DIOS EXPLORATION INC.

Interim Financial Statements

March 31, 2010

Content

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

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

	Three-month period ended March 31, 2010	2009
	$	$
ADMINISTRATIVE EXPENSES		
Stock based compensation	**37 240**	32 295
Professional fees	**31 700**	31 657
Salaries and employee benefits	**19 832**	10 362
Insurances, taxes and permits	**4 038**	10 395
Publicity and promotion	**31 627**	7 619
Shareholders information	**8 615**	5 000
Office expenses	**8 919**	2 855
Trustees and registration fees	**1 204**	1 277
Bank fees and interests	**205**	216
	143 380	101 676
OTHER INCOME ANS EXPENSES		
Interest	**18 497**	19 315
Unrealized gain (loss) on listed shares	**(4 522)**	9 045
	13 975	28 360
LOSS BEFORE INCOME TAXES	**(129 405)**	(73 316)
FUTURE INCOME TAXES	**53 708**	16 553
NET LOSS AND COMPREHENSIVE LOSS	**(183 113)**	(89 869)
DEFICIT AT BEGINNING	**(6 503 991)**	(5 802 530)
NET LOSS	**(183 113)**	(89 869)
DEFICIT AT END	**(6 687 104)**	(5 892 399)
NET LOSS PER SHARE basic and diluted	**(0.005)**	(0.003)
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, 2010 (unaudited)	As at December 31, 2009 (audited)
	$	$
ASSETS		
CURRENT ASSETS		
Cash	**314 473**	546 534
Investments (note 3)	**1 360 822**	1 153 619
Listed shares held for trading at market value (cost of $104,417)	**22 612**	27 135
Sales tax receivable	**39 763**	39 730
Prepaid expenses	**11 142**	49 841
Exploration tax credit receivable	**515 547**	862 815
	2 264 359	2 679 674
INVESTMENTS (note 3)	**1 248 698**	1 446 170
MINING PROPERTIES (note 4)	**1 387 611**	1 180 129
DEFERRED EXPLORATION EXPENSES (note 5)	**7 468 684**	7 021 120
	12 369 352	12 327 093
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	**177 567**	43 717
Account payable to a mining company, 0.5% interest per month (note 8)	**3 672**	3 098
	181 239	46 815
FUTURE INCOME TAXES	**896 242**	842 534
	1 077 481	889 349
SHAREHOLDERS' EQUITY		
Share capital (note 6)	**16 146 451**	16 146 451
Contributed surplus (note 7)	**1 832 524**	1 795 284
Deficit	**(6 687 104)**	(6 503 991)
	11 291 871	11 437 744
	12 369 352	12 327 093

The accompanying notes are an integral part of the financial statements

DIOS EXPLORATION INC.
Deferred explorations expenses (unaudited)

	Three-month period ended March 31, 2010	2009
	$	$
BALANCE, BEGINNING OF THE PERIOD	**7 021 120**	6 743 832
ADD:		
Geology	**54 677**	76 627
Diamond drilling and assays	**169 265**	37 650
Sampling and analysis	**46 555**	-
Geophysics	**162 571**	-
Transport, lodging and logistics	**8 474**	17 714
Furnitures, office and others	**6 022**	5 955
Total expenses of the period	**447 564**	137 946
DEDUCT:		
Tax credit	**-**	-
NET DEFERRED EXPENSES OF THE PERIOD	**447 564**	137 946
BALANCE, END OF THE PERIOD	**7 468 684**	6 881 778

The accompanying notes are an integral part of the financial statements

DIOS EXPLORATION INC.
Cash flows (unaudited)

	Three-month period ended March 31, 2010	2009
	$	$
OPERATING ACTIVITIES		
Net loss	**(183 113)**	(89 869)
Non-cash items		
Stock based compensation	**37 240**	32 295
Unrealized loss (gain) on listed shares	**4 522**	(9 045)
Future income taxes	**53 708**	16 553
	(87 643)	(50 066)
Changes in non-cash operating working capital items		
Prepaid expenses	**38 699**	-
Sales tax receivable	**(33)**	433 523
Tax credit receivable	**347 268**	153 177
Accounts receivable from related company	**-**	(5 214)
Accounts payable and accrued liabilities	**133 850**	(27 955)
Accounts payable to a related company	**574**	-
	432 715	503 465
INVESTING ACTIVITIES		
Term deposits redeemed (purchase)	**(9 731)**	(415 904)
Mining properties	**(207 482)**	(26 945)
Deferred exploration expenses	**(447 563)**	(137 946)
	(664 776)	(580 795)
NET INCREASE (DECREASE) IN CASH	**(232 061)**	(77 330)
CASH , AT BEGINNING	**546 534**	165 142
CASH, AT END	**314 473**	87 812

The accompanying notes are an integral part of the financial statements

1. NATURE OF ACTIVITIES

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.

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.

2. ACCOUNTING POLICIES

The unaudited interim financial statements must be read in conjunction with the financial statements for the year ended December 31, 2009. 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, 2009.

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 followed 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.

3. INVESTMENTS

Short term

As of March 31, 2010, short term investments include term deposits totalling $1,360,822. From this amount, $201,951 is maturing in 2011 but is cashable at any time and the balance of $1,158,871 is maturing between June 6, 2010 and February 7, 2011. These investments bear interest at annual rates of 1% to 1.75%.

Long term

As of March 31, 2010, long term investments include guaranteed investment certificates and others investments from canadian financial institutions totalling $1,248,698 maturing between June 6, 2011 and June 3, 2013 and bearing interest at annual rates of 1.25% to 3.85%.

4. MINING PROPERTIES

	As at December 31, 2009	**Additions**	**As at March 31, 2010**
	$	**$**	**$**
33 Carats	487 708	**51 904**	**539 612**
Hotish	274 326	**3 164**	**277 490**
Pontax	58 335	**52**	**58 387**
Chibouki	94 691	**-**	**94 691**
Upinor	65 015	**1 680**	**66 695**
Upinor 2	9 840	**-**	**9 840**
Shipshaw	884	**8 476**	**9 360**
U2 ET U3	73 800	**2 520**	**76 320**
PAM et Ugo	101 845	**-**	**101 845**
U33	**-**	**139 686**	**139 686**
Lac Chabran	13 685	**-**	**13 685**
	1 180 129	**207 482**	**1 387 611**

5. DEFERRED EXPLORATION EXPENSES

	As at December 31, 2009	**Additions**	**As at March 31, 2010**
	$	$	**$**
33 Carats	1 342 827	**27 153**	**1 369 980**
Hotish	3 207 215	**56 223**	**3 263 438**
Pontax	996 255	**7 682**	**1 003 937**
Pontax Lithium	100 847	**1 987**	**102 834**
Chibouki	856 170	**-**	**856 170**
Upinor	441 463	**-**	**441 463**
Shipshaw	473	**184 106**	**184 579**
U2 ET U3	17 443	**-**	**17 443**
PAM et Ugo	44 123	**-**	**44 123**
U33	**-**	**170 413**	**170 413**
Lac Chabran	14 304	**-**	**14 304**
	7 021 120	**447 564**	**7 468 684**

6. 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, 2009	34 333 839	16 146 451
Balance March 31, 2010	**34 333 839**	**16 146 451**

Options

The Company has established a stock option plan (“the plan“) whereby the Board of Directors may from time to time grant options to purchase common shares to employees, officers, directors and consultants, for such terms and at such exercise prices as may be determined by the Board.

The plan provides that the maximum number of common shares in the capital of the Company that may be reserved for issuance under the stock option plan is equal to 6,600,000 and that 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. Theses options may be exercised for a period of 5 years after the grant date. 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.

The option’s exercise price is established by the Board of Directors and may not be lower than the market price of the common shares at the time of grant.

On March 22, 2010, the Company granted a total of 980,000 stock options that may be exercised over a period of five years, at an exercise price of $0.34 and having a fair value of $0.26. These options have been granted to employers, directors and officers.

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 1.5%, forecast volatility of 101% and no forecast dividend.

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

	Number	**Average Exercise price ($)**
Balance as at December 31, 2009	3 730 000	0.41
Granted	980 000	0.34
Balance as at March 31, 2010	**4 710 000**	**0.40**

6. SHARE CAPITAL (continued)

Options (continued)

Options granted and exercisable as at March 31, 2010

	Number of options		
Expiration date	**outstanding**	**Exercisable**	**Exercise Price ($)**
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	50 000	0.38
February 12, 2013	980 000	980 000	0.31
May 19, 2014	980 000	539 000	0.15
March 22, 2015	980 000	98 000	0.34
	4 710 000	3 387 000	

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 1.5% to 4.5%, forecast volatility of 49% to 113% and no forecast dividend.

7. CONTRIBUTED SURPLUS

	$
Balance, December 31, 2009	**1 795 284**
Stock based compensation	**37 240**
Balance, March 31, 2010	**1 832 524**

8. RELATED PARTY TRANSACTIONS

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

As at March 31, 2010, there is a balance payable of 3,672 ($3,098 as at December 31, 2009) to this company. This payable bears a monthly interest of 0.5%.

Also, during the year, in the normal course of activities, a company with a common director invoiced the Company $6,700 ($5,880 in 2009) for professional fees.

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

9. 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

Investments and the account payable to a mining company are at fixed rates and therefore expose the Company to risk of fair value variation due to interest rate variation. Interest 1% higher would have decreased the fair value of these by $26,000 as at March 31, 2010. 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. Generally, the maximum credit risk is equivalent to the carrying value of financial assets exposed to credit risk, less any impairment. The Company is subject to credit risk through cash and investments. The Company reduces its credit risk by maintaining its cash and an important part of investments in financial instruments guaranteed by and held by a Canadian chartered bank but the Company is subject to concentration of credit risk. 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 an emerging an issuer acting in the mineral exploration area. The Company is exposed to market risk in trading its shares and unfavorable market conditions could result in the disposal of its listed shares at less than its value as at March 31, 2010. As at March 31, 2010, the value of these listed shares is $22,612 with an original cost of $104,417. A 10% variation in the closing price on the stock market would result in an estimated variation of $2,200 of the loss at the end of March 2010.

9. FINANCIAL INSTRUMENTS (continued)

The fair value of financial instruments is summarized as follows:

	March 31, 2010	
	Carrying amount	Fair value
	$	$
Financial assets		
Held for trading		
Cash	314 473	314 473
Investments - short term	1 360 822	1 360 822
Listed shares	22 612	22 612
Investments - long term	1 248 698	1 248 698
Financial liabilities		
Other liabilities		
Accounts payable and accrued liabilities	177 567	177 567
Account payable to a mining company	3 672	3 672

	December 31, 2009	
	Carrying amount	Fair value
	$	$
Financial assets		
Held for trading		
Cash	546 534	546 534
Investments - short term	1 153 619	1 153 619
Listed shares	27 135	27 135
Investments - long term	1 446 170	1 446 170
Financial liabilities		
Other liabilities		
Accounts payable and accrued liabilities	43 717	43 717
Account payable to a mining company	3 098	3 098

10. 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. As at March 31, 2010, the Shareholders' Equity totals $11,291,871 ($11,437,744 as at December 31, 2009).

There was no significant change on the policy approach to capital management during the three-month period ended March 31, 2010. The Company has no requirement of capital to which it was submitted under external rules, regulations or contractual requirements.