

DIOS EXPLORATION INC.

UNAUDITED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2015

Content

Interim Statement of Financial Position	2
Interim Statement of Comprehensive Income	3
Interim Statement of Changes in Equity	4
Interim Statement of Cash Flows	5
Notes to Interim Financial Statements	6-11

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

P.O. Box 114 station NDG, Montréal QC H4A 3P4
Tel: 514-923-9123
email: mjgirard@diosexplo.com
web site: www.diosexplo.com

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

(Canadian dollars)

	Notes	March 31 2015	December 31 2014
		\$	\$
ASSETS			
Current			
Cash and cash equivalents	6	186 362	241 706
Listed shares		64 264	93 022
Good and services tax receivable		6 926	1 682
Tax credits receivable		99 816	99 816
Prepaid expenses and deposit		4 999	-
		362 367	436 226
Non-current			
Exploration and evaluation assets	6	4 854 059	4 794 103
Total assets		5 216 426	5 230 329
LIABILITIES			
Current			
Trade and other payables		35 293	3 626
Other liabilities		6 333	7 286
Total liabilities		41 626	10 912
EQUITY			
Share capital	7.1	17 842 437	17 819 612
Contributed surplus		2 579 614	2 549 239
Deficit		(15 247 251)	(15 149 434)
Total equity		5 174 800	5 219 417
Total liabilities and equity		5 216 426	5 230 329

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 28, 2015

(s) Marie-José Girard

Marie-José Girard
 Director

(s) René Lacroix

René Lacroix
 Director

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

(Canadian dollars)

	Notes	Three-month period ended March 31	
		2015	2014
		\$	\$
EXPENSES			
Employee benefits expense	8.1	40 927	11 348
Professional fees		28 955	26 600
Trustees, registration fees and shareholders relations		9 729	7 022
Publicity, travel and promotion		2 711	2 586
Insurance, taxes and permits		3 456	2 044
Offices expenses		846	1 946
Bank charges		184	349
OPERATING LOSS		86 808	51 895
OTHER REVENUES AND EXPENSES			
Finance income	9	422	20 307
Finance costs	9	(18 608)	-
		(18 186)	20 307
LOSS BEFORE INCOME TAXES		(104 994)	(31 588)
Deferred income taxes		(7 177)	(24 750)
NET LOSS AND COMPREHENSIVE INCOME		(97 817)	(6 838)
NET LOSS PER SHARE			
Basic and diluted loss per share	10	(0.002)	(0.001)

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	Deficit	Total equity	
		Number of shares issued	Number of shares to be issued	\$	\$	\$	\$
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		-	-	-	-	(6 838)	(6 838)
Balance at March 31, 2014		40 070 961	-	17 775 898	2 532 728	(10 154 441)	10 154 185
Balance at January 1, 2015		40 070 961	728 575	17 819 612	2 549 239	(15 149 434)	5 219 417
Shares issued by flow-through private placement		1 143 575	(728 575)	22 825	-	-	22 825
Net loss for the period		-	-	-	-	(97 817)	(97 817)
Share-based payments	8.2	-	-	-	30 375	-	30 375
Balance at March 31, 2015		41 214 536	-	17 842 437	2 579 614	(15 247 251)	5 174 800

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	
		2015	2014
		\$	\$
OPERATING ACTIVITIES			
Net loss		(97 817)	(6 838)
Adjustments			
Share-based payments		30 375	-
Change in fair value of listed shares		18 608	(19 655)
Deferred income taxes expenses		(7 177)	(24 750)
Changes in working capital items	11	21 424	(23 128)
Cash flows from operating activities		<u>(34 587)</u>	<u>(74 371)</u>
INVESTING ACTIVITIES			
Disposal of listed shares		10 149	-
Tax credits received		-	63 414
Additions to exploration and evaluation assets		(59 956)	(77 762)
Cash flows from investing activities		<u>(49 807)</u>	<u>(14 348)</u>
FINANCING ACTIVITIES			
Issuance of shares by private placement		29 050	-
Cash flows from financing activities		<u>29 050</u>	<u>-</u>
Net change in cash and cash equivalents		(55 344)	(88 719)
Cash and cash equivalents, beginning of period		241 706	316 474
Cash and cash equivalents, end of period		186 362	227 755
Supplemental disclosure			
Interests income received (operating activities)		422	652

Additional information - Cash Flows- note 11

The accompanying notes are an integral part of the financial statements

DIOS EXPLORATION INC.

Notes to Interim Financial Statements

For the three-month period ended March 31, 2015 (unaudited)

(Canadian dollars)

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 March 31, 2015, the Company has a negative cumulated retained deficit of \$15,247,251 (\$15,149,434 as at December 31, 2014). 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, SIGNIFICANT ACCOUNTING POLICIES as described in our financial statements for the year ended December 31, 2014. 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.

DIOS EXPLORATION INC.

Notes to Interim Financial Statements

For the three-month period ended March 31, 2015 (unaudited)

(Canadian dollars)

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 likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist 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 Company's 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 quarter ended March 31, 2015. 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.

DIOS EXPLORATION INC.
Notes to Interim Financial Statements
For the three-month period ended March 31, 2015 (unaudited)

(Canadian dollars)

5. CASH AND CASH EQUIVALENTS

	March 31, 2015	December 31, 2014
	\$	\$
Cash at bank (Bank overdraft) and in hand	(23 557)	39 096
Money market fund	209 919	202 610
	186 362	241 706

The balance on flow-through financing not spent according to the restrictions imposed by the flow-through arrangements represents \$29 808 (\$51,000 as at December 31, 2014). Under the terms of this financing, the Company has to dedicate these funds to Canadian mining exploration

As at March 31, 2015, cash and cash equivalents include monetary fund bearing interest at 0.8%, cashable anytime without any penalties

6. EXPLORATION AND EVALUATION ASSETS

MINING RIGHTS

	January 1, 2015	Additions	March 31, 2015
QUEBEC	\$	\$	\$
33 Carats	677 547	3 200	680 747
14 Karats	112 683	512	113 195
Autish	1 150	-	1 150
Solo-K2	14 956	3 826	18 782
Shadow	90 500	1 408	91 908
LeCaron	233 900	-	233 900
AU33 ouest	94 102	768	94 870
	1 224 838	9 714	1 234 552

EXPLORATION

	January 1, 2015	Additions	Tax credits	March 31, 2015
QUEBEC	\$	\$	\$	\$
33 Carats	2 152 831	18 532	-	2 171 363
14 Karats	333 140	-	-	333 140
Solo-K2	52 428	4 068	-	56 496
Shadow	321 919	1 355	-	323 274
LeCaron	495 586	-	-	495 586
AU33 ouest	213 361	26 287	-	239 648
	3 569 265	50 242	-	3 619 507
TOTAL	4 794 103	59 956	-	4 854 059

7. EQUITY

7.1 Share capital

The share capital of the Company consists only of fully paid common shares

Authorized

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

Shares issued and fully paid

	Number of shares Three-month period ended	
	March 31, 2015	March 31, 2014
Shares issued and fully paid at the beginning	40 070 961	40 070 961
Shares to be issued as at December 31, 2014 issued during the period	728 575	-
Private placement	415 000	-
Total shares issued and fully paid at the end	41 214 536	40 070 961

DIOS EXPLORATION INC.
Notes to Interim Financial Statements
For the three-month period ended March 31, 2015 (unaudited)

(Canadian dollars)

8. EMPLOYEE REMUNERATION

8.1 Salaries and employee benefits expense

	Three-month period ended March 31	
	2015	2014
	\$	\$
Salaries and benefits	51 205	46 458
Fee paid to employee	8 700	9 200
Share-based payments	30 375	-
	<u>90 280</u>	<u>55 658</u>
Less: salaries capitalized in Exploration and evaluation assets	(49 353)	(44 310)
Salaries and employee benefits expense	<u>40 927</u>	<u>11 348</u>

8.2 Share-based payments

The Company has adopted share-based payment plans under which members of the Board of Directors may award options for common shares to directors, officers, employees and consultants. The maximum number of shares issuable under the plans 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, with 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, 2014	4 800 000	0.22
Granted	-	-
Expired	(670 000)	0.15
Outstanding as at March 31, 2015	4 130 000	0.20
Exercisable as at March 31, 2015	3 192 500	0.22

No options were granted during the period.

The table below summarizes the information related to share options as at March 31, 2015

Range of exercise price \$	Outstanding options		
	Number of options	Weighted average exercise price \$	Remaining life (years)
0.10 to 0.29	3 210 000	0.18	3.16
0.30 to 0.50	920 000	0.30	1.08
	<u>4 130 000</u>		

In total, \$30,375 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, 2015 (\$0 for the three-month period ended March 31, 2014) and credited to Contributed surplus.

DIOS EXPLORATION INC.
Notes to Interim Financial Statements
For the three-month period ended March 31, 2015 (unaudited)

(Canadian dollars)

9. FINANCE COSTS AND FINANCE INCOME

Finance costs may be analyzed as follows for the reporting periods presented:

	ended March 31,	
	2015	2014
	\$	\$
Change in fair value of listed shares	(18 608)	-

Finance income may be analyzed as follows for the reporting periods presented:

	ended March 31,	
	2015	2014
	\$	\$
Change in fair value of listed shares	-	19 655
Interest income from cash and cash equivalents	422	652
	422	20 307

10. 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 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 8.2.

	March 31,	
	2015	2014
Net loss	(97 817)	(\$6,838)
Weighted average number of shares in circulation	41 191 480	40 070 961
Basic and diluted loss per share	\$(0.002)	\$(0.001)

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

11. ADDITIONAL INFORMATIONS – CASH FLOWS

The changes in working capital items are detailed as follows:

	Three-month period ended March 31,	
	2015	2014
	\$	\$
Good and services tax receivable	(5 244)	28 941
Prepaid expenses and deposit	(4 999)	(5 477)
Trade and other payables	31 667	(46 592)
	21 424	(23 128)

12. 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 March 31,	
	2015	2014
	\$	\$
Short-term employee benefits		
Salaries including bonuses and benefits	36 750	36 750
Professional fees	8 700	9 200
Social security costs	3 910	3 878
Total short-term employee benefits	49 360	49 828
Share-based payments	25 515	-
	74 875	49 828
less: Salaries capitalized in Exploration and evaluation assets	(38 808)	(38 480)
Total remuneration	36 067	11 348

DIOS EXPLORATION INC.
Notes to Interim Financial Statements
For the three-month period ended March 31, 2015 (unaudited)

(Canadian dollars)

13. 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 7 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.

14. 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, 2014, the Company received \$51,000 (\$90,000 for 2013) following flow-through placements for which the Company renounced tax deductions on December 31, 2014. The management is required to fulfill its obligations in the period of one year from the date of renouncement.

During the reporting period, the Company received \$29,050 following flow-through placements for which the Company will renounce tax deductions on December 31, 2015. The management is required to fulfill its obligations in the period of one year from the date of renouncement.

The balance on flow-through financing not spent represents \$29,808 at March 31, 2015. The Company has to dedicate these funds to the exploration of Canadian mining properties exploration.