DIOS EXPLORATION INC.

UNAUDITED INTERIM FINANCIAL STATEMENTS

June 30, 2016

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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.

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

(Canadian dollars)

	Notes	June 30 2016	December 31 2015
		$	$
ASSETS			
Current			
Cash and cash equivalents	5	**568 199**	306 448
Investments	6	**438 017**	62 806
Good and services tax receivable		**9 293**	2 874
Tax credits receivable		**105 200**	142 643
Prepaid expenses and deposit		**3 333**	-
		1 124 042	514 771
Non-current			
Exploration and evaluation assets	7	**3 760 879**	3 505 008
Total assets		**4 884 921**	4 019 779
LIABILITIES			
Current			
Trade and other payables		**14 941**	68 353
Advance from an officer, from 1.99% to 4.2%, on demand		**-**	69 485
Other liabilities		**-**	6 225
Total liabilities		**14 941**	144 063
EQUITY			
Share capital	8.1	**19 284 758**	18 142 608
Contributed surplus		**2 775 428**	2 682 744
Deficit		**(17 190 206)**	(16 949 636)
Total equity		**4 869 980**	3 875 716
Total liabilities and equity		**4 884 921**	4 019 779

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 24, 2016

(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 June 30		Six-month period ended June 30	
		2016	2015	**2016**	2015
		$	$	**$**	$
EXPENSES					
Employee benefits expense	9.1	**36 999**	25 169	**66 129**	66 096
Trustees, registration fees and shareholders relations		**11 063**	6 548	**21 201**	16 277
Publicity, travel and promotion		**4 785**	337	**12 084**	3 048
Professional fees		**3 120**	-	**24 960**	28 955
Insurance, taxes and permits		**1 774**	1 902	**4 730**	5 358
Offices expenses		**975**	992	**1 918**	1 837
Bank charges		**332**	269	**658**	454
OPERATING LOSS		**59 048**	35 217	**131 680**	122 025
OTHER REVENUES AND EXPENSES					
Finance income	10	**15 355**	11 597	**30 151**	758
Finance costs	10	**(708)**	-	**(1 600)**	(7 347)
		14 647	11 597	**28 551**	(6 589)
LOSS BEFORE INCOME TAXES		**(44 401)**	(23 620)	**(103 129)**	(128 614)
Deferred income taxes		**-**	108	**6 226**	7 285
NET LOSS AND COMPREHENSIVE LOSS		**(44 401)**	(23 512)	**(96 903)**	(121 329)
NET LOSS PER SHARE					
Basic and diluted loss per share	11	**(0.001)**	(0.001)	**(0.002)**	(0.003)

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	Number of shares to be issued	$	$	$	$
Balance at January 1, 2015		40 070 961	728 575	17 819 612	2 549 239	(15 149 434)	5 219 417
Shares or units isued		1 143 575	(728 575)	22 826	-	-	22 826
Net loss for the period		-	-	-	-	(121 329)	(121 329)
Share-based payments	9.2	-	-	-	47 625	-	47 625
Balance at June 30, 2015		41 214 536	-	17 842 438	2 596 864	(15 270 763)	5 168 539
Balance at January 1, 2016		46 217 393	-	18 142 608	2 682 744	(16 949 636)	3 875 716
Shares or units isued	8.1	8 450 667	-	1 142 150	13 300	-	1 155 450
Net loss for the period		-	-	-	-	(96 903)	(96 903)
Share-based payments	9.2	-	-	-	41 884	-	41 884
Share issuance costs	8.1	-		-	-	(143 667)	(143 667)
Issuance of brokers' warrants	8.2	-	-	-	37 500	-	37 500
Balance at June 30, 2016		54 668 060	-	19 284 758	2 775 428	(17 190 206)	4 869 980

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 **2016**	2015
		$	$
OPERATING ACTIVITIES			
Net loss		**(96 903)**	(121 329)
Adjustments			
Share-based payments		**41 884**	47 625
Change in fair value of listed shares		**(28 598)**	7 347
Deferred income taxes		**(6 226)**	(7 285)
Changes in working capital items	12	**(132 647)**	12 736
Cash flows from operating activities		**(222 490)**	(60 906)
INVESTING ACTIVITIES			
Disposal of listed shares		**24 005**	15 018
Investments		**(370 619)**	-
Tax credits received		**142 643**	55 955
Additions to exploration and evaluation assets		**(361 071)**	(113 950)
Cash flows from investing activities		**(565 042)**	(42 977)
FINANCING ACTIVITIES			
Issuance of units and shares by private placement		**1 155 450**	29 050
Share issuance costs		**(106 167)**	-
Cash flows from financing activities		**1 049 283**	29 050
Net change in cash and cash equivalents		**261 751**	(74 833)
Cash and cash equivalents, beginning of period		**306 448**	241 706
Cash and cash equivalents, end of period		**568 199**	166 873
Supplemental disclosure			
Interests income cashed (operating activities)		**1 555**	758
Interest paid (operating activities)		**(1 600)**	(100)

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 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, 2016, the Company has a negative cumulated retained deficit of $17 190 206 ($16 949 636 as at December 31, 2015). 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, 2015. 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. The Company has not yet assessed the impact of this new standard on its financial statements.

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.

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.

(Canadian dollars)

4. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

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.

There were no write-off of exploration and evaluation asset for the six-month period ended June 30, 2016. 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.

5. CASH AND CASH EQUIVALENTS

	June 30, 2016	December 31, 2015
	$	$
Cash at bank (Bank overdraft) and in hand	**9 951**	(33 546)
Monetary fund	**558 248**	339 994
	568 199	306 448

(Canadian dollars)

5. CASH AND CASH EQUIVALENTS (continued)

As at June 30, 2016, cash and cash equivalents include monetary fund bearing interest at 0.8%, cashable anytime without any penalties.

6. INVESTMENTS

	June 30, 2016	December 31, 2015
	$	$
Current		
Guaranteed investment certificates, 1.65% and maturing May 2017	**370 618**	-
Listed shares	**67 399**	62 806
	438 017	62 806

7. EXPLORATION AND EVALUATION ASSETS

MINING RIGHTS

	January 1, 2016	Additions	**June 30, 2016**
QUEBEC	**$**	$	**$**
33 Carats	681 643	12 928	**694 571**
14 Karats	1	2 816	**2 817**
Autish	1 813	-	**1 813**
Solo-K2	19 550	5 458	**25 008**
Shipshaw	276	-	**276**
Clarkie	-	15 621	**15 621**
LeCaron	1	3 041	**3 042**
AU33 ouest	100 246	26 537	**126 783**
	803 530	66 401	**869 931**

EXPLORATION

	January 1, 2016	Additions	Tax credits	**June 30, 2016**
QUEBEC	$	$	$	**$**
33 Carats	2 174 968	-	-	**2 174 968**
Solo-K2	65 497	29 134	(10 401)	**84 230**
Clarkie	-	3 565	(1 273)	**2 292**
AU33 ouest	461 013	261 971	(93 526)	**629 458**
	2 701 478	294 670	(105 200)	**2 890 948**
TOTAL	3 505 008	361 071	(105 200)	**3 760 879**

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, 2016**	June 30, 2015
Shares issued and fully paid at the beginning	**46 217 393**	40 070 961
Shares to be issued as at December 31, 2014 issued during the period	**-**	728 575
private placement	**8 450 667**	415 000
Total shares issued at the end	**54 668 060**	41 214 536

(Canadian dollars)

8. EQUITY (continued)

8.1 Share capital (continued)

On January 6, 2015, the Company closed a non-brokered flow-through private placement for an aggregate proceeds of $29,050 consisting of the issuance of 415,000 flow-through shares at a price of $0.07 per share. An amount of $22,825 was allocated to share capital and $6,225 was attributed to other liabilities in the statement of financial position.

On May 18 and 20, 2016, the Company closed a private placement totaling $1,155,450: 4,712,333 flow-through units at $0.15 each ($706,850) and 3,738,334 common shares units at $0.12 each ($448,600). Each flow-through unit comprises one flow-through common share and one half of common share purchase warrant entitles its holder to subscribe one common share of the Company at a price of $0.20 for a 24 month period: 4,712,333 flow-through shares and 2,356,167 warrants were issued. Each common unit comprises one common share and one common share purchase warrant entitles its holder to subscribe one common share of the Company at a price of $0.155 for a 24 month period: 3,738,334 common shares and 3,738,334 warrants were issued. An amount of $13,300, related to warrants, was recorded as an increase on contributed surplus. Issue costs totaled $143,667 including a finders' fee in cash of $82,262 and the issuance of 375,000 finder's warrants entitling the holder to purchase one common share at a price of $0.155 on or before May 20, 2018. A value of $37 500 related to these warrants was recorded as issuance costs.

8.2 Warrants

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

	June 30, 2016	
	Number of warrants	Weighted average exercise price
		$
Balance, at beginning	2 501 428	0.10
Issued	6 094 501	0.17
Balance, at the end	8 595 929	0.15

During the period ended June 30, 2016, the Company recorded an amount of $37,500 in issuance costs for brokers' warrants issued. The fair value was recorded as an increase of the contributed surplus and the deficit.

The weighted average fair value of the brokers' warrants grated of $0.10 was determined using the Black-Scholes model and based on the following weighted average assumptions:

Share price at the date of issuing	$0.15
Expected dividend	0%
Expected volatility	144%
Risk-free interest	0.65%
Expected average life	2 years
Average exercise price at date of issuing	$0.155

The underlying expected volatility was determined by reference to historical data of the Company’s shares the expected average life of the warrants.

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

	June 30, 2016	
Expiry date	Number of warrants	Exercise price $
December 2, 2017	2 501 428	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	3 458 334	0.155
	8 595 929	0.15

(Canadian dollars)

9. EMPLOYEE REMUNERATION

9.1 Salaries and employee benefits expense

	Three-month period ended June 30		Six,-month period ended June 30	
	2016	2015	**2016**	2015
	$	$	**$**	$
Salaries and benefits	**55 844**	50 950	**121 461**	102 156
Professional fee paid to an officer	**9 200**	6 200	**18 300**	14 900
Share-based payments	**24 658**	17 250	**41 884**	47 625
	89 702	74 400	**181 645**	164 681
Less: salaries capitalized in Exploration and evaluation assets	**(52 703)**	(49 231)	**(115 516)**	(98 585)
Salaries and employee benefits expense	**36 999**	25 169	**66 129**	66 096

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, 2015	5 110 000	0.18
Issued	980 000	0.10
Expired	(920 000)	0.30
Outstanding as at June 30, 2016	5 170 000	0.15
Exercisable as at June 30, 2016	3 994 000	0.15

On February 23, 2016, the Company granted 980,000 options exercisable at $0.10 to officers, directors and employees of the Company under its incentive stock option plan. The options have a term of five years and can be exercised gradually over a period of eighteen months.

The weighted fair value of the granted options in 2016 of $0.05 per option granted was determined using the Black-Scholes option pricing model and based on the following weighted average assumptions:

Average share price at date of grant	$0.06
Expected dividends yield	0%
Expected weighted volatility	132%
Risk-free interest average rate	0.50%
Expected average life	5 years
Average exercise price at date of grant	$0.10

The underlying expected volatility was determined by reference to historical data of the Company’s shares over a period of five years. No special features inherent to the options granted were incorporated into measurement of fair value.

(Canadian dollars)

9. EMPLOYEE REMUNERATION (continued)

9.2 Share-based payments (continued)

The table below summarizes the information related to share options as at June 30, 2016:

Range of exercise price	Outstanding options		
$	Number of options	Weighted average exercise price	Remaining life (years)
		$	
0.10 to 0.19	4 205 000	0.13	2.72
0.20 to 0.50	965 000	0.235	0.66
	5 170 000		

In total, $41,884 of 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, 2016 ($47,625 for the six-month period ended June 30, 2015) and credited to Contributed surplus.

10. FINANCE INCOME AND FINANCE COSTS

Finance income may be analyzed as follows for the reporting periods presented:	Six-month period ended June 30, **2016**	2015
	$	$
Change in fair value of listed shares	**28 597**	-
Interest income from cash and cash equivalents	**1 554**	758
	30 151	758

Finance costs may be analyzed as follows for the reporting periods presented:	Six-month period ended June 30, **2016**	2015
	$	$
Interest on Advance of an officer	**1 600**	-
Change in fair value of listed shares	**-**	7 347
	1 600	7 347

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.

	Three-month period ended June 30, **2016**	2015	Six-month period ended June 30, **2016**	2015
Net loss	**$(44,401)**	$(23,512)	**$(96,903)**	$(121,329)
Weighted average number of shares in circulation	**50 138 470**	41 214 536	**48 188 762**	41 203 072
Basic and diluted loss per share	**$(0.001)**	$0.001	**$(0.002)**	$(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:

	Six-month period ended June 30,	
	2016	2015
	$	$
Good and services tax receivable	**(6 419)**	(781)
Prepaid expenses and deposit	**(3 333)**	(3 332)
Trade and other payables	**(53 410)**	16 824
Advance from an officer	**(69 485)**	25
	(132 647)	12 736

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,	
	2016	2015	**2016**	2015
Short-term employee benefits	**$**	$	**$**	$
Salaries including bonuses and benefits	**36 750**	36 750	**81 667**	73 500
Professional fees	**9 200**	6 200	**18 300**	14 900
Social security costs	**3 920**	3 910	**8 732**	7 819
Total short-term employee benefits	**49 870**	46 860	**108 699**	96 219
Share-based payments	**21 572**	14 490	**36 536**	40 005
	71 442	61 350	**145 235**	136 224

During the period, an officer advanced some funds (reimbursed at 30 June 2016). Interest at rates varying between 1.99% and 4.2% were paid ($1,600).

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. 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 8 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.

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, 2015, the Company received $29,050 following flow-through placements for which the Company renounced tax deductions on December 31, 2015. 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, amount that was spent as at March 31, 2016.

During the reporting period ended June 30, 2016, the Company received $706,850 following flow-through placements for which the Company will renounce 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.