



**DIOS EXPLORATION INC.**  
**Management's Discussion and Analysis**  
**Quarterly highlights**  
**For the three and six-month periods ended**  
**June 30, 2022**

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 six-month periods ended June 30, 2022.

This discussion and analysis should be read in conjunction with:

- The unaudited interim financial statements as at June 30, 2022;
- The 2021 Annual Management report; and
- The Company's audited financial statements for the year ended December 31, 2021 and December 31, 2020.

These documents and additional information may be available through [www.sedar.com](http://www.sedar.com) web site, under the Company's section "Sedar filing" or at [www.diosexplo.com](http://www.diosexplo.com). The Company's shares are listed on the TSX Venture Exchange, under the symbol "DOS". As at June 30, 2022, there are 114,707,066 Common Shares of Dios issued and outstanding.

**Nature of activities**

Dios focuses on Gold-Copper Exploration in James Bay Eeyou Istchee, Quebec. Wholly-owned **K2** gold-copper-silver property without any royalties is located directly SW in structural strike of Azimut's Elmer gold discovery at Patwon.

Dios is involved in mineral exploration along a major James Bay deformation zone. **The company staked a new property Lithium 33 battery metal.** Successful drilling of contiguous **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

Dios discovered 8.9 & 6.8 g/t gold in sandstones on **Clarkie** and 37 g/t Au & 4.5 m @ 2.1 g/t Au in **LeCaron** volcanics, along Newmont Eleonore gold mine - Cheechoo corridor.

## Investing activities

*Quarter ended June 30, 2022*

In 2022-Q2, Dios paid \$16,160 for mining rights (claim renewal and acquisitions) compared to \$0 for the same period last year. **During the quarter, the company staked a new property *Lithium 33* battery metal.**

During the three-month period ended June 30, 2022, the Company incurred \$71,099 in exploration expenses compared to \$76,900 for the same period in 2021.

### Exploration Expense Analysis

Description	K2	Lithium 33	AU33	Total
	\$	\$	\$	\$
Geology	51,952	7,894	3,891	63,737
Office and other	5,046	-	-	5,046
Assays	2,316	-	-	2,316
	59,314	7,894	3,891	71,099

*Six-month period ended June 30, 2022*

During this period, Dios paid \$18,240 for mining rights (claim renewal and acquisitions) compared to \$13,908 last year.

During the six-month period ended June 30, 2022, the Company incurred \$172,593 in exploration expenses compared to \$203,983 for the same period in 2021.

### Exploration Expense Analysis

Description	K2	14 Karats	AU33	Lithium 33	Total
	\$	\$			\$
Geology	101,412	4,692	8,110	7,894	122,108
Sample analysis	41,602	-	-	-	41,602
Office and other	8,883	-	-	-	8,883
	151,897	4,692	8,110	7,894	172,593

## **Exploration performed during the quarter**

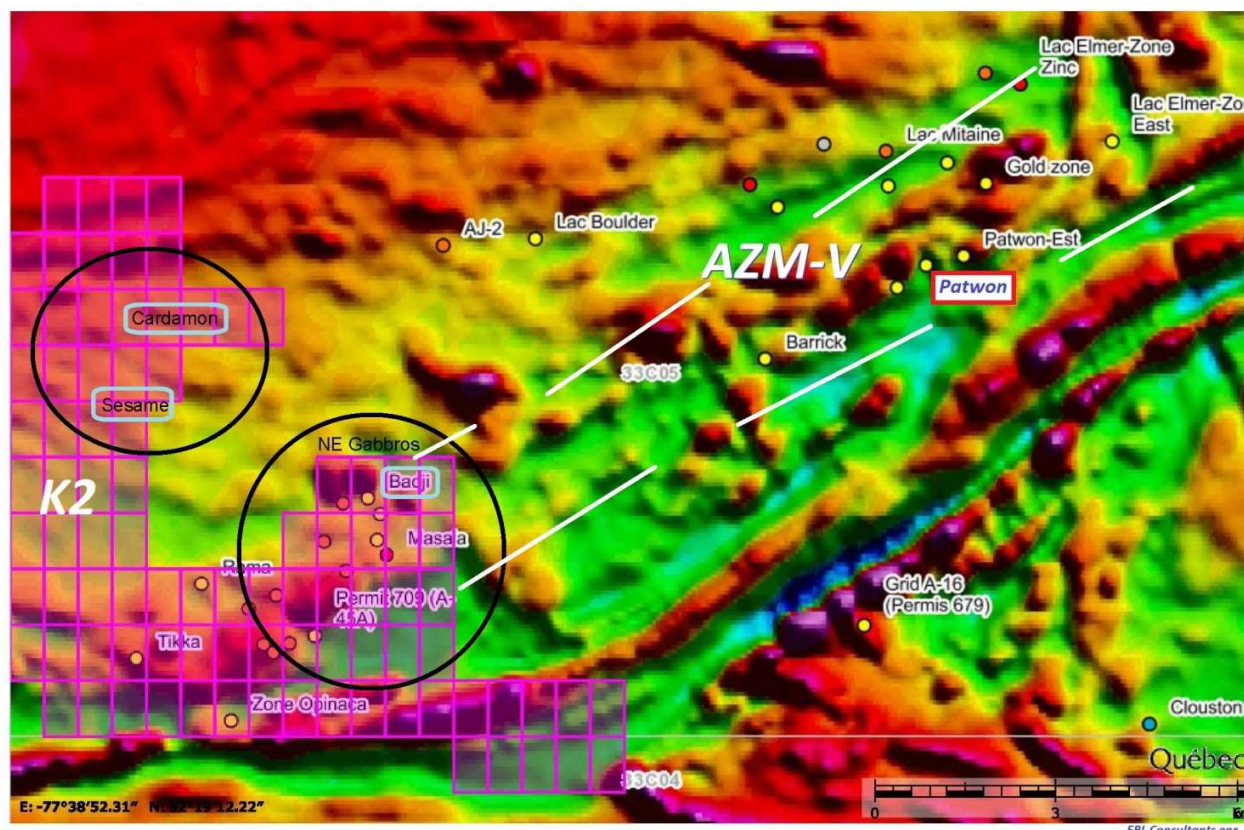
Dios completed a land package acquisition for **Lithium33 Battery Metal property**, James Bay, Quebec, to protect a lithium trend discovered in the area.

**Lithium33** covers some 146 claims for 7,705 hectares contiguous to Dios' **AU33** gold property, adjacent to advanced Pivert-Rose lithium project of Critical Elements Corp., currently applying for permits to build a plant, and in the general area north-east of Pontax-Lithium occurrences.

**Lithium33** hosts 7 significant lithium metal anomalies (combined with other anomalous critical elements) uncovered through proprietary data analysis and recent research work and forming a more than fifteen km prospective lithium trend. The geochemical signature is comparable to that of Pivert-Rose and Pontax-Lithium, with higher values from secondary environment.

Pontax-Lithium (lithium-tantalum-bearing pegmatite dikes) was discovered and successfully drilled in the scope of former joint Dios/Sirios Resources exploration project under supervision of Harold Desbiens Geo M.Sc., V.P. of Dios & 43-101 QP. Field work is planned on **Lithium33**. The road towards Nemiscau village some 50 km south crosses AU33 property and large Nemaska lithium deposit is located near Nemiscau.

Lithium is a critical metal in the universal fight against global warming. It is a core component of lithium-ion batteries used for powering electric vehicles and for industrial-scale energy storage.



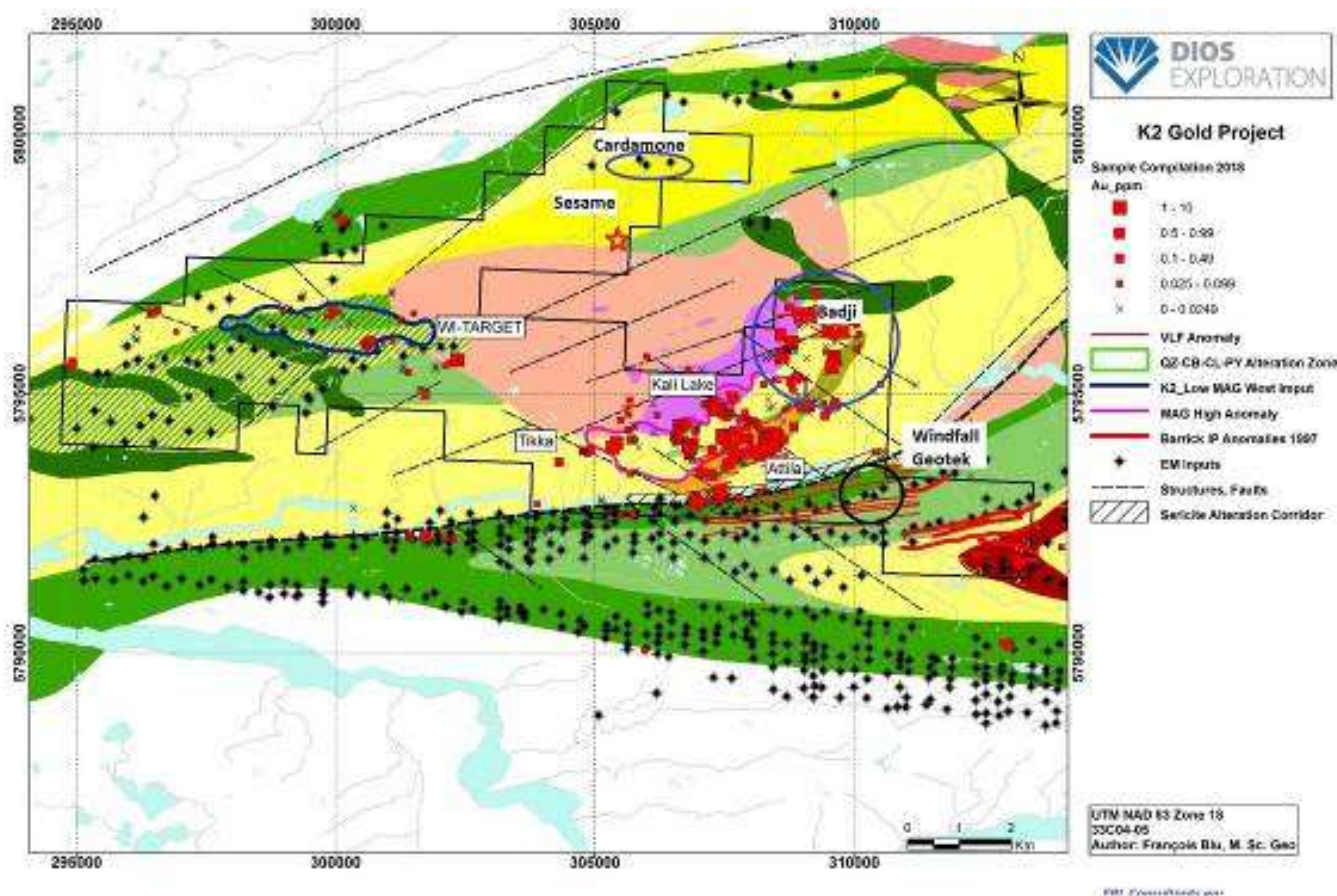
Magnetic map showing AZM structural gold corridor in white pointing directly at Dios' Badji showing- NE gabbros

Dios planned ground **IP** survey and line-cutting for mid-August by helicopter in north-eastern **K2** in volcanic rocks intertwined with small gabbro plug series, SW of **Patwon** discovery, along prospective shear zone gold corridor. Two of these small gabbro plugs targeted by Dios were also confirmed by IA analysis (Windfall Geotek).

The 16 km-line Induced **Polarization** EM survey will help define prospecting and drill targets for drill program to start in mid-September in felsic volcanics intruded by series of small gabbro plugs, 9 km SW of **Patwon** discovery, along prospective shear zones 4-5 km north of Opinaca fault, in same geological formation as underlies AZM Elmer property.

Gabbro contacts with altered dacites constitute good structural targets due to rheological contrasts. North-eastern **K2** area is crosscut by two NE-SW shear zones and two east-west kilometric ground VLF-EM anomalies related to sulfidic mineralization, locally well sericitized and silicified. **Dios** discovered **Badji** (cm pyrite-chalcopryrite stringer **showing** in foliated strongly sericitized dacite with **5.39 g/t gold, 111 g/t silver, 5.05% copper, 93 ppm bismuth**). NE **K2** is located a few km NE of major gold-copper-silver bearing volcanic dome on top of large porphyry, itself on top of Kali intrusive.

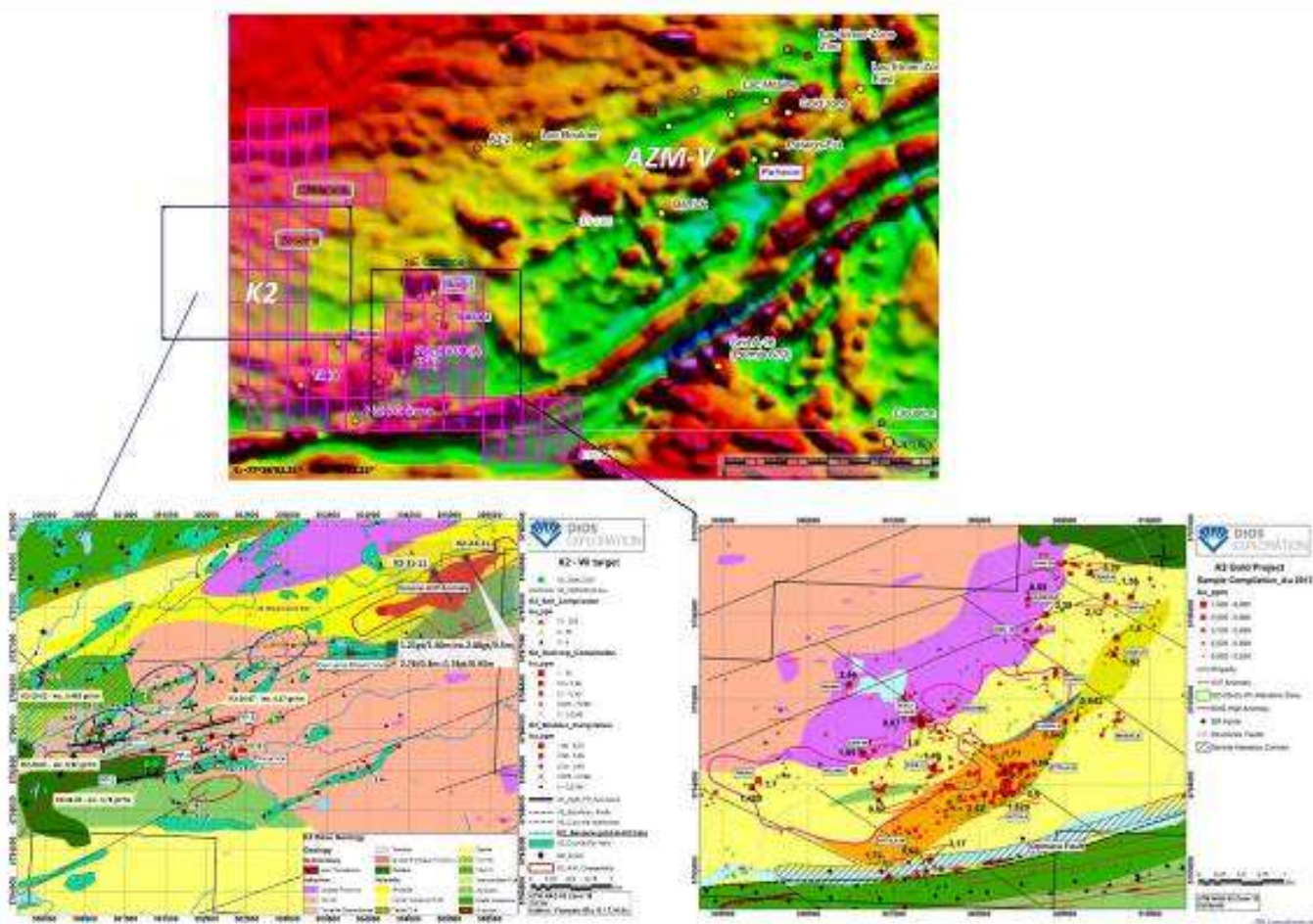




A few km further SW in strike will be drill tested the **Kali Lake** Showing area (up to **2.6 g/t Au, 34 g/t Ag & 8.28 % Cu**) within Kali Quartz Porphyry (in purple) near volcanics, specially as associated with significant gold-in-soil anomaly.

Ten diamond drill holes are planned (2,300 m), including on **Cardamon** within **altered volcanics** north of Sesame QFP intrusion. Three EM-input fit with short 1 km-strike **Airborne IP**, and directly east of this EW structure, **an EW felsic dyke returned 2.69 g/t gold**, 5 km up-ice of goldbearing altered volcanic boulders (6.72 g/t Au) and related well-defined kilometric gold-in-till (WI-target) anomaly.

**CINNAMON Airborne IP AAIP** (750 m long, 300m large) in volcanics south of 10 g/t gold cinnamon tonalite shear showing will also be drill tested. Gold occurs in the area with more to the west drill intercept of 8.92 g/t Au over 1 m and in same strike as cinnamon 3.78 g/t Au over 1 m in granodiorite. It seems this AAIP might be related to NE structure going into volcanics in that area and coming from Patwon shear or gold corridor.



## Overall performance

Net loss for the quarter ended June 2022 is \$12,370 (net loss of \$86,989 for the second quarter 2021) whereas expenses for the quarter totalled \$37,857 (\$89,156 for the second quarter 2021).

During the three-month period ended June 30, 2022, one notes mainly:

- Decrease of stock-based compensation expenses and increase in Deferred income taxes recovered. See the table below.
- Gain on disposal of the 33Carats property of \$30,000.
- Increase in Professional fees due to the timing of audit fees invoiced.
- Other operating expenses were stable year-over-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 June 30, 2022	Quarter ended June 30, 2021
Share-based payments	\$(10,830)	\$(49,871)
Deferred income taxes recovered	\$21,330	-

Net loss for the six-month period ended June 30, 2022 is \$32,333 (net loss of \$201,165 for the six-month period ended June 30, 2021) whereas expenses for the six-month period 2022 totalled \$90,053 (\$206,661 for the six-month period ended June 30, 2021).

During the six-month period ended June 30, 2022, one notes mainly:

- Decrease of stock-based compensation expenses and increase in Deferred income taxes recovered. See the table below.
- Increase in Audit fees in 2022.
- Gain on disposal of the 33Carats property of \$30,000.
- Other operating expenses were stable year-over-year.
- Analysis of the non-monetary operations that does not require an exit or an inflow of cash (positive: income and negative: expenditure):

	Six-month period ended June 30, 2022	Six-month period ended June 30, 2021
Share-based payments	\$(29,944)	\$(118,481)
Deferred income taxes recovered	\$51,778	-

#### Financial position

- Working capital decreased by \$193,080 as at June 30, 2022 going from \$1,587,357 as at December 31, 2021 to \$1,394,277 as at June 30, 2022 including liabilities of \$320,937 as at June 30, 2022 to be recovered once all flow-through funding is incurred. The decrease is mainly due to exploration costs, mining right payments and administrative expenses incurred during the period.
- Cash and term deposit totalled \$1,260,524 as at June 30, 2022 compared to \$1,459,354 as at December 31, 2021. 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 2022: Planned exploration work to be conducted by Dios in 2022 is disclosed in the 2021 Annual Management report. See above section "Exploration performed during the 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 June 30, 2022, the compensation was \$80,949 (\$111,825 for the same period last year). An amount of \$56,837 (\$53,473 for the same period last year) was capitalized in Exploration and Evaluation assets.

For the six-month period ended June 30, 2022, the compensation was \$166,212 (\$242,914 for the same period last year). An amount of \$115,015 (\$106,457 for the same period last year) was capitalized in Exploration and Evaluation assets.

#### Forward-looking information

See the forward-looking information in the 2021 Annual Management report.

Montreal, Quebec  
August 18, 2022