



**DIOS EXPLORATION INC.
Management's Discussion and Analysis
Quarterly highlights
For the three-month period ended
March 31, 2021**

The following quarterly highlights of management discussion and analysis of the financial condition and results of operations of Dios Exploration Inc. ((the “Company” or “Dios”) constitute management’s review of the factors that affected the Company’s financial operating performance for the three-month period ended March 31, 2021 (“2021-Q1”).

This discussion and analysis should be read in conjunction with:

- The unaudited interim financial statements for 2021-Q1;
- The 2020 Annual Management report; and
- The Company’s audited financial statements for the year ended December 31, 2020 and December 31, 2019.

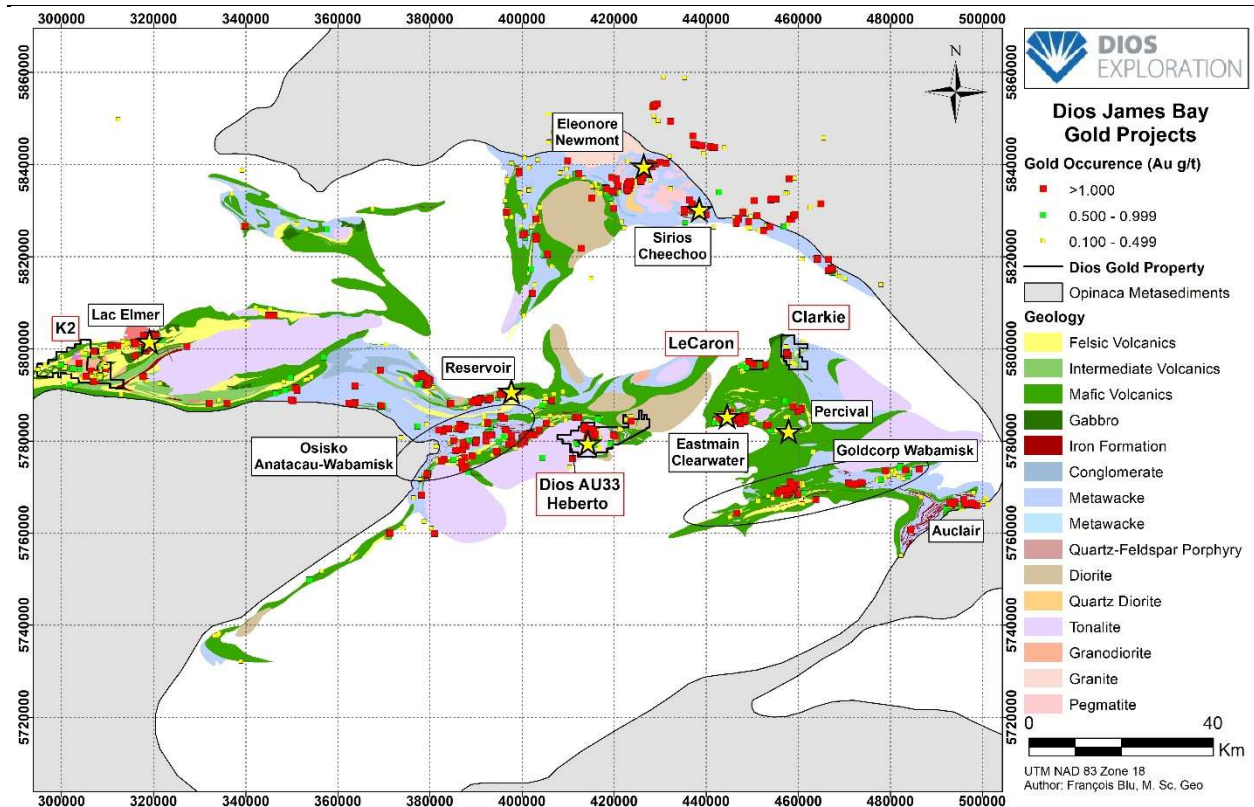
These documents and additional information may be available through www.sedar.com web site, under the Company’s section “Sedar filing” or at www.diosexplo.com. Dios’ shares are traded on TSX Venture Exchange under DOS symbol and 101,207,066 shares were issued and outstanding as at March 31, 2021.

Nature of activities

Dios focuses on gold exploration in James Bay Eeyou Istchee, Quebec. Wholly-owned **K2** and **Solo** gold-copper-silver claim block without any royalties is located directly SW in strike of Azimut’s Elmer gold discovery at Patwon. Very significant results were obtained on **K2** project with Kali eastern targets and WI gold targets, west of Kali intrusive.

Dios is involved in mineral exploration along a major James Bay deformation zone through proprietary till sampling defining gold glacial dispersal trains. Successful drilling of large **AU33** gold property led to HEBERTO GOLD discovery, then 4 km NNE, to successful drilling of CLN area and a further 4-5 km east to WTS gold drilling discovery.

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Gold in outcrop was also thus discovered by Dios on **Clarkie** (8.9 & 6.8 g/tAu) and **Le Caron** (37 g/t Au, 4.5 m @ 2.1 g/t Au) gold projects, along Newmont Eleonore gold mine - Cheechoo corridor. Gold in outcrop and by drilling was also discovered by Dios 6 km northwest of Eastmain gold mine on Dios' **33 Carats** property, farmed out in 2020.

Investing activities

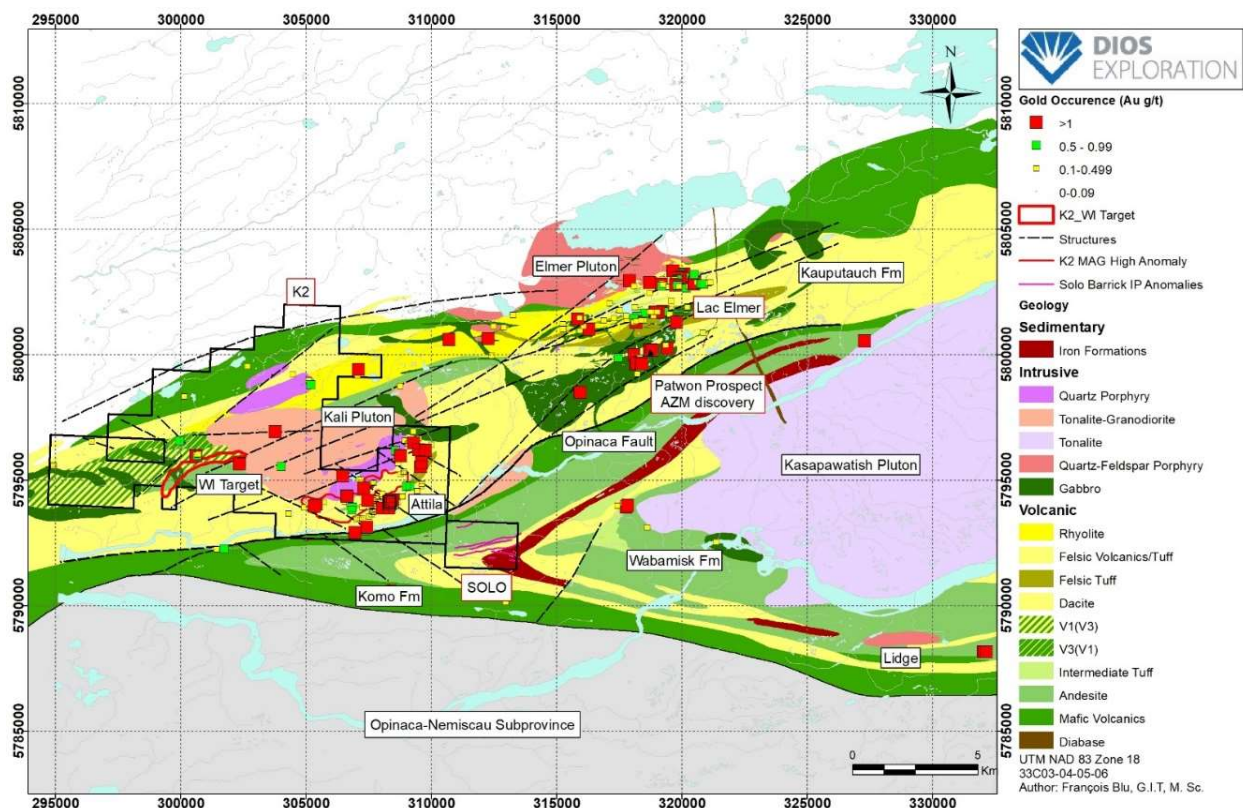
In 2021-Q1, Dios paid \$13,908 for mining rights (claim renewal and acquisitions) compared to \$558 for the same period last year.

During the three-month period ended March 31, 2021, the Company incurred \$127,083 in exploration expenses compared to \$22,931 for the same period in 2020.

Exploration Expense Analysis

Description	K2	14 Karats	Total
	\$	\$	
Geology	37,425	33,463	70,888
Transportation, Lodging	192	-	192
Assays	55,656	-	55,656
Office and other	347	-	347
	93,620	33,463	127,083

Exploration performed during the quarter



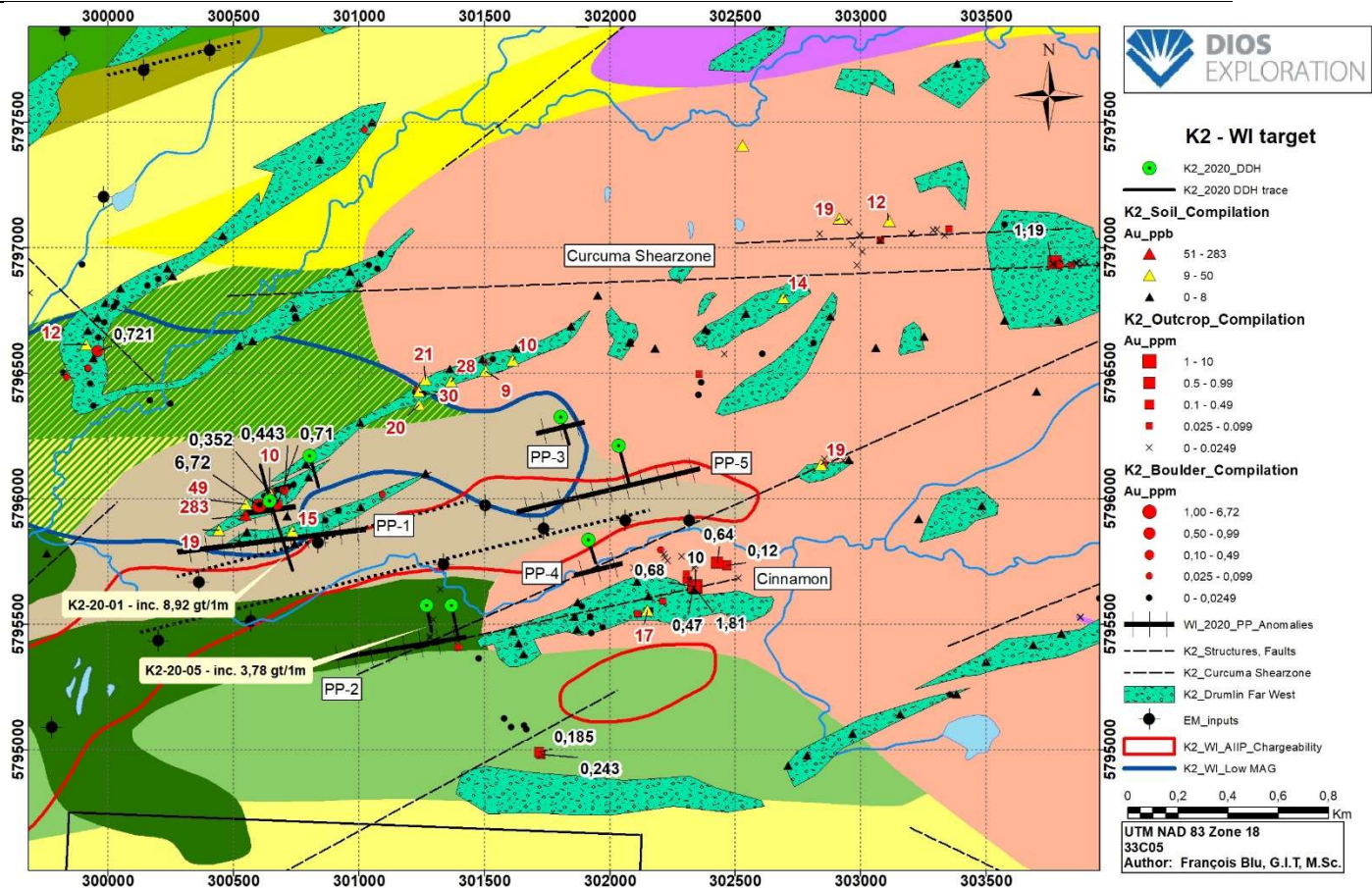
K2 gold project

Wholly-owned **K2 gold project** directly borders to the southwest **Azimut's Elmer gold property** hosting **Patwon gold discovery**, along same trend of Opinaca River deformation Zone, an underexplored part of the Lower Eastmain Greenstone belt, James Bay, Quebec.

K2 covers 85 sq. km around Kali pluton and was for the first time ever drilled in very late 2020. Due to lab delays, assays were undertaken in 2021 at ALS laboratory, Val d'Or, QC.

K2 and **Solo** geology is favourable for VMS (Volcanic Massive Sulfides) and Windfall-type gold mineralization. **K2** hosts an Archean volcanic sequence injected by felsic porphyry plugs and dykes wrapped around Kali tonalite pluton. A dozen electromagnetic anomalies prospective for low sulfide content and extents in mixed volcanics were identified and 2020 research confirmed potential of **non-outcropping WI-Target**, a possible gold-silver-copper VMS mineralized system (telescoped Doyon/Westwood +/-Bousquet-type). Dios completed a ground induced polarization survey on that 3 km long conductor (Dipole-dipole & pole-dipole arrays).

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Good gold-in-soil anomalies (up to 283 ppb gold in B-horizon) coupled with cm-m sericite & silicified dacite floats (volcanic with 2-10% sulfide & quartz stringers (up to 6.72 g/t gold) are hosted in glacial drumlins directly adjacent to 3 km-long electromagnetic airborne IP conductor and PP-1 ground IP anomaly.

About **200 m SE of WI-Target**, the cinnamon showing within Kali Tonalite yielded 10 g/t gold, 1.81, 0.68, 0.62, 0.47 g/t Au in a shear of same orientation as WI-Target, confirming strong potential of adjacent underexplored western intrusion-volcanic contact.

Two parallel gold-bearing zones were discovered by drilling this area.

First, on PP-1 ground anomaly, 1.5 km west of Kali intrusive, a poorly outcropping area, hole 01 intersected medium-coarse grained tonalite-diorite grading **8.92 g/t gold over 1 m** (352-353m) in contact with a strongly foliated mafic dyke with 0.5% pyrite-pyrrhotite disseminated in foliation. Open in all directions, it seems associated with the hanging wall of a significant resistivity anomaly, at the contact between a high and low magnetic area.

Hole 03, located 200 m northeast, cut 0.5 g/t gold/1m (183-184m) in another such IP horizon, but also **no volcanic rocks that could explain soft & crumbly mineralized/sericitic dacite boulders grading up to 6.72 g/t gold in the WI target area.** Good NE up-ice targets such as:

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1.) significant 10 - 20 meters large goldbearing Curcuma shear zones, grading as of now gold in outcrop such as 1.12 g/t Au and

2.) southern contact between Kali pluton and adjacent volcanics (along enriched gold-in-till drumlin feature) remains untested. **So further soil and rock sampling and IP survey is warranted in that NE area to define further drill targets.**

Second, the other gold zone was drill discovered 800 m south-east of hole 01 in wider WI TARGET area (8 holes over 1.5 by 1 km). More precisely on PP-2 anomaly, hole 05 hit an intercept of **3.78 g/t gold over 1 m** related to feldspar diorite & foliated gabbro contact and 0.5 percent pyrite (129-130 m). PP-2 gold intercept is striking as cinnamon showing shear grading 10 g/t gold.

On PP-3 ground IP anomaly, hole 07 cut sections of fractured sheared gabbro with 1% pyrrhotite & traces chalcopyrite (48.30-57.00m; 82.75-91.25m). On PP-4, hole 08 intersected several foliated basic dykes (1-6.3 m thick) hosting 2-4% quartz-carbonate stringers with 1% pyrite within 10-20 meters intervals of fractured tonalite. Another foliated & fractured section (143-165.50m) of biotitized tonalite hosts 2% quartz-carbonate stringers & 1% pyrite.

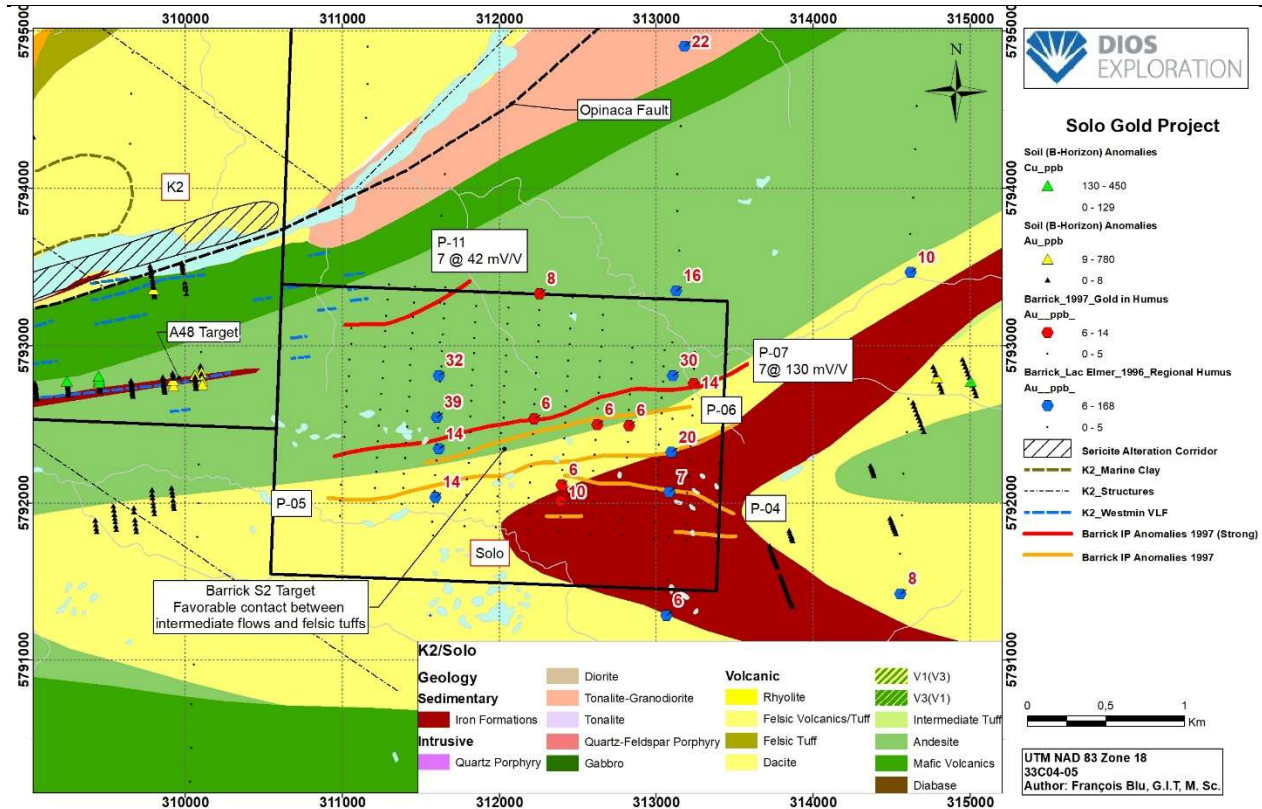
Several other areas of K2-Solo property warrant further ground investigations and drilling.

The Attila gold-copper showing is hosted in fractured rhyodacite dome overlying Kali quartz-diorite/tonalite porphyry to the south, 7 km east of WI-Target tonalite contact. It is a chalcopyrite-rich stringer/ stockwork over 75 m long by 5-15 m wide yielding up to 8.08 g/t gold, 96.7 g/t Ag, 2.43% Cu & 0.17% Zn.

DIRECTLY ADJACENT SOUTH, STILL IN FELSIC VOLCANICS NORTH OF OPINACA FAULT, LIES A LARGE AREA COVERED BY MARINE CLAYS HARDLY IMPOSSIBLE TO SAMPLE. THIS AREA IS ITSELF BORDERED TO THE SOUTH BY A MAJOR 5 KM LONG HYDROTHERMAL SERICITE ALTERATION CORRIDOR. THIS STRATEGIC AREA IS PLANNED TO BE SURVEYED BY GROUND IP FOR TARGET DRILLING.

In early February 2021, partner on Solo SE claim block, further southeast, south of Opinaca fault, did not pursue its option agreement and Dios recovered whole Solo claim block.

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Dios identified very strong first priority IP anomalies in southeastern K2, with good related gold, copper and As in-soil anomalous clusters.

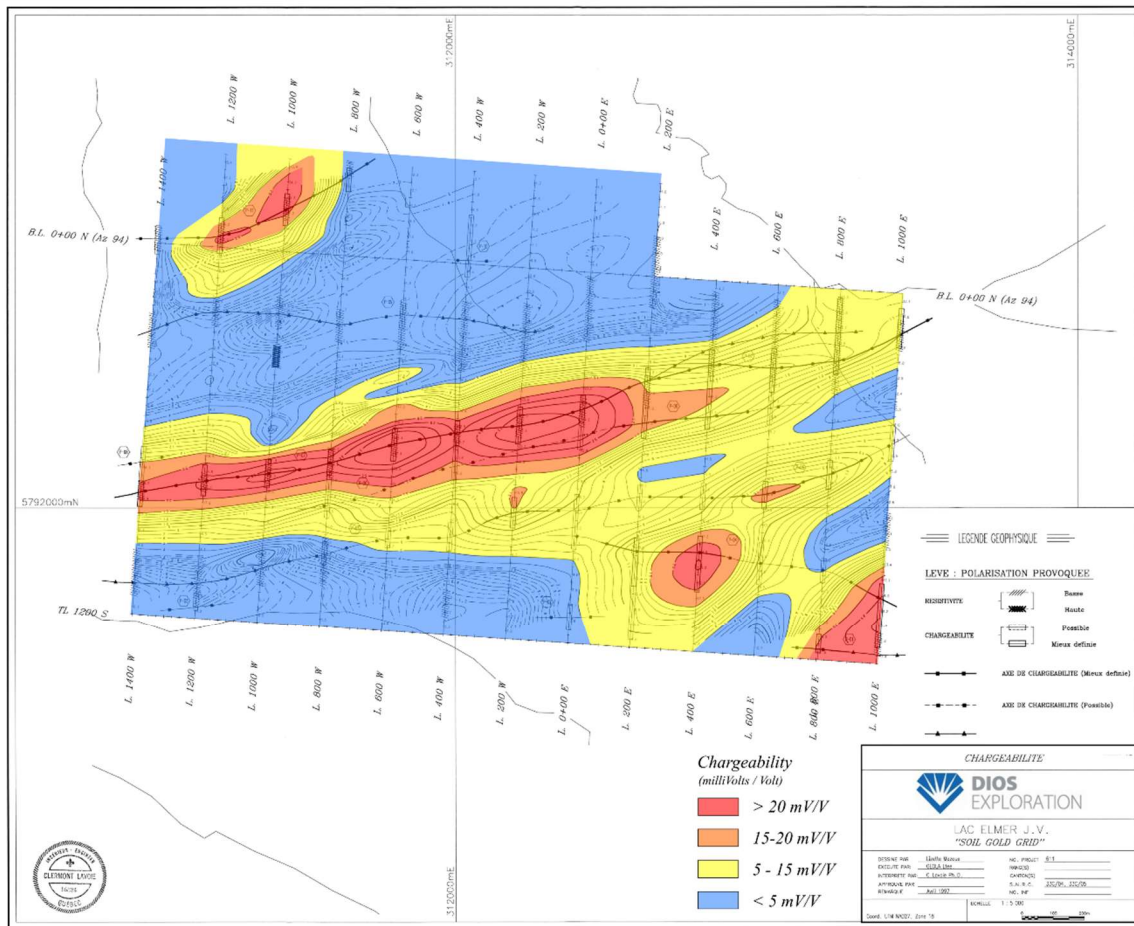
A very significant km size target (A48) was defined and is composed of a cherty iron formation with pyrite and graphite within mafic volcanic flows and tuffs, near Opinaca Fault and cross-cutting structures. It is coincidental with a **3.5 km-long minimum VLF-EM conductor associated with a good magnetic lineament**. Its northeastern limit, covered by an Induced Polarization IP survey (Barrick 1997), is coincidental with a very **good chargeable conductor (P-11 goes from 7 to 50 mV/V)**.

B-horizon sampling across this unit produced anomalous clusters along the VLF-EM conductor with such gold values (6, 12, 18, 120, 240 ppb Au in one line & 30, 54 ppb Au 200 m away) as well as copper values 400 m away (140, 150, 150 ppm Cu & 450 ppm Cu). Additional B-horizon sampling and prospecting over the VLF/magnetic lineament is planned this summer. Test-drilling is also being evaluated for this summer. At the regional scale, such sulphides-bearing cherts are known to be goldbearing (Lidge: 11.42 g/t Au/1.3 m; Lucille: 1.24 g/t Au/4 m).

This several km long gold-copper target area is pointed at with several combined methods. An independent geophysicist report mentions strongly chargeable P-11 should be drilled, specially as it is also associated with major resistivity decreases, typical of good conductors, such as massive sulfides. Further south, P-07 also bears same characteristics of massive sulfides.

Effectively, some 800 m south of P-11, three sub-parallel several km long IP conductors are coincidental with a moderate east-west gold soil anomaly (regional and detailed, see figure above).

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Both geophysical and geochemical anomalies are located along the northern flank of a regional fold hinge (structural trap), and may correspond to a sulfurized contact between felsic tuffs and intermediate volcanics. Most chargeable P-07 (7 to 130mV/V) conductor is coincidental with a 3 km-long high magnetic feature. Winter drilling is planned on swampy P-07 (&P-06).

Overall performance

Net loss for the quarter is \$114,176 (net loss of \$37,875 for the first quarter 2020) whereas expenses for the quarter totalled \$117,505 (\$38,628 for the first quarter 2020).

- Increase of stock-based compensation expenses. See the table below.
- Increase in Professional fees due to the timing of audit fees invoiced.
- Decrease in Office expense: Finalization of a new website last year.
- Analysis of the non-monetary operations that does not require an exit or an inflow of cash (positive: income and negative: expenditure):

	Quarter ended March 31, 2021 \$	Quarter ended March 31, 2020 \$
Stock-based payments	77,747	-

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Financial position

- Working capital decreased by \$ 158,617 as at March 31, 2021 going from \$1,570,206 as at December 31, 2020 to \$ 1,411,589 as at March 31, 2021. The decrease is mainly due to exploration costs, mining right payments and administrative expenses incurred during the period.
- Cash and term deposit amount to \$ 1,358,432 as at March 31, 2021 compared to \$ 1,931,479 as at December 31, 2020. 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.

Exploration Budget for fiscal 2021: planned exploration work to be conducted by Dios in 2021 is disclosed in the 2020 Annual Management report. See above section "Exploration performed during the quarter". During the quarter, the company had to restrict exploration work on its mining properties due to containment measures relating to COVID-19 pandemic.

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, operations. Key management personnel remuneration includes salaries, consulting fees and share-based payments. For the 2021-Q1, the compensation is \$ 76,427 (\$ 17,706 for the same period last year). An amount of \$ 52,985 (\$ 10,956 for the same period last year) was capitalized in Exploration and Evaluation assets.

Forward-looking information

See the forward-looking information in the 2020 Annual Management report.

Montreal, Quebec
May 20, 2021