

DIOS EXPLORATION INC.

Interim Financial Statements

June 30, 2009

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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.**Earnings, comprehensive loss and deficit (unaudited)**

	Three-month period ended		Six-month period ended	
	June 30		June 30	
	2009	2008	2009	2008
	\$	\$	\$	\$
ADMINISTRATIVE EXPENSES				
Stock based compensation	40 135	126 420	72 430	244 350
Professional fees	22 430	31 389	54 087	81 273
Salaries-management and directors	20 264	8 014	30 627	12 686
Shareholders information	11 561	18 511	16 561	27 813
Trustees and registration fees	5 497	10 667	6 773	15 698
Publicity and promotion	2 795	58 748	10 414	90 815
Office expenses	2 539	5 229	5 395	9 658
Insurances, taxes and permits	829	664	11 224	14 274
Rent	-	-	-	2 250
Bank fees and interests	225	222	441	399
	106 275	259 864	207 952	499 216
OTHER INCOME AND EXPENSES				
Interests income	24 379	61 598	43 695	131 664
Unrealized gain (loss) on listed shares	6 115	10 552	15 160	4 522
	30 494	72 150	58 855	136 186
LOSS BEFORE INCOME TAXES	(75 781)	(187 714)	(149 097)	(363 030)
Future income taxes	17 009	104 671	33 562	128 592
NET LOSS AND COMPREHENSIVE INCOME	(92 790)	(292 385)	(182 659)	(491 622)
DEFICIT AT BEGINNING	(5 892 399)	(4 856 403)	(5 802 530)	(4 657 166)
NET LOSS	(92 790)	(292 385)	(182 659)	(491 622)
DEFICIT AT END	(5 985 189)	(5 148 788)	(5 985 189)	(5 148 788)
NET LOSS PER SHARE	(0.002)	(0,009)	(0.005)	(0,01)
Weighted average number of outstanding common shares	34 333 839	34 333 839	34 333 839	34 333 839

The accompanying notes are an integral part of the financial statements

DIOS EXPLORATION INC.

Balance sheets

	As at June 30, 2009 (unaudited) \$	As at December 31, 2008 (audited) \$
ASSETS		
CURRENT ASSETS		
Cash	3 594	165 142
Short term investments (note 3)	3 747 484	2 013 633
Listed shares held for trading at market value (cost of \$104,417)	25 713	10 552
Sales tax receivable	16 288	462 962
Exploration tax credit receivable	347 268	2 331 278
Accounts receivable from related company (note 9)	129 377	125 645
	4 269 724	5 109 212
LONG TERM INVESTMENTS (note 4)	400 000	-
MINING PROPERTIES (note 5)	1 148 047	1 076 826
DEFERRED EXPLORATION EXPENSES (note 6)	7 023 515	6 743 832
	12 841 286	12 929 870
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	96 308	108 225
FUTURE INCOME TAXES	842 822	809 260
	939 130	917 485
SHAREHOLDER'S EQUITY		
Share capital (note 7)	16 146 451	16 146 451
Contributed surplus (note 8)	1 740 894	1 668 464
Deficit	(5 985 189)	(5 802 530)
	11 902 156	12 012 385
	12 841 286	12 929 870

Going concern (note 1)

The accompanying notes are an integral part of the financial statements

DIOS EXPLORATION INC.
DEFERRED EXPLORATION EXPENSES (unaudited)

	Three-month period ended		Six-month period ended	
	June 30,		June 30,	
	2009	2008	2009	2008
	\$	\$	\$	\$
BALANCE, BEGINNING OF THE PERIOD	6 881 778	4 623 242	6 743 832	4 423 904
ADD:				
Geology	53 612	58 134	130 239	100 144
Transport, lodging and logistic	39 812	486 896	57 526	488 196
Geophysics	21 125	4 985	21 125	4 985
Sampling and analysis	18 223	5 519	18 223	10 120
Furnitures, office and small tools	8 965	46 102	14 920	54 793
Diamond drilling	-	270 618	37 650	413 354
Total expenses of the period	141 737	872 254	279 683	1 071 592
BALANCE, END OF THE PERIOD	7 023 515	5 495 496	7 023 515	5 495 496

The accompanying notes are an integral part of the financial statements

DIOS EXPLORATION INC.
Statements of cash flows (unaudited)

	Three-month period ended		Six-month period ended	
	June 30,		June 30,	
	2009	2008	2009	2008
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss	(92 790)	(292 385)	(182 659)	(491 622)
Non-cash items				
Stock based compensation	40 135	126 420	72 430	244 350
Unrealized (gain) loss on listed shares	(6 115)	(10 552)	(15 160)	(4 522)
Future income taxes	17 009	104 671	33 562	128 592
	(41 761)	(71 846)	(91 827)	(123 202)
Changes in non-cash operating working capital items				
Prepaid expenses	-	5 083	-	(2 541)
Deposits paid	-	(316 533)	-	(316 533)
Sales tax receivable	13 151	82 038	446 674	48 187
Tax credit receivable	1 830 833	807 564	1 984 010	807 565
Accounts receivable from related company	1 482	-	(3 732)	90 543
Accounts payable and accrued liabilities	16 038	122 316	(11 917)	(497 720)
Deposit received	-	75 000	-	75 000
Account payable to a related party	-	2 431	-	16 825
	1 819 743	706 053	2 323 208	98 124
INVESTING ACTIVITIES				
Investments purchased (redeemed)	(1 717 947)	265 112	(2 133 851)	1 045 344
Mining properties	(44 277)	(82 683)	(71 221)	(120 250)
Deferred exploration expenses	(141 737)	(872 254)	(279 684)	(1 071 592)
	(1 903 961)	(689 825)	(2 484 756)	(146 498)
NET INCREASE (DECREASE) IN CASH	(84 218)	16 228	(161 548)	(48 374)
CASH, AT BEGINNING (BANK OVERDRAFT)	87 812	(15 760)	165 142	48 842
CASH, AT END	3 594	468	3 594	468

The accompanying notes are an integral part of the financial statements

DIOS EXPLORATION INC.

Notes to the financial statements

For the six-month period ended June 30, 2009 (unaudited)

1. NATURE OF ACTIVITIES AND GOING CONCERN

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.

Although the Company has taken steps to verify title to mining properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

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.

The Company's ability to continue as a going concern is dependant upon its ability to raise additional financing to further explore its mineral properties. The current conditions of the capital market are unfavourable for raising additional equity financing and 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. Management assesses its need for financing and its alternatives in strategic changes, including potential changes to its mineral properties agreements, its exploration programs and its discretionary expenses.

The carrying amounts of assets, liabilities, revenues and expenses presented in the financial statements and the balance sheet classification have not been adjusted as would be required if the going concern assumption were not appropriate.

2. ACCOUNTING POLICIES

The unaudited interim financial statements must be read in conjunction with the financial statements for the year ended December 31, 2008. 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, 2008.

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 will follow 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. SHORT TERM INVESTMENTS

As of June 30, 2009, short term investments include term deposits and money funds from a Canadian financial institution of \$3,747,484, cashable at any time except for an amount of \$1,022,342 maturing November 10, 2009. These investments bear interest at annual rates of 1% to 3.5%.

DIOS EXPLORATION INC.

Notes to the financial statements

For the six-month period ended June 30, 2009 (unaudited)

4. LONG TERM INVESTMENTS

As of June 30, 2009, long term investments include guaranteed investment certificates from a canadian financial institution of \$400,000 maturing January 28, 2011 and January 30, 2012 and bearing interest at annual rates of 3.3% to 3.85%.

5. MINING PROPERTIES

	As at December 31, 2008	Additions	As at June 30, 2009
	\$	\$	\$
33 Carats	454 458	5 290	459 748
Hotish	191 265	41 957	233 222
Pontax	53 979	2 666	56 645
Opinaca-Nord	93 140	21 100	114 240
Upinor	50 075	-	50 075
PAM et Ugo	72 565	-	72 565
Chibouki	94 379	208	94 587
U2 ET U3	53 280	-	53 280
Lac Chabran	13 685	-	13 685
	1 076 826	71 221	1 148 047

Opinaca-Nord

On May 15, 2007, the Company concluded an agreement to option Opinaca Nord property. The Company shall be granted a 50% interest in the property for \$1,25 M in exploration expenditures on the property over 5 years with a firm \$250,000 commitment the first year as well as yearly instalment of \$25,000 (in cash or shares). On May 15, 2009, the Company paid \$12,500 as yearly instalment instead of \$25,000 (accepted by the owner). In the coming months, the Company will decide to keep or not this mining property.

6. DEFERRED EXPLORATION EXPENSES

	As at December 31, 2008	Additions	As at June 30, 2009
	\$	\$	\$
33 Carats	1 332 852	4 296	1 337 148
Hotish	2 812 172	181 702	2 993 874
Pontax	906 720	78 706	985 426
Opinaca-Nord	323 809	1 743	325 552
Upinor	437 636	6 719	444 355
PAM et Ugo	42 521	2 583	45 104
Chibouki	855 349	1 491	856 840
U2 ET U3	16 659	1 095	17 754
Lac Chabran	13 575	1 348	14 923
Others	2 539	-	2 539
	6 743 832	279 683	7 023 515

DIOS EXPLORATION INC.

Notes to the financial statements

For the six-month period ended June 30, 2009 (unaudited)

7. 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, 2008	34 333 839	16 146 451
Balance June 30, 2009	34 333 839	16 146 451

Options

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

	Number	Average Exercise price (\$)
Balance as at December 31, 2008	3 390 000	0.48
Granted	980 000	0.15
Balance as at June 30, 2009	4 370 000	0.41

On May 19, 2009, the Company granted to certain employees, directors and officers a total of 980,000 stock options that may be exercised over a period of 5 years, at an exercise price of \$0.15 and a fair value of \$0.08.

Options granted and exercisable as at June 30, 2009

Expiration date	Number of options		Exercise Price (\$)
	outstanding	Exercisable	
September 7, 2009	640 000	640 000	0.37
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	833 000	0.31
May 19, 2014	980 000	98 000	0.15
	4 370 000	3 341 000	

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 1.65% to 4.5%, forecast volatility of 49% to 113% and no forecast dividend.

Warrants

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

	Number	Average exercise price (\$)
As at December 31, 2008	6 450 183	1.00
Expired	(6 450 183)	1.00
As at June 30, 2009	-	-

DIOS EXPLORATION INC.

Notes to the financial statements

For the six-month period ended June 30, 2009 (unaudited)

8. CONTRIBUTED SURPLUS

	\$
Balance, December 31, 2008	1 668 464
Options granted (exercisable)	72 430
Balance, June 30, 2009	1 740 894

9. RELATED PARTY TRANSACTIONS

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

As at June 30, 2009, there is a balance of \$129,377 (\$125,645 as at December 31, 2008) receivable from this company. This receivable bears a monthly interest of 0.5% (1% in 2008).

Also, for the six-month period ended June 30, 2009, in the normal course of activities, a company with a common director invoiced the Company \$21,255 (\$20,265 in 2008) for professional fees.

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

10. 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

The term deposits and the account receivable from a mining company are at fixed rates and therefore expose the Company to risk of fair value variation due to interest rate variation. 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.

DIOS EXPLORATION INC.

Notes to the financial statements

For the six-month period ended June 30, 2009 (unaudited)

10. FINANCIAL INSTRUMENTS (continued)

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. The Company is subject to concentrations of credit risk through cash, term deposits and accounts receivable from a mining company. The Company reduces its credit risk by maintaining its cash and term deposits in financial instruments guaranteed by and held with a Canadian chartered bank. 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 venture issuers acting in the mineral exploration area.

Fair value of listed shares

The fair value of investments is equivalent to the market value based on the current bid price.

Interest rate sensitivity analysis

Assuming that the Company will keep the financial assets and financial liabilities held as at June 30, 2009 until their maturity of settlement, without taking any measures to change the interest rate risk, an immediate and sustained 1% variation in the market interest rates for all maturities would make a variation in the Company's net loss for the year and its equity by \$41,474 respectively.

11. 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. To effectively manage the Company's capital requirements, the Company has in place a rigorous planning and budgeting process to help determine the funds required to endure the Company has appropriate liquidity to meet its operating and growth objectives. The Company is not subjected to any externally imposed capital requirements.

As at June 30, 2009, the Shareholders' Equity totals \$11,902,156 (\$12,012,385 as at December 31, 2008).