



DIOS EXPLORATION

DIOS EXPLORATION INC. INTERIM MANAGEMENT REPORT FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2008

COMPANY PROFILE AND MISSION

Dios Exploration Inc. (the “Company” or “Dios”) is a leading research and exploration company with over 2,000 sq. kilometres of properties in the high potential areas of central Québec and the Otish Mountains. Dios diversified its exploration strategy on uranium as well as diamonds, two substances highly in demand in the natural resources industry. If other substances are discovered, Dios’ strategy is to find a partner to develop such projects. Dios’ strategy is to generate projects and develop them either alone or through farming out agreements, with the benefit of shareholders in mind.

Dios generates most of its exploration projects, from scientific conceptual design to field discovery and tries to evaluate from the start feasible economics in relation with access and facilities. The Company’s shares are traded on the TSX Venture Exchange under the symbol **DOS** and 34,333,839 shares were issued as of March 31, 2008. Additional information may be available through the www.sedar.com web site, under the Company’s section “Sedar filing” or at www.diosexplo.com.

SUMMARY OF ACTIVITIES DURING THE QUARTER

- Exploration expenses of \$199,338 (see “**Summary of exploration activities**”). **Drilling Planning:**
- Diamond drilling this summer on Upinor Uranium Discovery. Results received during the quarter: up to 2.064% U308 in rocks, economic values over the two kilometres prospected, major continuous uranium spectrometric anomaly over 5 kilometres, several more high potential kilometres to explore.
- Diamond drilling this summer on Opinaca Nord, 0.62% U308 in rocks, several kilometre size radioactive areas, results received during the quarter
- Diamond drilling this summer on Hotish: structural studies, 7-9 main uranium drill targets
- Diamond drilling planned this summer on 33 Carats
- Gold on 33 Carats: Eastmain greenstone belt, results received during the quarter
- Diamond drilling this spring on Pontax.
- Diamond drilling planned this summer on Chibouki.
- Adoption by the board of directors of a shareholders’ rights plan.

OPERATING RESULTS OF 2008 FIRST QUARTER

Summary of exploration activities of 2008 first quarter

The Company's team works with a systematic approach and is always looking for new developments in mineral exploration. Discovery of new glacial dispersal trains indicating strong potential of poorly explored regions remains one of the Company's strength.

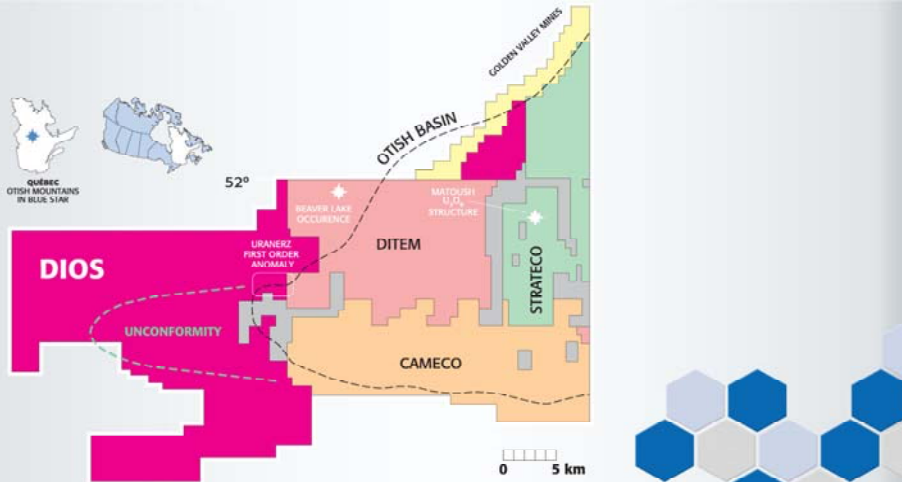
The recent and amazing growth of uranium's price offered the opportunity to Dios, as for its pre-existent privileged stand in possession of claims and the expertise of its employees, to diversify the exploration strategy on diamond and uranium, two substances highly requested in the natural resources industry. Discovery of new glacial dispersal trains indicating strong mineral potential of poorly explored regions remains one of the Company's strength.

During the first quarter, the Company incurred \$199,338 in exploration expenses, mainly on the Chibouki property.

Exploration Expenses Analysis

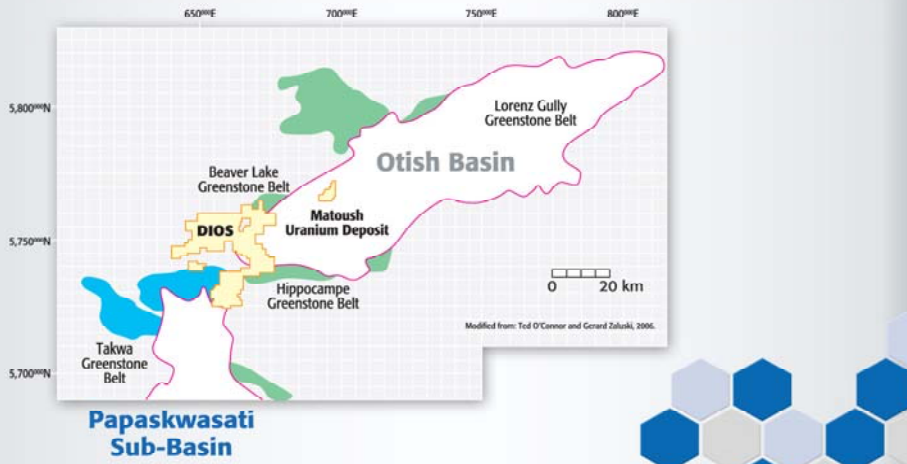
Description	Opinaca						Total
	Chibouki	Nord	Hotish	Pontax	Upinor	Others	
	\$	\$	\$	\$	\$	\$	\$
Geology	7 492	7 122	10 316	8 711	4 802	3 567	42 010
Sampling and analysis	-	4 601	-	-	-	-	4 601
Transportation and lodging	-	-	-	1 300	-	-	1 300
Office	5 833	-	226	-	2 511	121	8 691
Drilling	142 736	-	-	-	-	-	142 736
Geophysic	-	-	-	-	-	-	-
	156 061	11 723	10 542	10 011	7 313	3 688	199 338

Hotish



05 - 2008

Hotish



05 - 2008

Acquisitions, disposals, write-off and claim renewal analysis

Mining properties	Acquisitions, renewal \$
33 Carats	1,626
Hotish	3,626
Opinaca-Nord	2,415
Upinor	10,925
U2	18,975
	37,567

These amounts represent either claim acquisition costs or claims renewal costs. The Company always favoured the acquisition of mining properties by staking (online).

Geological information presented herein was summarized by Marie-José Girard, M.Sc., Geo (President), qualified person pursuant to National Instrument 43-101.

Hotish Property

Dios targeted seven main areas for its 2008 exploration program its Hotish uranium property in the Otish Basin, Quebec, Canada. These areas were selected on the basis of specific geophysical (gamma-ray spectrometry U/Th, K/Th & magnetic compilation), geological-structural, and geochemical (lake sediments) criterias.

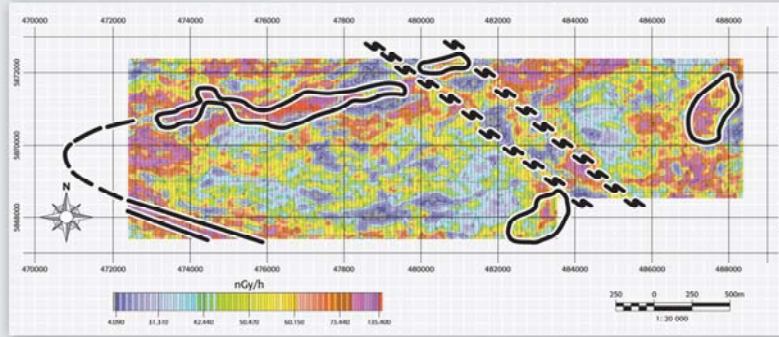
On each of the selected target areas, DIOS plans follow-up prospecting, mapping, geochemical sampling and geophysical (magnetic, very low frequency and electromagnetic and ground spectrometer) surveying as a First Phase Program. A Second Phase program consists of test-drilling of the best targets starting this July.

The Hotish property, wholly-owned by the Company, clearly has uranium potential, confirmed by large helicopter borne spectrometric surveys completed by Dios in 2007 as well as systematic lake bottom sediment sampling. This property is a large 740 sq. kilometres mining property covering the western edge unconformity contact of the Otish Sedimentary Basin over the Archean basement, such a shallow edge being a good place for fracturing and mineralized fluid circulation. The property covers as well the north-eastern part of another Proterozoic sedimentary basin and its unconformity contact over an Archean age basement, the Papaskwasati basin more to the south-west, its north-eastern part, where is located the Dios property, considered as well interesting for uranium potential due to the occurrence of continental sediments.

Upinor Property

Dios Exploration plans early summer drilling to evaluate the potential for a large mineralized volume of surface rock on its new uranium discovery of late last Fall on the Upinor Project: within the A zone, all ten outcrop samples grabbed over a 300 m by 100 m area returned the following economic values as U3O8 percentages: 2.064, 1.427, .383, .267, .218, .108, .076, .061, .056 et .038 for an average of .47 % U3O8. Writing off the two highest values, a grade of .15 % U3O8 (3 pounds per ton) is still obtained.

Upinor North Block - Uranium / Thorium Ratio

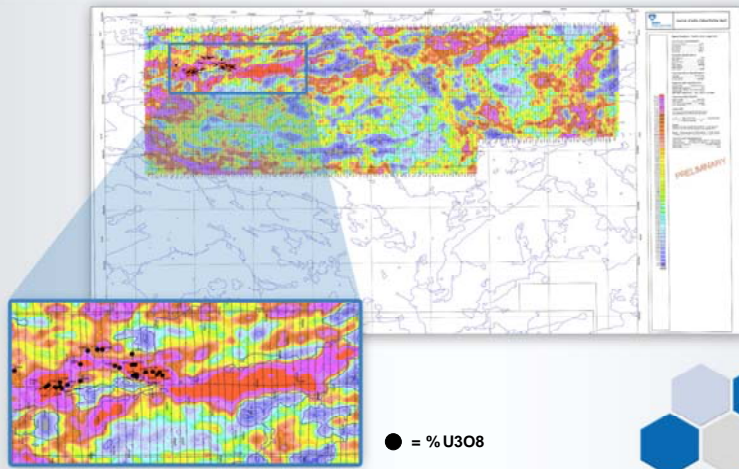


Dios & Sirius 50-50

05-2008

Upinor - Uranium – Distribution

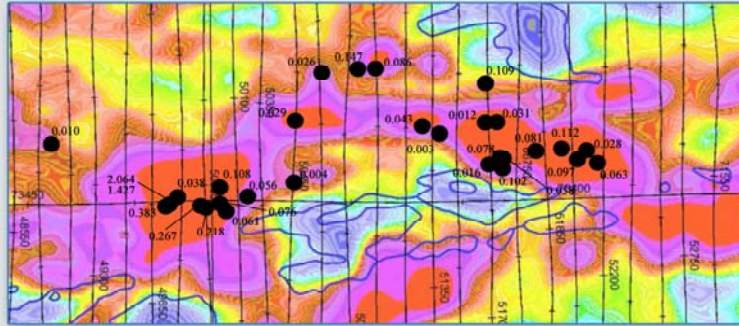
lignes aux 100 m = line spacing



05-2008

Upinor - Uranium – Distribution

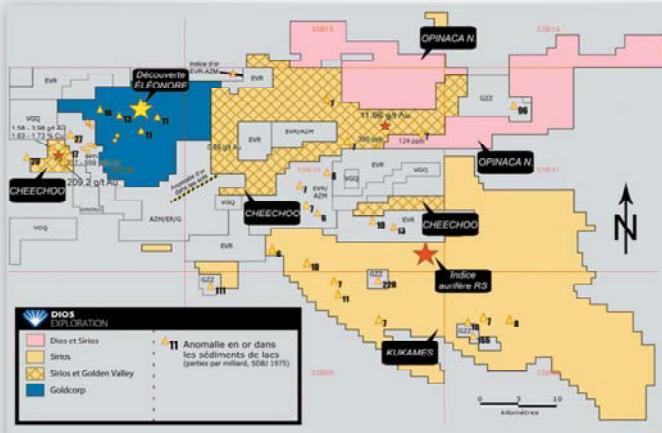
lignes aux 100 m = line spacing



● = % U3O8

05- 2008

Opinaca Nord



05- 2008

Another area more to the east returned for all 11 samples taken the following results in U3O8 percentages: .112, .102, .097, .081, .078, .063, .058, .031, .028, et .016 et .012, for an average of .06 % U3O8 over more than 400 m by 200 m (.072 % without the two lowest values from the outer border of the mineralized zone).

Another six outcrops more to the north, but in between the two first zones, returned over a 700 m strike length, for all samples collected, the following values in percent of U3O8 : .109, .086, .147, .026, .029 et .043, averaging **again around** .073% U3O8.

Helicopter borne spectrometry data completed to date suggests the extent of the A zone through a significant and continuous uranium anomaly over at least another 2 kilometre long strike east of the sampled areas over a 200-450 m width, with uranium over thorium ratios even higher than the ones obtained over the first sampled areas. This discovery bears similarities to the Namibian Rössing deposit in the occurrence of mineralization associated with anatectic pegmatite dyke-swarms, in close proximity, making it amenable to opencast, low-cost mining. The Rössing mine, a world class uranium deposit located in Namibia, in southern Africa, accounting for 7.5% of the world's supply of uranium oxide, has been producing uranium oxide for the last 30 years, approximately 165 million pounds of uranium oxide from 0,034 % U3O8 ore.

Other prospecting and geophysical work as well as diamond drilling is planned in the very short term, early this summer, to evaluate the potential for a large mineralized volume of surface rock, reducing operating costs and enabling the mining of lower grades than in underground mines. Such uranium deposit projects can only be economically feasible usually less than some 100 kilometres away from a road or sea access. The northern and northwestern blocks are located about 50 km south of the all-season Trans-Taiga road, a major favourable issue to consider. The property is held in partnership (50%-50%) by Dios Exploration and Sirios Resources, Dios as operator.

Opinaca Nord Property

Dios Exploration plans early summer drilling on Opinaca Nord. The following uranium oxide values of .617, .103 & .162 percent of U3O8 were returned from outcrop rock samples over an 800 m strike length from preliminary work completed on the Opinaca Nord property. The eastern side is open several kilometres along strike and will have to be prospected. Another area returned .136 & .142 percent of U3O8 from outcrop rock samples over 300 m. This area is also open along strike. A detailed lake bottom sediment sampling survey was completed to cover the whole property in 2007 and data processed during the quarter.

The Opinaca Nord property (685 claims totalling 340 sq. kilometres) is owned in partnership with Sirios Resources. Dios may earn a 50% interest by incurring \$1.35 M in exploration expenditures over a 5 year period.

Chibouki Property

Dios undertook drilling the Chibouki property. The company is looking to add more targets to its program and would like to pursue the program this summer.

Dios has plenty of targets available. Dios acquired the Chibouki property based on geochemistry. The company found kimberlite indicator minerals in the region about 80 kilometres north-northeast of Chibougamau and about 300 kilometres south-southwest of Renard and the core of the Otish Mountains diamond play.

The company's geophysical surveys outlined some potentially larger targets and the company continues to find G-10 pyrope garnets pointing to a potentially diamondiferous source. Sampling programs outlined at least four mineral trains on the property that suggest several kimberlites await discovery on the property.

A drilling program tested six targets totalling 600 meters this winter and no kimberlitic material was intersected. Several first & second priority targets remained to be drilled for this summer.

33 Carats Property

Dios Exploration plans summer drilling to evaluate the potential for diamonds and kimberlites on 33 Carats.

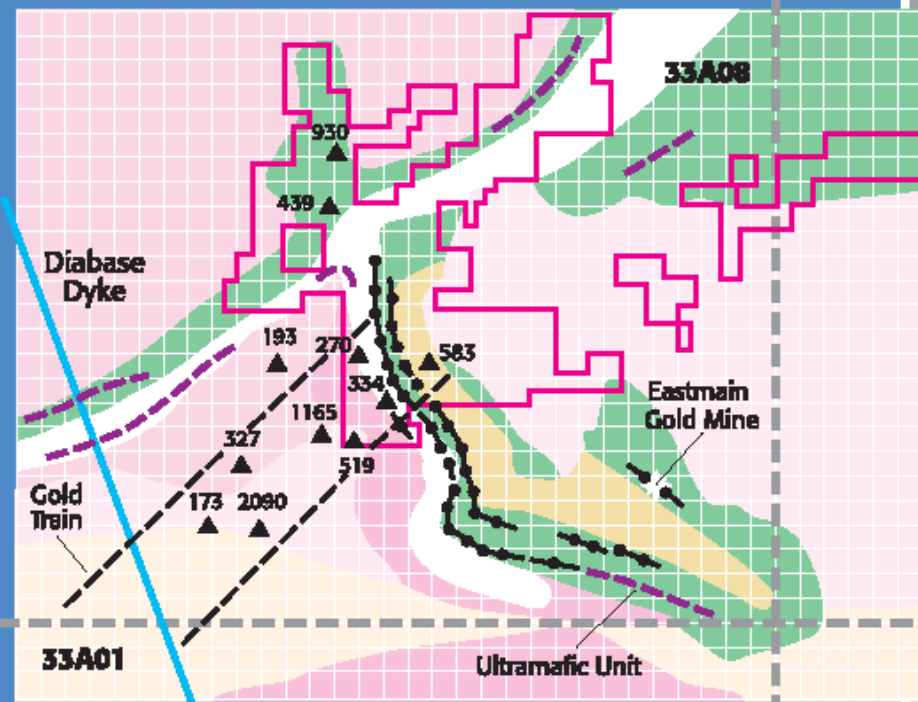
Gold on 33 Carats

Several hundreds of till samples were re-processed for gold assaying and at least two significant anomalous areas (several samples with 500 to 2000 ppb Au in heavy mineral concentrates) pointing towards the Eastmain greenstone belt where covered by the Dios property will be checked, which belt is hosting the Eastmain gold mine on the neighbouring ground.

Summary of planned exploration programs for 2008

PROPERTIES	PLANNED WORKS	BUDGET \$	FUTURE STEPS
HOTISH	Geological compilation, structural interpretation, prospecting drilling	1-2,000,000	Additional prospecting-mapping, drilling
CHIBOUKI	Drilling, till-soil, airborne geophysics	200,000	Till survey, prospecting, additional drilling
PONTAX	Drilling	300,000	Drilling
33 CARATS	Prospecting, drilling	500,000	Drilling
UPINOR	Additional airborne geophysics, prospecting drilling	500,000- 1,000,000	Additional prospecting-mapping, drilling
OPINICA NORD	Airborne geophysics, mapping and prospecting plus drilling	250,000- 350,000	Additional prospecting-mapping, drilling
U2	Reconnaissance mapping-prospecting, airborne geophysics	150,000- 200,000	Additional prospecting-mapping, geophysics
PAM	Lake sediments sampling, reconnaissance mapping-prospecting	250,000- 275,000	Additional prospecting, geophysics

DIOS 33 CARATS-SOUTH PROPERTY



0 5 km

DIOS Areas

- Mafic volcanic
- Felsic volcanic
- Sediments
- EM anomalies
- ▲ Gold (PPB) in Till



DIOS
EXPLORATION

SUMMARY OF FINANCIAL ACTIVITIES

Net loss for the quarter is \$199,237 (net profit of \$207,648 for the first quarter 2007) whereas administration fees for the quarter totalled \$239,352 (\$151,419 for the first quarter 2007). The profit in the first quarter 2007 resulted of the accounting the flow-through share renunciations resulting of a recovery of future income taxes in the statement of earnings.

Details of administrative expenses

Description	Quarter ended March 31	
	2008	2007
	\$	\$
Stock based compensation	117,930	68,150
Professional fees	49,883	25,933
Publicity and public relations	32,066	22,894
Insurances, taxes and permits	13,611	9,803
Shareholders information	9,303	6,459
Registration fees	5,031	11,355
Salaries-management	4,672	-
Office expenses	4,429	1,375
Rent	2,250	-
Interest on convertible debenture	-	5,268
Banking fees and interests	177	182
	239,352	151,419

During the the three-month period ended March 31, 2008, one notes mainly:

- Accounting of stock based compensation following the options granted to the directors and officers of the Company.
- The professional fees increased caused by an important increase in audit fees.
- Public relation and Communications contracts granted to MI3 Communication Financière Inc. in November 2007 (one year contract) and to Vector and Shift in January 2008 (one year contract).
- Decrease in Transfer Agent fee: Fee relating to numerous private placements in 2007.

SUMMARY OF QUARTERLY RESULTS

	2008	2007				2006		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
(\$ 000 except loss/share)								
Income	70	109	73	59	32	6	5	5
Net loss (net profit)	199	152	205	180	(208)	303	58	48
Net loss (net profit) per share(basic and diluted)	0.006	0.008	0.006	0.006	(0.01)	0.022	0.002	0.003

Variations in quarterly loss can be explained by the following:

- 2008-Q1** Communication and marketing contract granted in January 2008 (Vector and Shift). Grant of 980,000 options in February 2008 (Accounting for stock based compensation expenses of \$117,930). Participation in the mining shows of Vancouver and Toronto (PDAC).
- 2007-Q4** Investor relation contract granted during the quarter (Publicity and promotion). Part XII.6 taxes paid during the quarter. Accounting for stock based compensation expenses of \$101,465. Participation in the mining shows of Toronto, Québec Exploration and Montreal (investir soi-même).
- 2007-Q3** Accounting for stock based compensation expenses of \$98,715. Future income taxes registered of \$125,810. Professional fees of \$25,000 paid to a financial consulting firm. Accounting of a unrealized write-down of \$19,566 on listed shares.
- 2007-Q2** Accounting for stock based compensation expenses of \$98,805. Increase in interest income due to numerous private placements closed since the beginning of year. Accounting of a unrealized write-down of \$25,659 on listed shares.
- 2007-Q1** Accounting for stock based compensation expenses of \$68,150. Accounting of a recovered future income taxes of \$135,777, following the accounting of a flow-through shares renunciations. Participation in the mining shows of Vancouver and Calgary and participation to the Fonds Restor-Action Nunavik.
- 2006-Q4** Write-off of minerals properties for an amount of \$108,730 (Trans Taiga and Minti, Wemindji and Artaud) with their respective deferred exploration expenses (\$199,084).
- 2006-Q3** Accounting of a gain on sale of investment totalling \$19,708
- 2006-Q2** Accounting for stock based compensation expenses of \$40,500. Grant on mining promotions costs of \$6,336 received in April 2006. Participation in the mining shows of Calgary and Vancouver.

CASH FLOW SITUATION

The working capital decreased by \$294,295 as at March 31, 2008 going from \$7,943,001 as at December 31, 2007 to \$7,648,706 as at March 31, 2008. The decrease is mainly due to exploration activities during the quarter.

The cash and term deposits (free cash flow) total \$6,405,730 as at March 31, 2008 compared to \$7,250,564 as at December 31, 2007.

The Company is considered to be in the exploration stage, thus it is dependent on obtaining regular financing in order to continue exploration. Despite previous success in acquiring sufficient financing, there is no guarantee of obtaining any future financing.

The Company considers the cash on hand sufficient for the known obligations. As at March 31, 2008, the Company did not have any debt or any financial commitments in the upcoming quarters.

As at March 31, 2008 :

- 34,333,839 common shares were issued.
- 3,490,000 options were granted and a total of 2,060,500 can be exercised at prices between \$ 0.31 to \$ 0.75 between 2008 and 2013. Each option can be exchanged by its holder thereof for one common share of the Company.
- 7,018,933 warrants were issued, entitling their holders to subscribe for the same amount of common shares of the Company at prices between \$ 0.38 and \$ 1.15 with an expiry date ranging from December 2008 to May 2009.
- 1,290,036 broker's unit options were issued entitling their holders thereof to subscribe for the same amount of units of the Company at prices between \$ 0.45 and \$ 0.75 with an expiry date ranging from March 2009 to May 2009. Each unit is comprised of one common share and half of a warrant. Each warrant is exercisable at a price between \$ 0.80 and \$ 1.15 with an expiry date ranging from March 2008 to May 2009.

Variation in share capital as at May 12, 2008 is the following:

Description	Number of shares	Amount \$
As at December 31, 2007	34,333,839	16,146,451
As at March 31, 2008	34,333,839	16,146,451
As at May 12, 2008	34,333,839	16,146,451

Options

Variation in outstanding options as at May 12, 2008 is the following :

Date	Number of options	Average exercise price \$
As at December 31, 2007	2,835,000	0.52
Issued	980,000	0.31
Expired	(325,000)	0.36
As at March 31 and May 12, 2008	3,490,000	0.48

Options granted and exercisable as at May 12, 2008

Expiry date	Number of options	Exercisable	Price (\$)
November 1, 2008	100,000	25,000	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	315,000	0.50
March 8, 2012	1,000,000	700,000	0.75
October 29, 2012	50,000	12,500	0.38
February 14, 2013	980,000	98,000	0.31
	3,490,000	2,060,500	0.48

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.

Warrants

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

Date	Number of warrants	Average exercise price \$
As at December 31, 2007	7,018,933	0.85
As at March 31, 2008	7,018,933	0.97
As at May 12, 2008	7,018,933	1.00

Warrants characteristics as at May 12, 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	1.00	

Broker's units options

In 2007, the Company issued, as broker's compensation, the following options:

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 of a warrant. Each warrant can be exercised like as follows:

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.

RELATED PARTY TRANSACTIONS

The Company is related to another company, Sirius Resources Inc. (“Sirios”), because of certain common officers. Related party transactions are limited to common deferred exploration and development expenses. As at March 31, 2008, the Company had an account payable of \$14,394 to Sirios.

In consideration of accounting services and preparation of financial information's, a director received from the Company professional fees totalling \$9,037 for the first quarter 2008.

These transactions were completed in the normal course of business and were measured at the exchange amount, that is the amount established and accepted by the parties.

RISK AND UNCERTAINTIES

Financial risks

The Company is an exploration company. The Company will periodically have to raise additionnale funds to continue 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.

Mining claims and title risks

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 quarantee the Company’s title. Property title may subject to unregistered prior agreements and non-compliance with regulatory requirements.

Environmental risks

The Company is subject to various environmental incidents that can occur during exploration work. The Company maintains an environmental management system including operational plans and practices.

OTHER INFORMATION

This discussion and analysis of the financial position and results of operation as at May 12, 2008 should be read in conjunction with the unaudited interim financial statements for the three-month period ended March 31, 2008 and the audited financial statements for the year ended December 31, 2007. The unaudited interim financial statements for the three-month period ended March 31, 2008 were not reviewed by the external auditors. Additional information of the Company can be obtained at the website www.sedar.com under SEDAR filings.

DISCLOSURE CONTROLS AND PROCEDURES

As required by Multilateral Instrument 52-109, the Company's evaluated the effectiveness of its disclosure controls and procedures and the internal control over financial reporting as of March 31, 2008 under the supervision and with the participation of the President and the Chief Financial Officer. Based on the results of this evaluation, the President and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were generally effective.

The only issue identified during the process was related to internal control over financial reporting. The issued identified, the concentration of some duties, is one that affects small companies. As a small organization, the Company's management is composed of a small number of key individuals, resulting in a situation where limitations in segregation of duties have to be compensated by more effective supervision and monitoring by the President and the Chief Financial Officer. Company's officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased funding costs of such hiring could threaten the Company's financial viability, the Company's management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when budgets will enable that action.

MANAGEMENT'S RESPONSABILITY FOR FINANCIAL INFORMATION

The Company's financial statements are the responsibility of the Company's management, and have been approved by the board of directors. The financial statements were prepared by the Company's management in accordance with generally accepted Canadian accounting principles. The financial statements include certain amounts based on the use of estimated and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

(signed) Marie-José Girard, President

(signed) Dominique Doucet, Treasurer

Montreal, May 12, 2008