



**DIOS EXPLORATION INC.
Management's Discussion and Analysis
Quarterly highlights
For the three and nine-month periods ended
September 30, 2018**

The following quarterly highlights management discussion and analysis of the financial condition and results of the operation of Dios Exploration Inc. ((the "Company" or "Dios") constitutes management's review of the factors that affected the Company's financial operating performance for the three and nine-month period ended September 30, 2018.

This discussion and analysis should be read in conjunction with:

- The unaudited interim financial statements as at September 30, 2018;
- The 2017 Annual Management report; and
- The Company's audited financial statements for the year ended December 31, 2017 and December 31, 2016.

These documents and additional information may be available through www.sedar.com web site, under the Company's section "Sedar filing" or at www.diosexplo.com. The Company's shares are listed on the TSX Venture Exchange, under the symbol "DOS". As at September 30, 2018, there are 62,302,760 Common Shares of Dios issued and outstanding.

Nature of activities

Dios focuses on gold exploration in James Bay Eeyou Istchee, Quebec. Dios is involved in mineral exploration along a major deformation zone through proprietary till sampling defining gold glacial dispersal trains. Successful drilling of large AU33 gold property led to HEBERTO GOLD discovery and most recently, some 4 km NNE, to successful first drilling of CLN area during this nine-month period. Very significant gold-silver-copper results were obtained on K2 project with its Attlila-Kali eastern targets and the new farwest claims and west input targets, west of the Kali intrusive, as well as on Clarkie gold project, in the Eleonore gold mine - Cheechoo corridor.

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Financing activities

On February 2, 2018, the Company completed a non-brokered private placement. An amount of \$70,003 was subscribed consisting of 777,811 flow-through shares at a price of \$0.09 per share. An amount of \$54,447 was allocated to share capital and \$15,556 was attributed to other liabilities in the statement of financial position.

On June 26, 27 and 28, 2018, the Company completed a non-brokered private placement with four Quebec venture Capital Funds for gross proceeds of \$416,000 by issuing a total 4,622,222 units at \$0.09 per unit. Each unit comprises one common share of the Company and one warrant. Each warrant entitles its holder thereof to subscribe one common share of the Company at \$0.11 during a 24-month period. An amount of \$81,334 related to warrants was recorded as an increase of contributed surplus while an amount of \$334,666 was recorded to share capital. Issue costs were \$ 14,940.

Investing activities

Quarter ended September 30, 2018

During this period, Dios paid \$6,539 for mining rights (claim renewal and acquisitions).

During the three-month period ended *September 30, 2018*, the Company incurred \$179,988 in exploration expenses compared to \$151,937 for the same period in 2017.

Exploration Expense Analysis

Description	AU33	K2	Clarkie	Total
	\$	\$	\$	\$
Geology	20,868	20,234	44,707	85,809
Transportation, Lodging	6,520	33,358	51,870	91,748
Drilling and assays	1,792	-	176	1,968
Office and other	378	-	85	463
	29,558	53,592	96,838	179 988

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Nine-month period ended September 30, 2018

During this period, Dios paid **\$53,197** for mining rights (claim renewal and acquisitions).

During the nine-month period ended *September 30, 2018*, the Company incurred **\$682,116** in exploration expenses compared to \$543,541 for the same period in 2017.

Exploration Expense Analysis

Description	AU33	K2	Clarkie	Total
	\$	\$	\$	\$
Geology	135,011	36,959	50,640	222,610
Transportation, Lodging	68,376	33,358	51,870	153,604
Drilling and assays	300,714	-	176	300,890
Office and other	4,926	-	86	5,012
	509,027	70,317	102,772	682,116

DIOS hits 10 grams gold per tonne in outcrop on K2 West Input area - discovers Bousquet mine type boulders associated with WI-Target

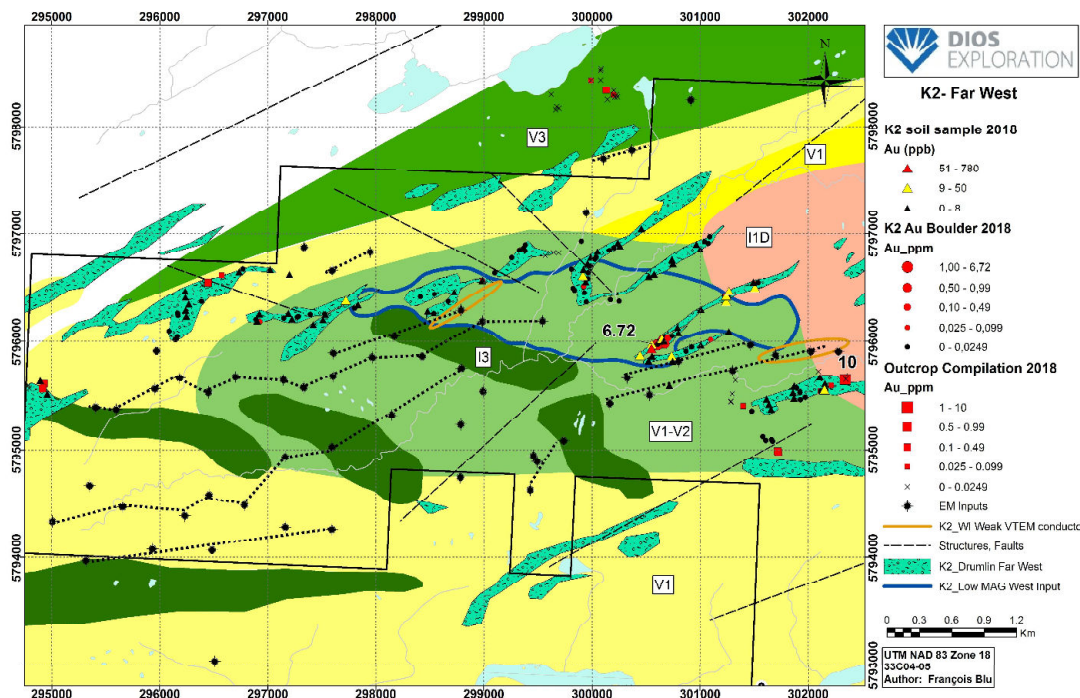
DIOS discovers new gold occurrences on FARWEST CLAIM BLOCK of wholly-owned no royalties **K2 gold project** along an underexplored part of the Lower Eastmain Greenstone belt deformation zone, James Bay Eeyou-Istchee, Quebec. Preliminary results from grab sampling a surface outcrop returned 10 grams gold per tonne, in the vicinity of the West Input anomalies. **This is the first ever discovery of gold in outcrop in that whole area: a significant discovery indicating local sources for goldbearing large angular boulders.**

Prospecting near WI-Target yielded Bousquet and Doyon mine-type sericitized and silicified dacitic glacial floats/boulders hosting 2-10 percent disseminated pyrite and quartz veinlets assayed 6.72, 0.72, 0.71, 0.443, 0.352 grams per ton gold with minor silver (1-29 g/t Ag) and copper (0.086-0.192 percent Cu) values in grab samples. A series of several kilometre long electromagnetic conductors (EM inputs) and adjacent glacial drumlins were targeted within a poorly outcropping bimodal volcanic domain. Systematic prospecting (glacial boulders/floats) and soil (B- horizon) sampling were carried on the NE drumlins 200-600 meters W-NW of the 2.2 km long WI-Target (9x 2-4channels inputs-EM) and 4.2 km-long A-05 (15x 2-5channels inputs-EM) conductors. Distribution and nature (metric size and angularity) of gold-bearing floats suggest proximal source (probably from adjacent EM conductors).

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Drumlins are small hilly elongated glacial features.

WI-Target drumlins are also characterized by **anomalous gold in B-horizons** as ten out of 16 (62.5%) soil samples assayed over 8 parts per billion gold: 8, 9, 10, 15, 19, 20, 21, 30, 49 and 283 ppb Au. New Cinnamon gold showing, 300 meters SE of WI-Target, returned over 10 g/t Au & 2 g/t Ag, hosted by a 0.3 m-wide N255-260 shear (same orientation as WI-Target conductor) with 1% disseminated pyrite in tonalitic intrusion near volcanic contact. Adjacent (down-ice) E-W drumlin yielded 3 anomalous soil-samples assaying 6, 7 & 17 ppb Au.



Along nearby several kilometre long A-05 conductor, prospecting uncovered two metric semi-massive pyrrhotite-pyrite exhalite floats that respectively graded 0.28% Zn, 4.8 g/t Ag & 0.055% Cu, 1.7 g/t Ag.

The FARWEST claim block is located 25 km east of the Eastmain Village, itself located where the Eastmain river flows into James bay. Samples were sent for assays (Au-AA23, fire assay on 30 grams and atomic absorption finish_& ME-ICP41) at Val d' Or ALS Global Laboratory with control inserts following standard industry protocol. Rock samples weighted between 1-2 kg, sometimes 3 kg, and soil samples weighed 2 kg.

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AU33: 3.26 grams gold / tonne over 6 m true width in wider interval of 2 g/t gold over 11 m

Some 2 326 metres of NQ diameter diamond drilling was completed for gold: eleven holes completed with success and two lost in the Chain Lake Break.

Dios reported a drilling gold discovery in CLN area of large wholly-owned 113 square kilometer AU33 property during the semester. First ever diamond drilling some 4 kilometers NNE of HEBERTO GOLD targeted the CLN area hitting **3.26 grams per tonne gold over 6 m true width** in a wider interval of some **2 g/t gold over 11 m** at a vertical depth of 85 m.

This pyritized gold zone of 3.26 g/t gold over 6 meters (1.974 g/t gold over 11 m) is hosted in the footwall of a silicified shear. Another very anomalous gold intercept returned 0.6 /t gold over 4 m (0,313 /t gold over 9 m) upper in the hole, also in the footwall. Re-checks are ongoing. This structure, well outlined over at least one km by magnetics, shows a lot of potential either in the footwall or in the structure itself. That hole is very anomalous in gold further down the hole with values such as 0.515 g/t gold/ 1 m (143-144 m) and 0.803 g/t gold/ 1 m (147-148 m).

Surface samples taken along a 100 meter strike of the altered foliated structure had returned eight samples (out of nine) with assays superior to 0.5 g/t gold, including 12.55; 6.64; 4.66; 4.45; 2.01; 1.98 g/t gold in 2017 and up to 12.65, 5.15, 2.56, 2.23 and 0.53 g/t gold upper in the CLN cliff in 2011-2012.

Detailed prospecting and sampling is planned to further define that gold zone and understand the strikes and structural relations for further targeting. Further diamond drilling is planned along strike and at depth. Adjoining Chain Lake break returned very strongly anomalous gold-in-soil anomalies in that area (B-horizon) along a 1.75 km strike also giving higher potential to the whole area.

DIOS' AU33 gold property is road accessible 55 km south of Eleonore world-class gold mine and 15 km west of Clearwater gold deposit, James Bay Eeyou Istchee, Quebec.

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Overall performance

Net loss for the quarter ended September 2018 is \$28,386 (net loss of \$16,847 for the third quarter 2017) whereas expenses for the quarter totalled \$28,069 (\$17,738 for the third quarter 2017).

During the three-month period ended September 30, 2018, one notes mainly:

- Increase of Share-based payments expenses included in *Employee benefits expense*. See below;
- Decrease in Professional fees due to the timing of audit fees invoiced.
- Analysis of the non-monetary operations that does not require an exit or an inflow of cash (positive: income and negative: expenditure):

	Quarter ended September 30, 2018	Quarter ended September 30, 2017
Share-based payments	\$(12,539)	\$(941)

Net loss for the nine-month period ended September 30, 2018 is \$86,762 (net loss of \$102,659 for the nine-month period ended September 30, 2017) whereas expenses for the nine-month period 2018 totalled \$137,409 (\$106,727 for the nine-month period ended September 30, 2017).

During the nine-month period ended September 30, 2018, one notes mainly

- Increase of Share-based payments expenses included in *Employee benefits expense*. See below.
- Deferred income taxes recovered of \$52,040. See below.
- Analysis of the non-monetary operations that does not require an exit or an inflow of cash (positive: income and negative: expenditure):

	Nine-month period ended September 30, 2018	Nine-month period ended September 30, 2017
Share-based payments	\$(39,778)	\$(7,776)
Deferred income taxes recovered	\$52,040	-

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Financial position

- Working capital decreased by \$105,099 as at September 30, 2018 going from \$298,185 as at December 31, 2017 to \$193,086 as at September 30, 2018. The decrease is mainly due to exploration costs, mining right payments and administrative expenses incurred during the period.
- Cash totalled \$143,406 as at September 30, 2018 compared to \$376,296 as at December 31, 2017. 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 product of unspent funding related to flow-through financing totals \$70,003 as at September 30, 2018 to be expended before December 31, 2019.

Exploration Budget for fiscal 2018: The planned exploration works to be conducted by Dios in 2018 are disclosed in the 2017 Annual Management report. Following the gold discovery on CNL structure area on the AU33 property, Dios has decided to increase its drilling budget on this property. Due to lack of financial resources, Dios decided to slow exploration work in the fourth quarter.

Related party transactions

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 salaries, professional fees and share-based payments.

For the three-month period ended September 30, 2018, the compensation was \$85,327 (\$72,380 for the same period last year). An amount of \$66,167 (\$62,575 for the same period last year) was capitalized in Exploration and Evaluation assets. During this period, a company in which a director is an owner, charged geological fees amounting of \$14,824 recorded in Exploration and evaluation assets.

For the nine-month period ended September 30, 2018, the compensation was \$240,581 (\$229,081 for the same period last year). An amount of \$175,231 (\$187,756 for the same period last year) was capitalized in Exploration and Evaluation assets. During this period, a company in which a director is an owner, charged geological fees amounting of \$31,566 recorded in Exploration and evaluation assets.

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Forward-looking information

See forward-looking information in 2017 Annual Management report.

Montreal, Quebec
November 29, 2018