

DIOS EXPLORATION INC.

Interim Financial Statements

March 31, 2007

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The attached interim financial statements have been prepared by Exploration Dios Inc. and its auditors have not reviewed these unaudited financial statements for the period ended March 31, 2007.

DIOS EXPLORATION INC.**Statements of earnings and deficit** (unaudited for the three months ended March 31, 2007)

		Three-month period ended March 31,	
		2007	2006
		\$	\$
INCOME			
Interest		15 642	3 754
Unrealized gain on listed shares (note 2)		16 183	-
		31 825	3 754
ADMINISTRATIVE EXPENSES			
Stock based compensation		68 150	-
Professional fees		25 933	23 795
Publicity and promotion		22 894	3 617
Shareholders information		6 459	6 782
Trustees and registration fees		11 355	1 652
Office expenses		1 375	677
Insurances, taxes and permits		9 803	10 690
Interest on convertible debenture		5 268	-
Bank fees and interests		182	162
		151 419	47 375
LOSS BEFORE THE FOLLOWING		(119 594)	(43 621)
FUTURE INCOME TAXES RECOVERED (note 4)		327 242	2 004
NET INCOME (LOSS)		207 648	(41 617)
DEFICIT AT BEGINNING		(2 590 458)	(2 012 899)
NET INCOME (LOSS)		207 648	(41 617)
SHARE ISSUANCE EXPENSES		(1 184 631)	(27 873)
DEFICIT AT END		(3 567 441)	(2 082 389)
NET PROFIT (LOSS) PER SHARE			
	basic	0.01	(0.003)
	diluted	0.008	n/a
Weighted average number of outstanding common shares			
	basic	20 193 565	14 160 907
	diluted	24 459 950	n/a

DIOS EXPLORATION INC.

Balance sheets

	As at March 31, 2007 (unaudited) \$	As at December 31, 2006 (audited) \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	2 816 149	259 626
Term deposits	2 902 510	-
Listed shares at market value (Cost of \$104,417)	120 600	104 417
Sales tax receivable	17 597	86 527
Tax credit receivable	444 610	490 654
Subscription receivable	844 790	-
Accounts receivable from related company, without interest	37 152	25 300
	7 183 408	966 524
EXPLORATION FUNDS	983 014	1 064 416
MINING PROPERTIES (note 3)	615 075	604 877
DEFERRED EXPLORATION EXPENSES (note 4)	2 703 961	2 678 176
	11 485 458	5 313 993
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	37 979	207 015
Liability component of convertible debenture	147 398	142 130
Future Income taxes	324 475	311 680
	509 852	660 825
SHAREHOLDER'S EQUITY		
Share capital (note 5)	13 842 307	6 866 701
Contributed surplus (note 6)	630 740	306 925
Convertible debenture	70 000	70 000
Deficit	(3 567 441)	(2 590 458)
	10 975 606	4 653 168
	11 485 458	5 313 993

DIOS EXPLORATION INC.
DEFERRED EXPLORATION EXPENSES (unaudited)

	Three-month period ended March 31,	
	2007	2006
	\$	\$
BALANCE, BEGINNING OF THE PERIOD	2 678 176	2 352 564
ADD:		
Geology	36 061	39 473
Diamond drilling	15 673	(2 713)
Sampling and analysis	-	41 986
Transport and lodging	9 678	3 337
Furnitures, office and others	8 991	7 279
Total expenses of the period	70 403	89 362
DEDUCT:		
Tax credit	(44 618)	-
NET EXPENSES OF THE PERIOD	25 785	89 362
BALANCE, END OF THE PERIOD	2 703 961	2 441 926

DIOS EXPLORATION INC.

Statements of cash flows (unaudited for the three months ended March 31, 2007)

	Three-month period ended	
	March 31,	
	2007	2006
	\$	\$
OPERATING ACTIVITIES		
Net Income (loss)	207 648	(41 617)
Non-cash items		
Stock based compensation	68 150	-
Unrealized gain on listed shares	(16 183)	-
Interest on convertible debenture	5 268	-
Future income taxes	(327 242)	(2 004)
	(62 359)	(43 621)
Changes in non-cash operating working capital items		
Term deposits and accrued interest	(2 902 510)	(92 991)
Sales tax receivable	68 930	14 267
Tax credit receivable	46 044	-
Subscription receivable	(844 790)	-
Accounts receivable from related company	(11 852)	49 185
Accounts payable and accrued liabilities	(169 036)	(12 336)
	(3 875 573)	(85 496)
INVESTING ACTIVITIES		
Exploration funds	81 402	89 359
Mining properties	(10 198)	(4 606)
Deferred exploration expenses	(25 785)	(89 362)
	45 419	(4 609)
FINANCING ACTIVITIES		
Share capital issuance	6 957 456	-
Share issuance expenses	(570 779)	(5 986)
	6 386 677	(5 986)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	2 556 523	(96 091)
Cash and cash equivalents, at beginning	259 626	74 240
Cash and cash equivalents (Bank overdraft), at end	2 816 149	(21 851)
Additional disclosure of non cash items		
Fair value of exercised options	18 150	-
Fair value of agent' warrants	273 815	-
Future income taxes related to CEE renunciation	340 037	21 887

DIOS EXPLORATION INC.

Notes to the financial statements (unaudited)

1. NATURE OF ACTIVITIES

The company was incorporated under the *Canada Business Corporations Act* to purchase, explore, develop, and eventually operate mining properties.

2. ACCOUNTING POLICIES

The unaudited interim financial statements must be read in conjunction with the financial statements for the year ended December 31st, 2006. They have been prepared in accordance with Canadian generally accepted accounting principles, using the same accounting policies as outlined in Note 2 of the financial statements for the year ended December 31st, 2006 except for the items discussed below..

Effective as of January 1, 2007, the Company adopted two new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants ("CICA"). These accounting policies changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

a) Comprehensive income (CICA Handbook Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, the Company reports a statement of comprehensive income and a new category, accumulated other comprehensive income, is added to the shareholders' equity section of the balance sheet for any unrealized gains and losses in financial assets classified as available for sale.

As the Company considers the Listed shares and the Convertible debenture as financial instruments held-for-trading, the Company had no "other comprehensive income or loss" transactions during the three months ended March 31, 2007 and no opening or closing balances for "accumulated comprehensive income or loss".

b) Financial Instruments – recognition and measurement (CICA Handbook Section 3855) and disclosure and presentation (CICA Handbook Section 3861)

In accordance with this new standard, the Company now classifies all financial instruments as either held-to-maturity, available-for-sale, held-for-trading, loans and receivables or other financial liabilities. Financial instruments classified as held-for-trading are measured at fair value with unrealized gains and losses recognized in operating results. Financial instruments classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Financial instruments classified as held-to-maturity, loans and receivables or other financial liabilities are measured at amortized cost.

Upon adoption of these new standards, the Company has designated its cash and cash equivalents, Term deposit, Listed shares and Convertible debenture as held-for-trading, which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other liabilities, which are measured at amortized cost. During the three months ended March 31, 2007, the Company had neither available for sale nor held-to-maturity financial instruments

DIOS EXPLORATION INC.
Notes to the financial statements (unaudited)

3. MINING PROPERTIES

	As at December 31, 2006	Additions	Disposal	As at March 31, 2007
	\$	\$		\$
33 Carats	358 207	-	(330)	357 877
Hotish	119 465	10 528	-	129 993
Chibouki	82 279	-	-	82 279
Pontax	43 679	-	-	43 679
Others	1 247	-	-	1 247
	604 877	10 528	(330)	615 075

4. DEFERRED EXPLORATION EXPENSES

	As at December 31, 2006	Additions	Government grant	As at March 31, 2007
	\$	\$	\$	\$
Hotish	1 234 584	2 925	(15 170)	1 222 339
33 Carats	927 230	5 294	(29 448)	903 076
Chibouki	443 598	62 184	-	505 782
Pontax	70 225	-	-	70 225
Autres	2 539	-	-	2 539
	2 678 176	70 403	(44 618)	2 703 961

Under the recommendations of the CICA Emerging Issues Committee (EIC 146), future income tax liabilities resulting from the renunciation of qualified mineral exploration expenditures by the Company pursuant to flow-through share offerings are recorded as a share issuance costs. During the first quarter, the Company filed for flow-through share renunciations totalling \$1,267,000 resulting in the recording of \$340,037 in a reduction of share capital costs and a recovery of future income of the same amount.

5. SHARE CAPITAL

Authorised

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

Issued	Number	Amount \$
Balance December 31, 2006	19 194 016	6 866 701
Private placements	10 221 866	6 599 839
Exercised warrants	857 161	321 167
Exercised options	121 500	36 450
Fair value of exercised options	-	18 150
Balance March 31, 2007	30 394 543	13 842 307

DIOS EXPLORATION INC.

Notes to the financial statements (unaudited)

5. SHARE CAPITAL (continued)

On March 15, 2007, the company closed a \$1,599,840 brokered private placement. The Company issued 3,555,200 units at a price of \$0.45 comprised of one common share of the Company and one-half warrant. One warrant entitles its holder thereof to subscribe for one common share at \$0.60 per share for 12 months and \$0.80 for a further 12 months. A commission equal to 8% of the gross proceeds, as well as 355,520 broker warrants was paid to a broker.

On March 30, 2007, the Company closed a \$5,000,000 brokered private placement. The Company issued 6,666,666 units at a price of \$0.75 comprised of one common share of the Company and one-half warrant. One warrant entitles its holder thereof to subscribe for one common share at \$1.00 per share for 12 months and \$1.15 for a further 12 months. A commission equal to 8% of the gross proceeds, as well as 666,666 broker warrants was paid to a broker.

On January 11, 2007, three directors exercised certain of their stock options for a total of 121,500 shares at an exercised price of \$0.30.

During the quarter, the Company issued 857,161 common shares following exercised warrants at a average price of \$0.37.

Options

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

	Number	Average Exercise price (\$)
Balance as at December 31, 2006	1 655 000	0.34
Granted	1 450 000	0.67
Exercised	(121 500)	0.30
Expired	(298 500)	0.30
Balance as at March 31, 2007	2 685 000	0.53

On January 29, 2007, the Company granted to certain directors and officers a total of 450,000 stock options that may be exercised over a period of 5 years, at an exercise price of \$0.50 and a fair value of \$0.31.

On March 8, 2007, the Company granted to certain directors and officers a total of 1,000,000 stock options that may be exercised over a period of 5 years, at an exercise price of \$0.75 and a fair value of \$0.47.

DIOS EXPLORATION INC.
Notes to the financial statements (unaudited)

5. SHARE CAPITAL (continued)

Options granted and exercisable as at March 31, 2007

Expiration date	Number of options		Exercise Price (\$)
	outstanding	Exercisable	
February 6, 2008	325 000	325 000	0.36
September 7, 2009	640 000	640 000	0.37
April 7, 2011	270 000	148 500	0.33
January 29, 2012	450 000	45 000	0.50
March 8, 2012	1 000 000	100 000	0.75
	<u>2 685 000</u>	<u>1 258 500</u>	

The fair value of these options was estimated using the Black Scholes stock option evaluation model with the following assumptions: estimated weighted average duration of 3 to 5 years for these options, risk free interest rate of 3.5% to 4.5%, forecast volatility of 57% to 72% and no forecast dividend.

Warrants

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

Date	Number	Average exercise price (\$)
As at December 31, 2006	3 539 087	0.37
Issued	6 133 119	0.83
Exercised	(857 161)	0.37
Expired	-	-
As at March 31, 2007	8 815 045	0.68

Warrants characteristics as at March 31, 2007 are the following:

Number	Exercise price \$	Expiry date
571 429	0.45	October 2007
370 000	0.29	November 2007
999 997	0.35	December 2006
30 000	0.30	December 2007
710 500	0.35/0.38	December 2007/2008
1 777 600	0.60/0.80	March 2008/2009
355 520	0.45	March 2009
3 333 333	1.00/1.20	March 2008/2009
666 666	0.75	March 2009
<u>8 815 045</u>		

DIOS EXPLORATION INC.
Notes to the financial statements (unaudited)

6. CONTRIBUTED SURPLUS

	<u>2007</u>	<u>2006</u>
Balance, beginning of the period	306 925	238 875
Options granted	68 150	-
Exercised options	(18 150)	-
Warrants issued to broker	273 815	-
Balance, end of the period	<u>630 740</u>	<u>238 875</u>

7. SUBSEQUENT EVENTS

On May 2, 2007, the Company closed a \$1,874,950 brokered private placement. The Company issued 2,678,500 units at a price of \$0.70 comprised of one common share of the Company and one-half warrant. One warrant entitles its holder thereof to subscribe for one common share at \$1.00 per share for 12 months and \$1.15 for a further 12 months. A commission equal to 8% of the gross proceeds, as well as 267,850 broker warrants was paid to a broker.

8. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation