPREHENSIVE LOSS		**(4 939 782)**	(85 712)	**(4 946 620)**	(204 292)
NET LOSS PER SHARE					
Basic and diluted loss per share	11	**(0.12)**	(0.002)	**(0.12)**	(0.005)

The accompanying notes are an integral part of the interim 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	$	$	$	$
Balance at January 1, 2014		40 070 961	17 775 898	2 532 728	(10 147 603)	10 161 023
Net loss for the period		-	-	-	(4 946 620)	(4 946 620)
Balance at June 30, 2014		40 070 961	17 775 898	2 532 728	(15 094 223)	5 214 403
Balance at January 1, 2013		39 170 961	17 730 898	2 418 477	(9 872 772)	10 276 603
Net loss for the period		-	-	-	(4 946 620)	(4 946 620)
Share-based payments	9.2	-	-	85 834	-	85 834
Balance at June 30, 2013		39 170 961	17 730 898	2 504 311	(14 819 392)	5 415 817

The accompanying notes are an integral part of the financial statements

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

(Canadian dollars)

	Notes	Six-month period ended June 30 2014	2013
		$	$
OPERATING ACTIVITIES			
Net loss		**(4 946 620)**	(204 292)
Adjustments			
Share-based payments		**-**	85 834
Change in fair value of listed shares		**(39 957)**	16 950
Loss on sale of investments		**-**	6 168
Write-off of exploration and evaluation assets	7	**4 949 524**	-
Deferred income taxes		**(45 000)**	-
Changes in working capital items	12	**(71 126)**	(121 229)
Cash flows from operating activities		**(153 179)**	(216 569)
INVESTING ACTIVITIES			
Investments redeemed		**-**	606 289
Tax credits and credit on duties received		**344 419**	-
Additions to exploration and evaluation assets		**(134 143)**	(326 198)
Cash flows from investing activities		**210 276**	280 091
FINANCING ACTIVITIES			
Issuance of shares by private placement		**-**	-
Issuance cost of shares		**-**	-
Exercice of options		**-**	-
Cash flows from financing activities		**-**	-
Net change in cash and cash equivalents		**57 097**	63 522
Cash and cash equivalents, beginning of period		**316 474**	119 547
Cash and cash equivalents, end of period		**373 571**	183 069
Supplemental disclosure			
Interests income cashed (operating activities)		**1 023**	19 703

Additional information - Cash Flows- note 12

The accompanying notes are an integral part of the interim 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 June 30, 2014, the Company has a negative cumulated retained deficit of $15 094 223 ($10,147,603 as at December 31, 2013). 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, SUMMARY OF ACCOUNTING POLICIES as described in our financial statements for the year ended December 31, 2013. 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*

The International Accounting Standards Board (IASB) aims to replace IAS 39 *Financial Instruments: Recognition and Measurements* in its entirety with IFRS 9. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities as well as the chapter dealing with hedge accounting have been published. The chapter dealing with impairment methodology is still being developed. In November 2011, the IASB decided to consider making limited modifications to IFRS 9 financial asset classification model to address application issues. In addition, in November 2013, the IASB decided to defer to a date to be announced the implementation of IFRS 9. The Company's management has yet to assess the impact of this new standard on the Company's financial statements. Management does not expect to implement IFRS 9 until has been completed and its overall impact can be assessed.

4. JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

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 must be estimated.

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.

For the quarter ended June 30, 2014, the Company has decided to write-off the Hotish and Shipshaw mining properties for a total of $4,949,524 due to uncertain potential of uranium exploration in Quebec and the relevance to continue the exploration of Shipshaw property. 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

	June 30, 2014	December 31, 2013
	$	$
Cash at bank (Bank overdraft) and in hand	**(30 557)**	(18 383)
Monetary fund	**404 128**	334 857
	373 571	316 474

As at June 30, 2014, cash and cash equivalents include monetary fund bearing interest at 0.8%, cashable anytime without any penalties

6. INVESTMENTS

	June 30, 2014	December 31, 2013
	$	$
Current		
Shares listed	**96 525**	56 568

7. EXPLORATION AND EVALUATION ASSETS

MINING RIGHTS

	January 1, 2014	Additions	Write-off	**June 30, 2014**
QUEBEC	**$**	$	$	**$**
33 Carats	663 577	6 223	-	**669 800**
14 Karats	110 270	-	-	**110 270**
Hotish	343 647	-	(343 647)	**-**
Solo-K2	10 638	2 667	-	**13 305**
Pontax	12 500	-	-	**12 500**
Shipshaw	216 172	1 039	(217 211)	**-**
Shadow	88 722	1 778	-	**90 500**
LeCaron	231 868	2 032	-	**233 900**
AU33 ouest	73 681	19 686	-	**93 367**
	1 751 075	33 425	(560 858)	**1 223 642**

EXPLORATION

	January 1, 2014	Additions	Write-off	Tax credits	**June 30, 2014**
QUEBEC	$	$	$	$	**$**
33 Carats	2 110 480	36 891	-	-	**2 147 371**
14 Karats	333 140	-	-	-	**333 140**
Hotish	3 487 922	-	(3 487 922)	-	**-**
Solo-K2	40 799	5 432	-	-	**46 231**
Pontax	3 417	-	-	-	**3 417**
Shipshaw	896 449	4 295	(900 744)	-	**-**
Shadow	312 555	6 718	-	-	**319 273**
LeCaron	494 157	-	-	-	**494 157**
AU33 ouest	98 416	47 382	-	-	**145 798**
	7 777 335	100 718	(4 388 666)	-	**3 489 387**
TOTAL	9 528 410	134 143	(4 949 524)	-	**4 713 029**

For the quarter ended June 30, 2014, the Company has decided to write-off the Hotish and Shipshaw mining properties for a total of $4,949,524 due to uncertain potential of uranium exploration in Quebec and the relevance to continue the exploration of Shipshaw property.

(Canadian dollars)

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

	Number of shares Six-month period ended	
Shares issued and fully paid	June 30, 2014	June 30, 2013
Shares issued and fully paid at the beginning	40 070 961	39 170 961
Private placement	-	-
Acquisition of mining rights	-	-
Exercise of share options	-	-
Total shares issued and fully paid at the end	40 070 961	39 170 961

9. EMPLOYEE REMUNERATION

9.1 Salaries and employee benefits expense

	Three-month period ended June 30		Six-month period ended June 30	
	2014	2013	**2014**	2013
	$	$	**$**	$
Salaries and benefits	**50 628**	82 568	**97 086**	161 694
Professional fee paid to an officer	**8 100**	14 150	**17 300**	25 700
Share-based payments	**-**	31 611	**-**	85 834
	58 728	128 329	**114 386**	273 228
Less: salaries capitalized in Exploration and evaluation assets	**(48 910)**	(79 135)	**(93 220)**	(154 351)
Salaries and employee benefits expense	**9 818**	49 194	**21 166**	118 877

9.2 Share-based payments

The Company has adopted share-based payment plan 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 plan 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, 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, 2013	4 220 000	0.23
Expired	(670 000)	0.15
Outstanding as at June 30, 2014	3 550 000	0.25
Exercisable as at June 30, 2014	3 550 000	0.25

No options were granted during the period ending June 30, 2014.

(Canadian dollars)

9.2 Share-based payments (continued)

The table below summarizes the information related to share options as at June 30, 2014

Range of exercise price	Outstanding options		
$	Number of options	Weighted average exercise price	Remaining life (years)
		$	
0.10 to 0.29	1 960 000	0.19	2.27
0.30 to 0.50	1 590 000	0.32	1.38
	3 550 000		

In total, no employee remuneration expense (all of which related to equity-settled share-based payment transactions) were included in profit or loss for the six-month period ended June 30, 2014 ($85,834 for the six-month period ended June 30, 2013) and credited to Contributed surplus.

10. FINANCE INCOME

	Three-month period ended June 30		Six-month period ended June 30	
	2014	2013	**2014**	2013
	$	$	**$**	$
Interest income from cash and cash equivalents	**372**	794	**1 023**	1 240
Interest income from guaranteed investment certificates	**-**	-	**-**	731
Interest income from other investments	**-**	539	**-**	3 443
Finance income	**372**	1 333	**1 023**	5 414

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 issued that could potentially dilute earnings per share in the future are given in Note 9.2.

	Three-month period ended June 30		Six-month period ended June 30	
	2014	2013	2014	2013
Net loss	$(4,939,782)	$(85,712)	$(4,946,920)	$(204,292)
Weighted average number of shares in circulation	40 070 961	39 170 961	40 070 961	39 170 961
Basic and diluted loss per share	$(0.12)	$(0.002)	$(0.12)	$(0.005)

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

12. ADDITIONAL INFORMATIONS – CASH FLOWS

The changes in working capital items are detailed as follows:

	Six-month period ended June 30	
	2014	2013
	$	$
Good and services tax receivable	33 672	23 857
Receivables	-	1 727
Prepaid expenses and deposit	(3 652)	(6 424)
Trade and other payables	(101 146)	(140 389)
	(71 126)	(121 229)

(Canadian dollars)

13. 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 June 30		Six-month period ended June 30	
	2014	2013	2014	2013
Short-term employee benefits	$	$	$	$
Salaries including bonuses and benefits	36 750	61 250	73 500	122 500
Professional fees	8 100	14 150	17 300	25 700
Social security costs	3 878	4 628	7 756	11 099
Total short-term employee benefits	48 728	80 028	98 556	159 299
Share-based payments	-	25 957	-	70 491
Total remuneration	48 728	105 985	98 556	229 790

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

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 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.

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, 3013, the Company received $90,000 following flow-through placements for which the Company renounced tax deductions on December 31, 2013. The management is required to fulfill its obligations in the period of one year from the date of renouncement.

The balance of the flow-through financing in 2013 was spent in full on June 30, 2014. The Company has to dedicate these funds to the exploration of Canadian mining properties exploration.