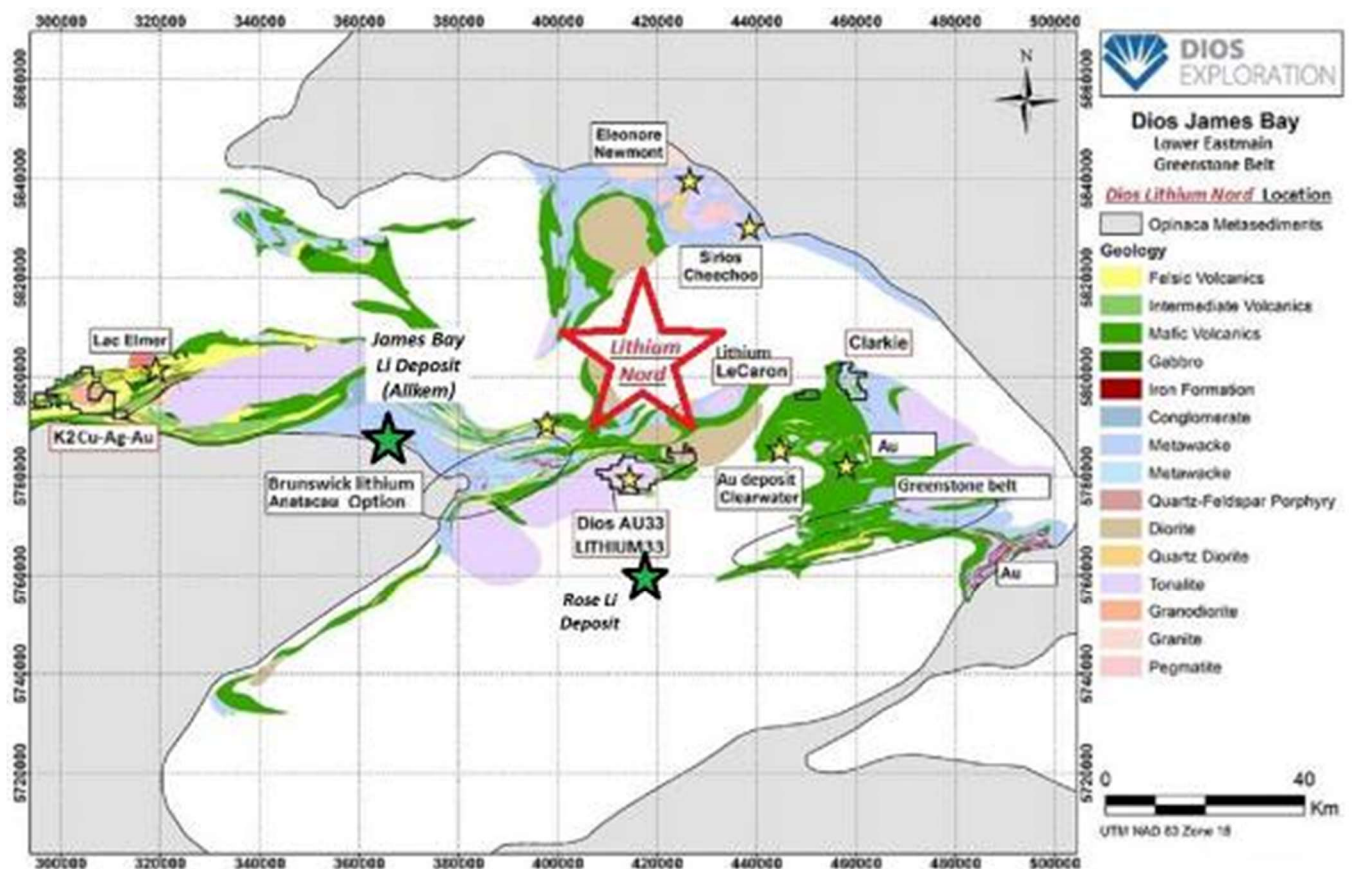




DIOS
EXPLORATION

**DIOS EXPLORATION INC.
Management's Discussion and Analysis
Quarterly highlights
For the three-month period ended
March 31, 2023**



Dios' James Bay, Quebec, Lower Eastmain Greenstone belt properties, LaGrande Geological sub-province

DIOS EXPLORATION INC. - Management’s Discussion & Analysis – Quarterly Highlights – March 31, 2023

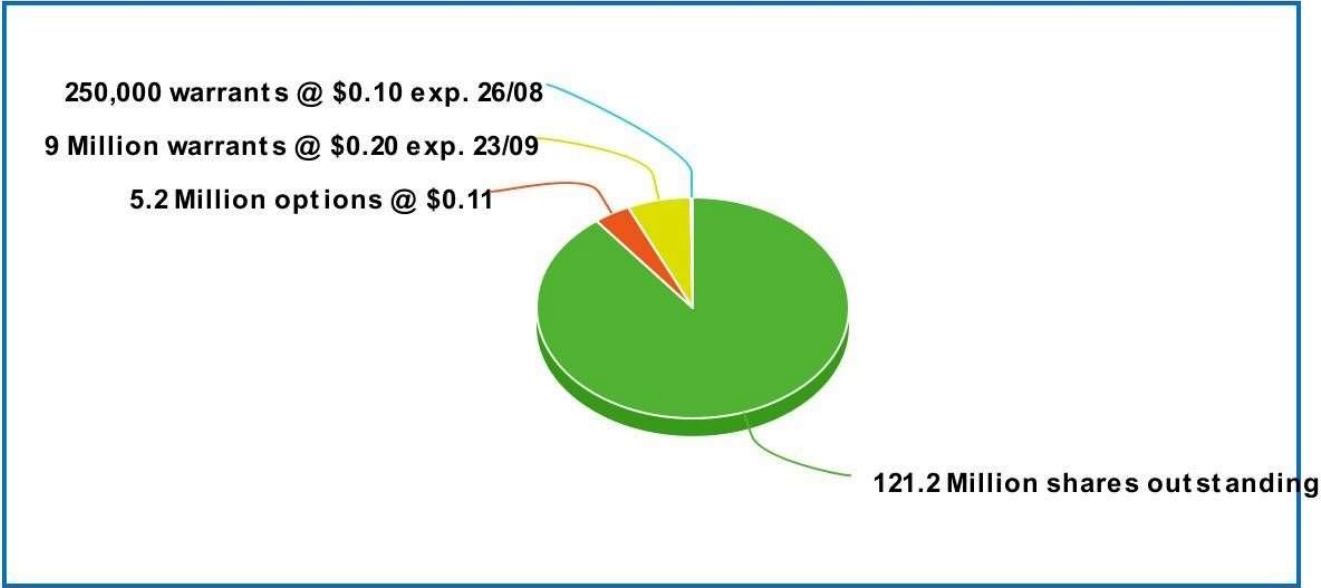
The following quarterly highlights management discussion and analysis of the financial condition and results of operation of Dios Exploration Inc. ((the “Company” or “Dios”) constitutes management’s review of factors that affected the Company’s financial operating performance for the three-month period ended March 31, 2023 (“2023-Q1”).

This discussion and analysis should be read in conjunction with:

- The unaudited interim financial statements for 2023-Q1;
- The 2022 Annual Management report; and
- The Company’s audited financial statements for the year ended December 31, 2022 and December 31, 2021.

These documents and additional information may be available through www.sedar.com website, under the Company’s section “Sedar filing” or at www.diosexplo.com. Dios’ shares are traded on TSX Venture Exchange under **DOS** symbol and 121,282,066 shares were issued and outstanding as at March 31, 2023.

CAPITAL STRUCTURE 121.2 Million shares outstanding No Restructures



■ 121.2 Million shares outstanding ■ 5.2 Million options @ \$0.11
■ 9 Million warrants @ \$0.20 exp. 23/09 ■ 250,000 warrants @ \$0.10 exp. 26/08

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Nature of activities

Dios focuses on **LITHIUM** and **GOLD-COPPER** exploration in James Bay, Quebec. Dios is involved in exploring along a major James Bay geological province contact.

Dios acquired at least two large **LITHIUM** properties in 2022: **Nemiscau North** and **Lithium33 Battery Metal**, with contiguous **AU33** gold property hosting Dios' **HEBERTO GOLD** discovery. Several significant **LITHIUM** acquisitions were completed in 2023.

Lithium metal is critical in universal fight against global warming, core component of lithium-ion batteries for powering electric vehicles & large-scale energy storage.

Wholly-owned **K2** copper-gold-silver property is adjacent south-west in strike of Azimut's Elmer gold Patwon discovery property.

Investing activities

In 2023-Q1, Dios paid \$68,149 for mining rights (claim renewal and acquisitions) compared to \$2,080 for the same period last year.

Mining Right Additions

Properties	\$
Lithium Nord	24,310
Nemiscau Nord	3,744
Pontax Nord	1,190
LeCaron Lithium	10,030
Clarkie Est	26,350
Claim renewal	2,525
	68,149

During the three-month period ended March 31, 2023, the Company incurred \$76,170 in exploration expenditures compared to \$101,495 for the same period in 2022.

Exploration Expense Analysis

Description	K2	Lithium Nord	Clarkie Est	Other	Total
	\$	\$	\$	\$	\$
Geology	14,890	23,894	13,845	20,002	76,631
Assays	462	-	-	-	462
Office and other	1,877	-	-	-	1,877
Transportation	1,200	-	-	-	1,200
	18,429	23,894	13,845	20,002	76,170

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Exploration performed during the quarter

Dios completed large scale exploration work to acquire high lithium potential properties in James Bay, Central Quebec, within prolific LaGrande geological sub-province.

Claim acquisitions were afterwards completed based on Lithium metal anomaly clusters occurrences in lake sediments, in association with Cesium, Rubidium & tin, based on anomalous real values and from glacial till data if available, looking for **LCT*** pegmatites. Glacial studies help understand dispersal train data to focus on possible head sources.

Among others, Dios then targeted favourable areas at the margins of white pegmatitic evolved plutons: geochemistry ratios were used to identify evolved pegmatites.

Intense compilation work completed by Dios' Qualified QP Geologists found many series of pegmatite outcrops looked for at each claim scale within Quebec Government files.

These pegmatite outcrops were then verified with detailed processed geophysical data to look for elongated structures such as pegmatite dykes, always in the vicinities of lithium-cesium-rubidium anomalies.

Detailed claim by claim satellite imagery studies, as well as topographic studies, then helped contribute to identify possible extents of already identified high potential pegmatite outcrops along several kilometer long structures.

Major field work prospecting for **spodumene** discovery (lithium mineral looked for) is thus planned this summer in July along these prospective pegmatitic structures associated with lithium-rubidium-cesium values* (contracts have been signed) as well as in August, to be followed by drilling later on.

** T for tantalum in LCT, not significant in lake sediments due to assay method. **Rubidium** is clearly more significant, almost equivalent to Lithium content to determine pegmatite potential*

Overall performance

Net loss for the quarter is \$38,944 (net loss of \$19,963 for the first quarter 2022) whereas expenses for the quarter totalled \$68,968 (\$52,196 for the first quarter 2022).

- Decrease of stock-based compensation expenses and Deferred income taxes recovered. See the table below.
- Increase in Professional fees due to the timing of audit fees invoiced.
- From the first quarter 2022 to the first quarter 2023, considering the items that do not require an exit of cash flow and the increase in professional fees, the expenses did not vary much.
- Analysis of the non-monetary operations that does not require an exit or an inflow of cash (positive: income and negative: expenditure):

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	Quarter ended March 31, 2023 \$	Quarter ended March 31, 2022 \$
Stock-based payments	(7,504)	(19,114)
Deferred income taxes	22,576	30,448

Financial position

- Working capital decreased by \$146,110 as at March 31, 2023 going from \$791,228 as at December 31, 2022 to \$645,518 as at March 31, 2023, **including *Other liabilities* of \$172,423 to be erased then added to working capital** once a \$573,830 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 amount to \$802,110 as at March 31, 2023 compared to \$941,122 as at December 31, 2022. The Company is considered to be in 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 2023: Planned exploration work to be conducted by Dios in 2023 is disclosed in the 2022 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, consulting fees and share-based payments. For the 2023-Q1, the compensation is \$78,062 (\$85,263 for the same period last year). An amount of \$58,685 (\$57,232 for the same period last year) was capitalized in Exploration and Evaluation assets.

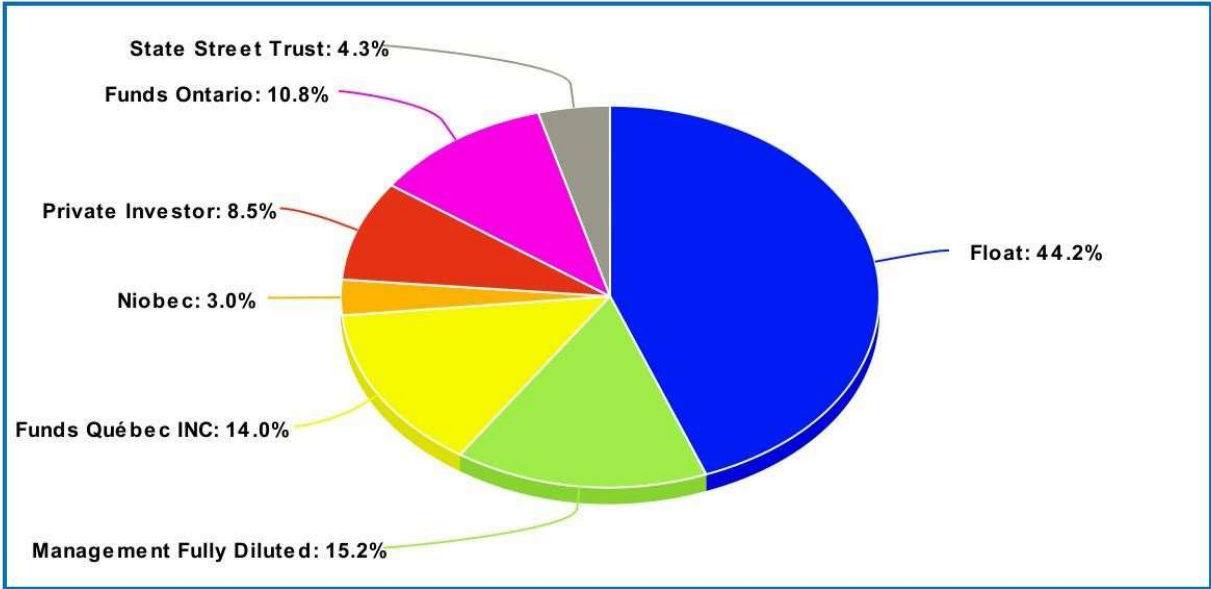
Forward-looking information

See forward-looking information in 2022 Annual Management report.

Montreal, Quebec
May 24, 2023

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Quarterly Highlights – March 31, 2023**

CAPITAL STRUCTURE



- Float
- Management Fully Diluted
- Funds Québec INC
- Niobec
- Private Investor
- Funds Ontario
- State Street Trust