

DIOS EXPLORATION INC.

Unaudited Interim Financial Statements

March 31, 2025

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The attached interim financial statements have been prepared by Dios Exploration Inc. and its external auditors have not reviewed these unaudited financial statements.

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DIOS EXPLORATION INC.

Interim Statement of Financial Position (unaudited)

(in Canadian dollars)

	Notes	March 31, 2025 \$	December 31, 2024 \$
ASSETS			
Current			
Cash	5	64,014	55,965
Good and services tax receivable		4,144	5,343
Prepaid expenses		1,849	2,480
		70,007	63,788
Non-current			
Exploration and evaluation assets	6	3,200,524	3,194,716
Total assets		3,270,531	3,258,504
LIABILITIES			
Current			
Trade and other payables		88,099	41,275
Provision for compensation	7	90,419	90,419
Total liabilities		178,518	131,694
EQUITY			
Share capital	8.1	24,808,994	24,786,494
Contributed surplus		3,237,972	3,246,082
Deficit		(24,954,953)	(24,905,766)
Total equity		3,092,013	3,126,810
Total liabilities and equity		3,270,531	3,258,504

The accompanying notes are an integral part of the financial statements.

These financial statements were approved and authorized by the Board of Directors on April 29, 2025.

(signed) Marie-José Girard

Marie-José Girard, Director

(signed) Normand Payette

Normand Payette, Director

DIOS EXPLORATION INC.

Interim Statement of Comprehensive Loss (unaudited)

(in Canadian dollars)

		Three-month period ended March 31,	
	Notes	2025	2024
		\$	\$
EXPENSES			
Professional fees		37,575	31,350
Trustees, registration fees and shareholders' relations		7,279	7,498
Employee benefits expenses	9.1	1,890	17,332
Insurances, taxes and permits		1,147	2,077
Office expenses		851	1,136
Publicity, travel and promotion		630	-
Bank charges		99	110
Consulting fees		-	8,250
Income taxes of section XII.6 and III.14		-	1,637
Amortization of fixed assets		-	143
OPERATIONAL LOSS		49,471	69,533
OTHER REVENUES			
Financial income	10	342	3,607
LOSS BEFORE INCOME TAXES		(49,129)	(65,926)
Deferred income taxes		-	1,931
NET LOSS AND COMPREHENSIVE LOSS		(49,129)	(63,995)
NET LOSS PER SHARE - basic and diluted	11	(0.0004)	(0.0005)

The accompanying notes are an integral part of the financial statements.

DIOS EXPLORATION INC.

Interim Statement of Changes in Equity (unaudited)

(in Canadian dollars)

	Notes	Share capital		Contributed surplus	Deficit	Total Equity
		Number of shares issued	\$	\$	\$	\$
As of January 1st, 2024		121,282,066	24,786,494	3,211,473	(20,893,649)	7,104,318
Net loss and comprehensive loss		-	-	-	(63,995)	(63,995)
Share-based payments	9.2	-	-	17,332	-	17,332
As of March 31, 2024		121,282,066	24,786,494	3,228,805	(20,957,644)	7,057,655
As of January 1st, 2025		121,282,066	24,786,494	3,246,082	(24,905,824)	3,126,752
Net loss and comprehensive loss		-	-	-	(49,129)	(49,129)
Share-based payments	9.2	-	-	1,890	-	1,890
Exercise of options	9.2	125,000	22,500	(10,000)	-	12,500
As of March 31, 2025		121,407,066	24,808,994	3,237,972	(24,954,953)	3,092,013

The accompanying notes are an integral part of the financial statements.

DIOS EXPLORATION INC.

Interim Statement of Cash Flows (unaudited)

(in Canadian dollars)

	Three-month period ended March 31,	
Notes	2025	2024
	\$	\$
OPERATING ACTIVITIES		
Net loss	(49,129)	(63,995)
Adjustments		
Share-based payments	1,890	17,332
Financial income not cashed	-	(2,711)
Amortization of fixed assets	-	143
Deferred income taxes	-	(1,931)
Change in working capital items	12 30,950	(8,932)
Cash flows used in operating activities	(16,289)	(60,094)
INVESTING ACTIVITIES		
Disposal of term deposit	-	59,214
Additions to exploration and evaluation assets	11,838	(9,732)
Cash flows from investing activities	11,838	49,482
FINANCING ACTIVITIES		
Exercise of options	12,500	-
Cash flows used from financing activities	12,500	-
NET CHANGE OF CASH	8,049	(10,612)
CASH, BEGINNING	55,965	60,844
CASH, END	64,014	50,232

Additional information - Cash Flows - Note 12.

Supplementary information

Interests received related to operating activities	342	3,607
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The accompanying notes are an integral part of the financial statements.

DIOS EXPLORATION INC.

Notes to Interim Financial Statements

For the three-month period ended March 31, 2025 (unaudited)

(in Canadian dollars)

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Dios Exploration Inc. (the "Company") is a mining exploration company with activities in Canada.

2. GOING CONCERN ASSUMPTION

The financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income or cash flows from its operations. As of March 31, 2025, the Company has a cumulated deficit of \$24,954,953 (\$24,905,766 on December 31, 2024). These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

The carrying amounts of assets, liabilities, revenues and expenses presented in the financial statements and the classification used in the statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate. These adjustments could be significant.

3. SUMMARY OF ACCOUNTING POLICIES

Basis presentation

These interim financial statements of the Company were prepared in accordance with IFRS, as issued by the International Accounting Standards Board (IASB) under International Accounting Standard (IAS) 34- Interim Financial Reporting. These interim financial statements were prepared using the same basis of presentation, accounting policies and methods of computations outlined in Note 4, SIGNIFICANT ACCOUNTING POLICIES as described in our financial statements for the year ended December 31, 2024. The interim financial statements do not include all of the notes required in annual financial statements.

4. JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from judgments, estimates and assumptions made by management and will seldom equal to the estimated results. Information on judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is presented below.

Significant management judgments

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

DIOS EXPLORATION INC.

Notes to Interim Financial Statements

For the three-month period ended March 31, 2025 (unaudited)

(in Canadian dollars)

4. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year and to fund planned and contractual exploration programs, involves judgments based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. See Note 2 for more information.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is subjective process involving judgment and a number of estimates and interpretations in many cases.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit, of which the asset belongs, must be determined.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

For the three-month periods ended March 31, 2025 and 2024, there were no write-off of exploration and evaluation assets. No reversal of impairment losses has been recognized for the reporting periods.

Properties have not been tested for impairment as the Company has the ability to retain them since it has sufficient financial resources to meet its shortterm obligations and expenses are scheduled over the next years. The rights to prospect for these properties will not expired in the near future and work has been carried out over the past three years.

DIOS EXPLORATION INC.

Notes to Interim Financial Statements

For the three-month period ended March 31, 2025 (unaudited)

(in Canadian dollars)

4. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

Share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own share, the probable life of share options granted and the time of exercise of those share options. The model used by the Company is the Black-Scholes valuation model.

Tax credits receivable

The calculation of the Company's refundable tax credit on qualified exploration expenditure incurred and refundable tax credit involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessment has been issued by the relevant taxation authority and payment has been received. Difference arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to the refundable tax credit and refundable tax credit, exploration and evaluation assets, and income tax expense in future periods.

5. CASH

	March 31,	
	2025	2024
	\$	\$
Cash	64,014	50,232

Cash is comprised of a high interest account which bears interest at rates ranging from 1.05% to 2.65% (2.80% to 4.40% on March 31, 2024).

6. EXPLORATION AND EVALUATION ASSETS

MINING RIGHTS

	January 1st, 2025	Additions	March 31, 2025
	\$	\$	\$
QUEBEC			
K2	1	2,864	2,865
Lithium North	26,584	-	26,584
Lithium 33-AU33	190,976	-	190,976
Nemiscou North	1	-	1
Pontax North	5,558	-	5,558
LeCaron Lithium	33,028	-	33,028
Clarkie East	76,891	-	76,891
33 Carats	132	1,969	2,101
	333,171	4,833	338,004

DIOS EXPLORATION INC.

Notes to Interim Financial Statements

For the three-month period ended March 31, 2025 (unaudited)

(in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

EXPLORATION AND EVALUATION EXPENSES	January 1st, 2025	Additions	March 31, 2025
	\$	\$	\$
QUEBEC			
Lithium North	162,463	-	162,463
Lithium 33-AU33	2,035,006	975	2,035,981
Pontax North	49,467	-	49,467
LeCaron Lithium	127,724	-	127,724
Clarkie East	486,885	-	486,885
	2,861,545	975	2,862,520
TOTAL	3,194,716	5,808	3,200,524

7. PROVISION FOR COMPENSATION

Under a flow-through financing agreement entered into with subscribers during 2022, the Company committed to spending \$650,000 in exploration expenses in Canada ("CEE") before December 31, 2023. The Company incurred an amount of \$428,856 on this date. Consequently, a balance of \$221,144 in expenses renounced to investors was not incurred in CEE as of December 31, 2023. The reason for the work not carried out is due to forest fires which made access to the mining sites impossible during the spring-summer 2023 period. At the provincial level a request for an additional twelve months to carry out the missing exploration work was accepted on February 16, 2024, while at the federal level the same request was made but no response on December 31, 2024. Amended renunciation forms have been filed with the federal tax authorities, which could result in the issuance of new assessment notices for affected subscribers for the 2022 tax year. In this regard, the Company has recorded, on December 31, 2024, a provision of \$90,419 (\$84,977 on December 31, 2023) as a provision for compensation and an expenses of \$5,442 (\$84,977 on December 31, 2023) was recognized in the results.

8. EQUITY

8.1 Share capital

The share capital of the Company consists only of ordinary shares created in unlimited number, without par value. All shares are equally admissible to receive dividends and the repayment of capital, and represent one vote each at the shareholders' meeting of the Company.

During the three-month period ended March 31, 2025, 125,000 stock options were exercised. An amount of \$12,500 which was received and an amount of \$10,000, representing the fair market value of the options at the time of issuance, were charged to the share capital.

DIOS EXPLORATION INC.

Notes to Interim Financial Statements

For the three-month period ended March 31, 2025 (unaudited)

(in Canadian dollars)

8.2 Warrants

Outstanding warrants entitle their holders to subscribe to an equivalent number of ordinary shares, as follows :

	Three-month period ended March 31, 2025		Year ended December 31, 2024	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Balance at the beginning and at the end	250,000	0.10	250,000	0.10

The number of warrants outstanding exercisable in exchange for an equivalent number of ordinary shares is as follows:

	March 31, 2025	
Expiry date	Number of warrants	Exercise price
		\$
August 12, 2026	250,000	0.10

9. EMPLOYEE REMUNERATION

9.1 Salaries and employee benefits expense

	Three-month period ended March 31,	
	2025	2024
	\$	\$
Salaries and benefits	-	-
Share-based payments	1,890	17,332
	1,890	17,332
Less: salaries capitalized in Exploration and evaluation assets	-	-
Salaries and employee benefits expense	1,890	17,332

9.2 Share-based payments

The Company has adopted share-based payment plan under which members of the Board of Directors may award options for ordinary shares to directors, employees and consultants. The maximum number of shares issuable under the plans is 6,600,000. The maximum number of common shares which may be reserved for issuance to any one option may not exceed 5% of the common shares outstanding at the date of grant.

The exercise price of each option is determined by the Board of Directors and cannot be less than the market value of the ordinary shares on the day prior to the award, and the term of the options cannot exceed five years. The options vesting period is 18 month, at a rate of 15% per quarter, at the exception of 10% at grant, which may be exercised from the date of the grant. For the options granted to relation consultants, the options vest in stages over a period of 12 months after the grant, at the rate of 25% per quarter.

DIOS EXPLORATION INC.

Notes to Interim Financial Statements

For the three-month period ended March 31, 2025 (unaudited)

(in Canadian dollars)

9.2 Share-based payments (cont'd)

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options.

The Company's share options are as follows for the reporting periods presented:

	Three-month period ended March 31, 2025		Year ended December 31, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Outstanding at the beginning	5,555,000	0.11	6,290,000	0.11
Exercised	(125,000)	(0.10)	-	-
Expired/Canceled	-	-	(735,000)	(0.11)
Outstanding at the end	<u>5,430,000</u>	0.11	<u>5,555,000</u>	0.11
Exercisable at the end	<u>5,430,000</u>	0.11	<u>5,409,500</u>	0.11

The stock options were exercised on February 21, 2025 at a price of \$0.10 when the share price on that date was \$0.02.

The table below summarizes the information related to outstanding share options as of March 31, 2025:

	March 31, 2025		
Expiry date	Number of options		Exercise price
	Outstanding	Exercisable	\$
May 26, 2025	725,000	725,000	0.10
October 22, 2025	1,675,000	1,675,000	0.12
June 6, 2026	1,030,000	1,030,000	0.10
September 1, 2027	1,030,000	1,030,000	0.10
July 3, 2028	970,000	970,000	0.10
	<u>5,430,000</u>	<u>5,430,000</u>	

In total, \$1,890 of employee remuneration expense (all of which related to equity-settled share-based payment transactions) were included in profit or loss for the three-month period ended March 31, 2025 (\$17,332 \$ for the three-month period ended March 31, 2024) and credited to the contributed surplus.

10. FINANCE INCOME

Finance income may be analyzed as follows for the reporting periods presented:

	Three-month period ended March 31,	
	2025	2024
	\$	\$
Interest income from cash and term deposit	<u>342</u>	<u>3,607</u>

DIOS EXPLORATION INC.

Notes to Interim Financial Statements

For the three-month period ended March 31, 2025 (unaudited)

(in Canadian dollars)

11. NET LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in circulation during the period. In calculating the diluted loss per share, dilutive potential ordinary shares such as share options and warrants have not been included as they would have the effect of increasing the loss per share and would be antidilutive. Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in Notes 11.2 and 12.2.

	Three-month period ended March 31,	
	2025	2024
Net loss	(49,129) \$	(63,995) \$
Weighted average number of shares in circulation	121,336,233	121,282,066
Basic and diluted loss per share	(0.0004) \$	(0.0005) \$

12. ADDITIONAL INFORMATION - CASH FLOWS

The changes in working capital items are detailed as follows:

	Three-month period ended March 31,	
	2025	2024
	\$	\$
Goods and services tax receivable	1,199	4,146
Prepaid expenses	632	1,912
Trade and other payables	29,119	(14,990)
	30,950	(8,932)

Non-cash transactions of the statement of financial position are detailed as follows:

	Three-month period ended March 31,	
	2025	2024
	\$	\$
Trade and other payables relating to exploration and evaluation assets	17,705	4,856

13. RELATED PARTY TRANSACTIONS

The Company's related parties include a related company and key management as described below. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

DIOS EXPLORATION INC.

Notes to Interim Financial Statements

For the three-month period ended March 31, 2025 (unaudited)

(in Canadian dollars)

13.1 Transactions with key management personnel

Key management personnel of the Company are the president, the chief financial officer, the vice president exploration and directors of the Company. Key management personnel remuneration includes the following expenses:

	Three-month period ended March 31,	
	2025	2024
	\$	\$
Short-term employee benefits		
Salaries including bonuses and benefits	-	-
Consulting fees	-	8,250
Total short-term employee benefits	-	8,250
Share-based payments	1,627	16,858
Total remuneration	<u>1,627</u>	<u>25,108</u>

14. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to increase the value of the assets of the business; and
- to provide an adequate return to the shareholders.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means.

The Company monitors capital on the basis of the carrying amount of equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues flow-through shares for which an amount should be used for exploration work. See all the details in Note 8 and the statement of changes in equity.

The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its activities or may slow its activities until conditions improve.

15. CONTINGENCIES AND COMMITMENTS

The Company is partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Company is engaged in realizing mining exploration work.

These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- Two years following the flow-through placements;
- One year after the Company has renounced the tax deductions relating to the exploration work.

DIOS EXPLORATION INC.

Notes to Interim Financial Statements

For the three-month period ended March 31, 2025 (unaudited)

(in Canadian dollars)

15. CONTINGENCIES AND COMMITMENTS (cont'd)

However, there is no guarantee that the Company's exploration expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

During the year ended December 31, 2022, the Company received an amount of \$650,000 following flow-through investments for which it waived tax deductions on December 31, 2022, for the benefit of investors. Management had to spend these amounts before December 31, 2023. During the spring-summer 2023 period, access to our properties was impossible due to forest fires, which is why as of December 31, 2023, there was still a balance of \$221,144 to spend in relation to these flow-through investments. See Note 7. As of March 31, 2025, the balance is \$0.