



DIOS
EXPLORATION

DIOS EXPLORATION INC.

Interim Financial Statements

June 30, 2008

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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.

DIOS EXPLORATION INC.
Statements of earnings and deficit (unaudited)

	Three-month period ended		Six-month period ended		
	June 30		June 30		
	2008	2007	2008	2007	
	\$	\$	\$	\$	
ADMINISTRATIVE EXPENSES					
Stock based compensation	126 420	98 805	244 350	166 955	
Publicity and promotion	58 748	5 955	90 815	28 849	
Professional fees	31 389	39 265	81 273	65 198	
Shareholders information	18 511	10 483	27 813	16 942	
Trustees and registration fees	10 667	11 231	15 698	22 586	
Salaries-management	8 014	13 612	12 686	13 612	
Office expenses	5 229	3 828	9 658	5 203	
Insurances, taxes and permits	664	-	14 274	9 803	
Rent	-	2 250	2 250	2 250	
Interest on convertible debenture	-	5 268	-	10 536	
Bank fees and interests	222	288	399	470	
	259 864	190 985	499 216	342 404	
Other income and expenses					
Interests income	61 598	84 487	131 664	100 129	
Unrealized gain (loss) on listed shares	10 552	(25 659)	4 522	(9 476)	
	72 150	58 828	136 186	90 653	
LOSS BEFORE INCOME TAXES	(187 714)	(132 157)	(363 030)	(251 751)	
Future income taxes	104 671	48 189	128 592	(279 053)	
NET INCOME (LOSS)	(292 385)	(180 346)	(491 622)	27 302	
DEFICIT AT BEGINNING	(4 856 403)	(3 567 441)	(4 657 166)	(2 590 458)	
NET INCOME (LOSS)	(292 385)	(180 346)	(491 622)	27 302	
SHARE ISSUANCE EXPENSES	-	(320 569)	-	(1 505 200)	
DEFICIT AT END	(5 148 788)	(4 068 356)	(5 148 788)	(4 068 356)	
NET PROFIT (LOSS) PER SHARE					
	basic	(0,009)	(0,006)	(0,01)	(0,001)
	diluted	n/a	n/a	n/a	(0,001)
Nombre moyen pondéré d'actions en circulation	basic	34 333 839	32 268 425	34 333 839	26 264 354
	diluted	34 333 839	n/a	34 333 839	29 358 019

DIOS EXPLORATION INC.

Balance sheets

	As at June 30, 2008 (unaudited)	As at December 31, 2007 (audited)
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	468	48 842
Term deposits	6 156 378	7 201 722
Prepaid expenses	2 541	-
Listed shares held for trading at market value (cost of \$104,417)	67 837	63 315
Sales tax receivable	116 772	164 963
Tax credit receivable	219 459	1 027 024
Deposits paid	316 533	-
Accounts receivable from related company, without interest	-	90 543
	6 879 988	8 596 409
MINING PROPERTIES (note 3)	1 030 801	910 551
DEFERRED EXPLORATION EXPENSES (note 4)	5 495 496	4 423 904
	13 406 285	13 930 864
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	155 688	653 408
Deposit received	75 000	-
Accounts payable to a related company, without interest	16 825	-
	247 513	653 408
Future Income taxes	659 460	530 868
	906 973	1 184 276
SHAREHOLDER'S EQUITY		
Share capital (note 5)	16 146 451	16 146 451
Contributed surplus (note 6)	1 501 649	1 257 299
Deficit	(5 148 788)	(4 657 162)
	12 499 312	12 746 588
	13 406 285	13 930 864

DIOS EXPLORATION INC.
DEFERRED EXPLORATION EXPENSES (unaudited)

	Three-month period ended		Six-month period ended	
	June 30,		June 30,	
	2008	2007	2008	2007
	\$	\$	\$	\$
BALANCE, BEGINNING OF THE PERIOD	4 623 242	2 703 961	4 423 904	2 678 176
ADD:				
Sampling and analysis	5 519	206 527	10 120	206 527
Geophysics	4 985	105 621	4 985	105 621
Diamond drilling	270 618	55 913	413 354	71 586
Geology	58 134	28 211	100 144	64 273
Transport, lodging and logistic	486 896	2 515	488 196	12 192
Furnitures, office and small tools	46 102	2 784	54 793	11 774
Total expenses of the period	872 254	401 571	1 071 592	471 973
DEDUCT:				
Tax credit	-	-		(44 617)
NET EXPENSES OF THE PERIOD	872 254	401 571	1 071 592	427 356
BALANCE, END OF THE PERIOD	5 495 496	3 105 532	5 495 496	3 105 532

DIOS EXPLORATION INC.
Statements of cash flows (unaudited)

	Three-month period ended		Six-month period ended	
	June 30,		June 30,	
	2008	2007	2008	2007
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net Income (loss)	(292 385)	(180 346)	(491 622)	27 302
Non-cash items				
Stock based compensation	126 420	98 805	244 350	166 955
Unrealized (gain) loss on listed shares	(10 552)	25 659	(4 522)	9 476
Interest on convertible debenture	-	5 268	-	10 536
Future income taxes	104 671	48 189	128 592	(279 053)
	(71 846)	(2 425)	(123 202)	(64 784)
Changes in non-cash operating working capital items				
Term deposits and accrued interest	265 112	(5 393 086)	1 045 344	(8 295 596)
Prepaid expenses	5 083	-	(2 541)	-
Deposits paid	(316 533)	(117 500)	(316 533)	(117 500)
Sales tax receivable	82 038	(64 256)	48 187	4 674
Tax credit receivable	807 564	37 874	807 565	83 918
Subscription receivable	-	844 790	-	-
Accounts receivable from related company	-	37 152	90 543	25 300
Accounts payable and accrued liabilities	122 316	125 300	(497 720)	(43 736)
Deposit received	75 000	-	75 000	-
Account payable to a related party	2 431	69 260	16 825	69 260
	971 165	(4 462 891)	1 143 468	(8 338 464)
INVESTING ACTIVITIES				
Exploration funds	-	401 571	-	482 973
Mining properties	(82 683)	(45 106)	(120 250)	(55 304)
Deferred exploration expenses	(872 254)	(401 571)	(1 071 592)	(427 356)
	(954 937)	(45 106)	(1 191 842)	313
FINANCING ACTIVITIES				
Share capital issuance	-	1 934 741	-	8 892 197
Share issuance expenses	-	(242 893)	-	(813 672)
	-	1 691 848	-	8 078 525
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	16 228	(2 816 149)	(48 374)	(259 626)
Cash and cash equivalents (Bank overdraft), at beginning	(15 760)	2 816 149	48 842	259 626
Cash and cash equivalents (Bank overdraft), at end	468	-	468	-

Additional disclosure of non cash items

Fair value of exercised options	-	-	-	18 150
Fair value of agent' warrants	-	77 676	-	351 491
Future income taxes related to CEE renunciation	-	-	-	340 037

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, 2007. 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 31st, 2007.

3. MINING PROPERTIES

	As at December 31, 2007	Additions	As at June 30, 2008
	\$	\$	\$
33 Carats	423 502	19 911	443 413
Hotish	181 049	2 626	183 675
Pontax	43 679	2 595	46 274
Opinaca-Nord	60 090	27 415	87 505
Upinor	26 385	18 458	44 843
PAM	56 580	-	56 580
UGO	-	15 985	15 985
Lac Chabran	-	13 685	13 685
Chibouki	87 429	600	88 029
U2	30 590	18 975	49 565
Others	1 247	-	1 247
	910 551	120 250	1 030 801

4. DEFERRED EXPLORATION EXPENSES

	As at December 31, 2007	Additions	As at June 30, 2008
	\$	\$	\$
33 Carats	1 033 952	50 283	1 084 235
Hotish	1 670 985	35 201	1 706 186
Pontax	543 273	646 707	1 189 980
Opinaca-Nord	218 518	6 641	225 159
Upinor	50 312	25 196	75 508
PAM	-	959	959
UGO	-	11 413	11 413
Lac Chabran	-	11 413	11 413
Chibouki	904 325	249 425	1 153 750
U2	-	29 644	29 644
Autres	2 539	4 710	7 249
	4 423 904	1 071 592	5 495 496

DIOS EXPLORATION INC.

Notes to the financial statements (unaudited)

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, 2007	34 333 839	16 146 451
Balance June 30, 2008	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, 2007	2 835 000	0.52
Granted	980 000	0.31
Expired	(325 000)	0.36
Balance as at June 30, 2008	3 490 000	0.48

On February 14, 2008, 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 \$0.31 and a fair value of \$0.21.

Options granted and exercisable as at June 30, 2008

Expiration date	Number of options		Exercise Price (\$)
	outstanding	Exercisable	
November 1, 2008	100 000	40 000	0.40
September 7, 2009	640 000	640 000	0.37
April 7, 2011	270 000	270 000	0.33
January 29, 2012	450 000	382 500	0.50
March 8, 2012	1 000 000	850 000	0.75
October 29, 2012	50 000	20 000	0.38
February 14, 2013	980 000	245 000	0.31
	3 490 000	2 447 500	

The options granted vest in stages over a period of 18 months after the grant, at the rate of 15% per quarter, at the exception of 10%, which may be exercised from the date of the grant.

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 3.5% to 4.5%, forecast volatility of 49% to 113% and no forecast dividend.

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

5. SHARE CAPITAL (continued)

Warrants

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

Date	Number	Average exercise price (\$)
As at December 31, 2007	7 018 933	0.85
As at June 30, 2008	7 018 933	1.00

Warrants characteristics as at June 30, 2008 are the following:

Number	Exercise price \$	Expiry date
568 750	0.38	December 2008
1 777 600	0.80	March 2009
3 333 333	1.15	March 2009
1 339 250	1.15	May 2009
7 018 933		

Brokers' units options

Outstanding brokers' units options as at June 30, 2008:

Date of issue	Number of units options	Exercise price	Expiry date	Carrying value
		\$		\$
March 15, 2007	355 520	0,45	March 15, 2009	157 114
March 30, 2007	666 666	0,75	March 30, 2009	365 530
May 2, 2007	267 850	0,70	May 2, 2009	80 545
	1 290 036	0,66		603 189

Each unit is comprised of one common share and half a warrant. Each warrant can be exercised like the following:

Number	Exercise Price	Expiry date
177 760	\$0.80	March 2009
333 333	\$1.15	March 2009
133 925	\$1.15	May 2009
645 018	\$1.05	

The fair value of each option granted was estimated on the grant date using Black-Sholes and the binominal option pricing model.

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

6. CONTRIBUTED SURPLUS

	\$
Balance, December 31, 2007	1 257 299
Options granted (exercisable)	244 350
Balance, June 30, 2008	1 501 649