



DIOS
EXPLORATION

**DIOS EXPLORATION INC.
Management's Discussion and Analysis
Quarterly highlights
For the three-month period ended
March 31, 2020**

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-month period ended March 31, 2020 ("2020-Q1").

This discussion and analysis should be read in conjunction with:

- The unaudited interim financial statements for 2020-Q1;
- The 2019 Annual Management report; and
- The Company's audited financial statements for the year ended December 31, 2019 and December 31, 2018.

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 81,673,077 shares were issued and outstanding as at March 31, 2020.

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.

K2 gold-copper-silver project is located directly SW in strike of Azimut's Elmer gold discovery. Very significant results were obtained on K2 project with its Atllila-Kali eastern targets and west input WI gold targets, west of the Kali intrusive, as well as on Clarkie gold project, along Eleonore gold mine - Cheechoo corridor.

Successful drilling of large AU33 gold property led to HEBERTO GOLD discovery and 4 km NNE, to successful drilling of CLN area and recently, a further 4-5 km east of CLN, to gold drilling discovery in WTS sector late last year.

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COVID-19 Pandemic

As of the date hereof, the company postponed its mining exploration work following government orders relating to the COVID-19 pandemic. The Minister of Energy and Natural Resources of Quebec announced on April 9, 2020 the postponement of the requirement to carry out field work to renew a claim, for a period of one year. In addition, at this time, pressure is being put on government authorities to obtain an extension of the time limit for spending funds from flow-through financing.

Financing activities

On March 4 and 13, 2020, the Company completed a non-brokered private placement. An amount of \$659,000 was subscribed consisting in 6,590,000 flow-through shares at a price of \$0.10. An amount of \$549,650 was allocated to share capital, while an amount of \$109,350 has been recorded in other liabilities in the statement of financial position. Finder's fees amounted to \$15,000, consisting in the issuance of 176,471 common shares of the Company at a price of \$0.085 for a value of \$15,000.

After the quarter ended, the Company completed on April 28, 2020 a non-brokered private placement. An amount of \$401,000 was subscribed for consisting in 4,010,000 flow-through shares at a price of \$0.10. An amount of \$380,950 was allocated to share capital, while an amount of \$20,050 has been recorded in other liabilities in the statement of financial position. Finder's fees amounted to \$18,000, consisting in the issuance of 211,765 common shares of the Company at a price of \$0.085 for a value of \$18,000.

Investing activities

In 2020-Q1, Dios paid \$558 for mining rights (claim renewal and acquisitions) compared to \$3,327 for the same period last year.

During the three-month period ended March 31, 2020, the Company incurred \$22,931 in exploration expenses compared to \$60,671 for the same period in 2019.

See the paragraph above concerning COVID-19 pandemic.

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Exploration Expense Analysis

Description	AU33	K2	Clarkie	Total
	\$	\$	\$	
Geology	9,605	9,107	498	19,210
Transportation, Lodging	-	1,458	-	1,458
Drilling and assays	1,333	-	-	1,333
Office and other	232	698	-	930
	11,170	11,263	498	22,931

On February 11, 2020, the Company signed an agreement with Sirius Resources Inc. ("Sirios") allowing the latter to acquire an interest in the Solo property (extreme southeast section of the K2 property). Sirios can get a 51% interest in this property over a period of three years with payments of \$125,000 and exploration work totaling \$600,000. Once the 51% participation is obtained, Sirios will have the option of continuing exploration in joint venture with the Company on a 51/49 basis or else starting a second phase allowing it to increase its participation to 90% with payments of \$150,000 and drilling totaling 20,000 meters over a three-year period. During the quarter, the Company received from Sirios a payment of \$25,000.

Exploration performed during the quarter

K2 gold project

The Company plans drilling wholly-owned **K2 gold project** in 2020, directly bordering **Azimut Elmer gold property** to the west-southwest, along same trend of Opinaca River deformation Zone, an underexplored part of Lower Eastmain Greenstone belt, James Bay Eeyou-Istchee, Quebec.

K2 surrounding KALI intrusive was never drilled and was enlarged to 84 sq. km in 2019 to protect specific high priority targets defined by its high expertise geological team.

K2 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 synvolcanic tonalite pluton. In 2019, effort was put on dozen of electromagnetic anomalies for low sulfide content and extents in mixed volcanics.

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Late 2019 and winter 2020 exploration research **confirmed non-outcropping WI-Target as project best target**, a possible gold-silver-copper VMS mineralized system. (telescoped Doyon/Westwood +/-Bousquet-type). Dios is planning a detailed ground induced polarization survey on that 3 km long prospective electromagnetic conductor.

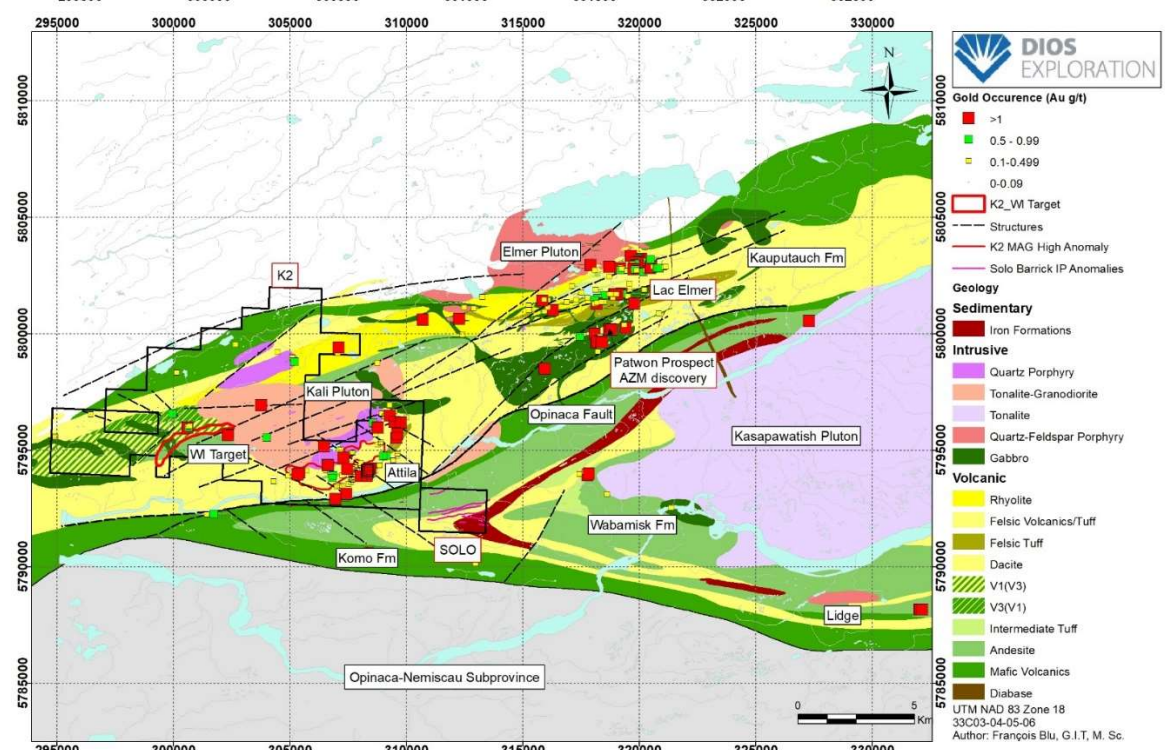
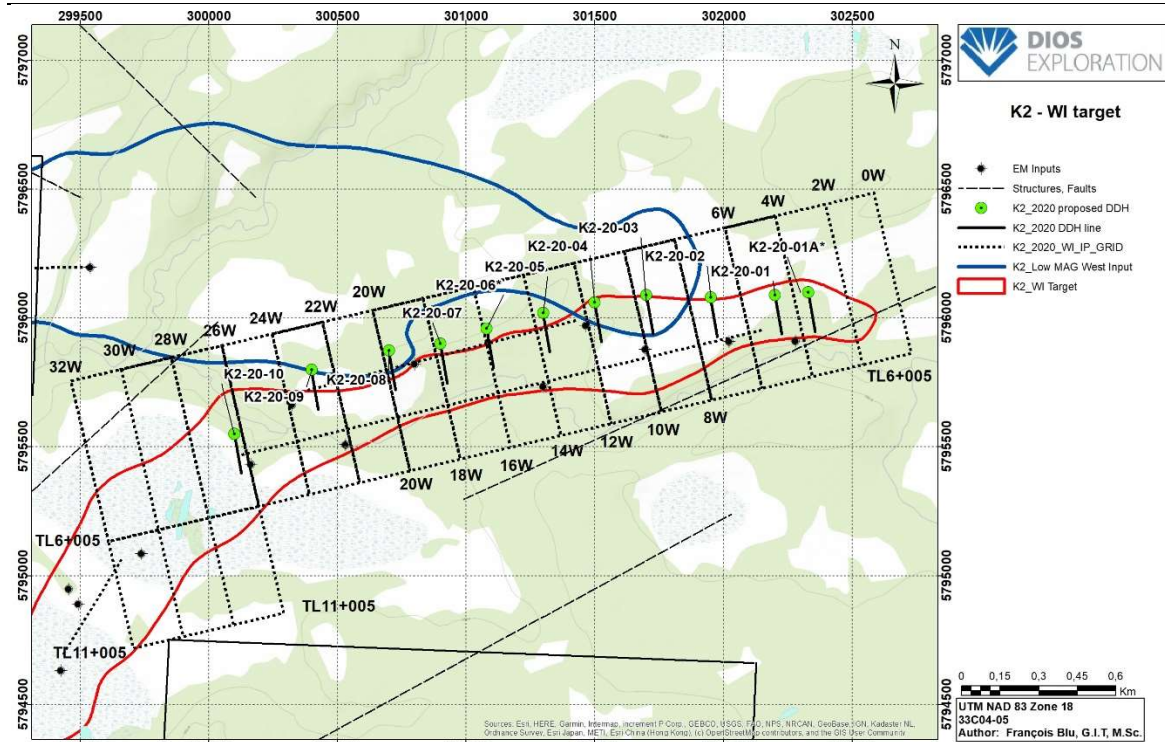
Good gold-in-soil anomalies (up to 283 ppb Au in B-horizon) coupled with cm-m sericite & silicified dacite floats with 2-10% sulfide & quartz stringers (up to 6.72 g/t gold) are hosted in glacial drumlins directly adjacent to 3 km-long input electromagnetic airborne IP conductor. Negative 2019 up-ice soil sampling eliminated other sources for this gold-in-soil anomaly cluster.

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

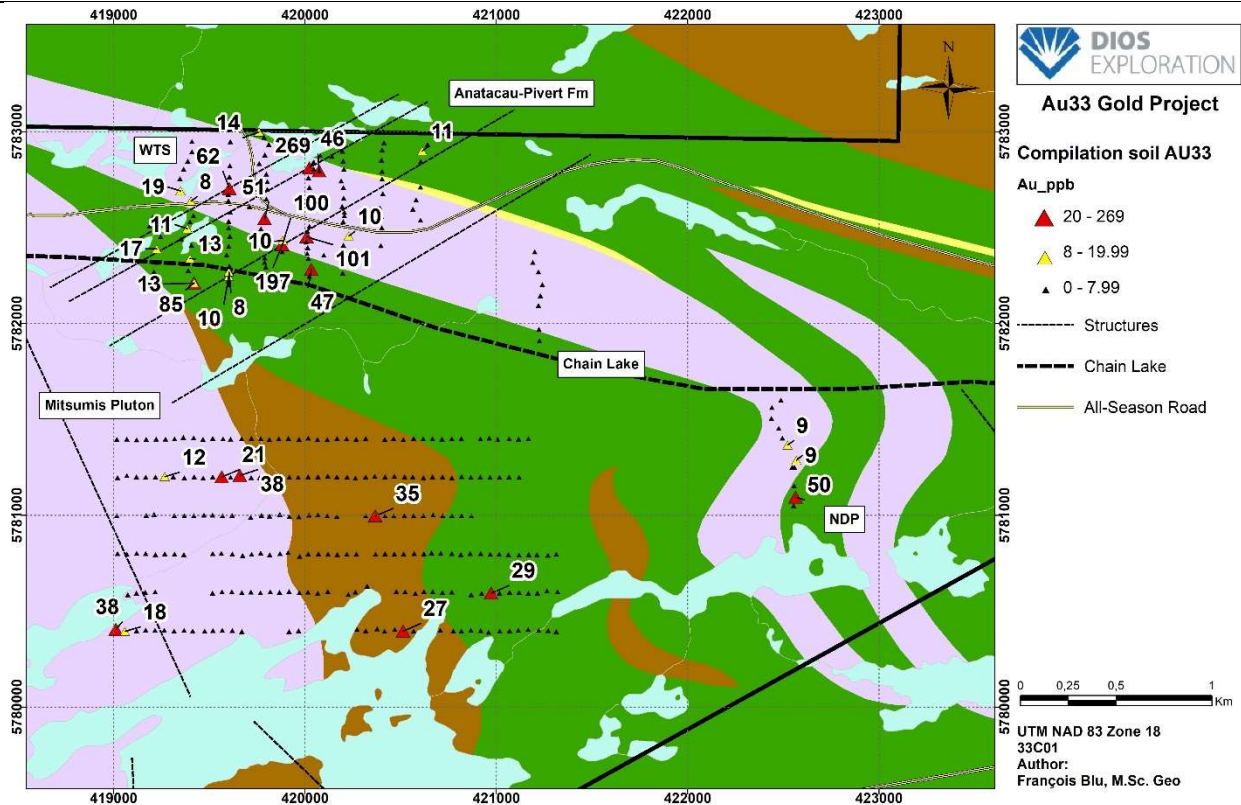
Another strong drill target is Attila gold-copper showing hosted in fractured rhyodacite dome overlying Kali quartz-diorite/tonalite Porphyry to the south, 7 km east of WI-Target. It consists in chalcopyrite-rich stringer/ stockwork extending over 75 m long and about 5-15 m wide that yielded up to 8.08 g/t gold, 96.7 g/t Ag, 2.43% Cu & 0.17% Zn.

The Attila Zone averaged grades of 1.07 g/t Au, 38.8 g/t Ag, 1.25% Cu & 0.01% Bi from 13 grab samples (see 2017 releases). Approximately 100 m north, a plurimetric sub-parallel horizon (Attila-N) extending over 50 m long with narrow quartz-carbonate-pyrite veins returned five samples greater than 1.0 g/t Au (up to 3.64 g/t Au & 26.7 g/t Ag). Previous gold (9-21, 114 ppb Au)-copper (over 75 ppm Cu)-zinc (over 70 ppm Zn) soil anomalies are coincidental with Attila mineralized area. Drilling at depth is warranted.

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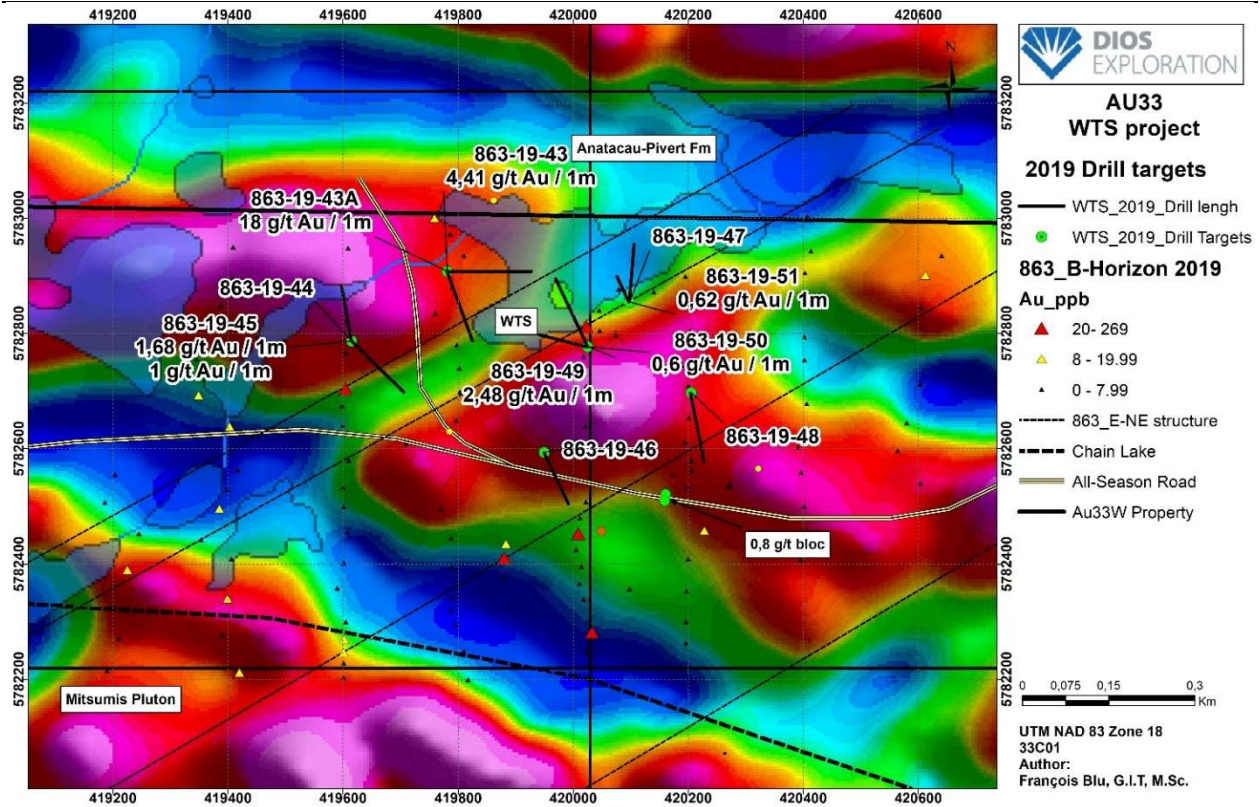


DIOS drilled AU33 gold project, targeting WTS gold-in-soil anomalies at the very end of 2019: winter 2020 results returned significant gold values in this virgin AU33 area, up to 18 g/t gold over 1 m

Drilling in **WTS area** returned significant results, up to 18 g/t gold over 1 m (6.08 g/t gold / 3 m) and 4.41 g/t gold over 1 m in another hole (100 m apart). Dios drilled ten exploratory 100-150m holes, often 200 m apart, up-ice of strong gold-in-till values: see table and map.

Poorly outcropping **WTS** magnetic horizon was soil sampled in 2018-2019: gold anomaly clusters discovered (8 to 269 ppb gold) near two northeast low magnetic structures cut through 300-350 m wide magnetic WTS horizon. No goldbearing outcrop is known in WTS, 8 km NE of HEBERTO gold zones.

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Holes 2019 WTS area	From	To	Length (m)	g/t gold	Comment
43A	140	141	1 m	18.0	Quartz-carbonates-chalcopyrite-pyrite veinlets in foliated magnetic basalt
	139	142	3 m	6.08	
43	17	18	1 m	4.41	Foliated magnetic basalt, traces pyrite
	16	25	9 m	0.547	Foliated magnetic basalt & granodiorite, traces-1% pyrite
43	90	92	2 m	0.503	Quartz carbonates veinlets in foliated magnetic basalt

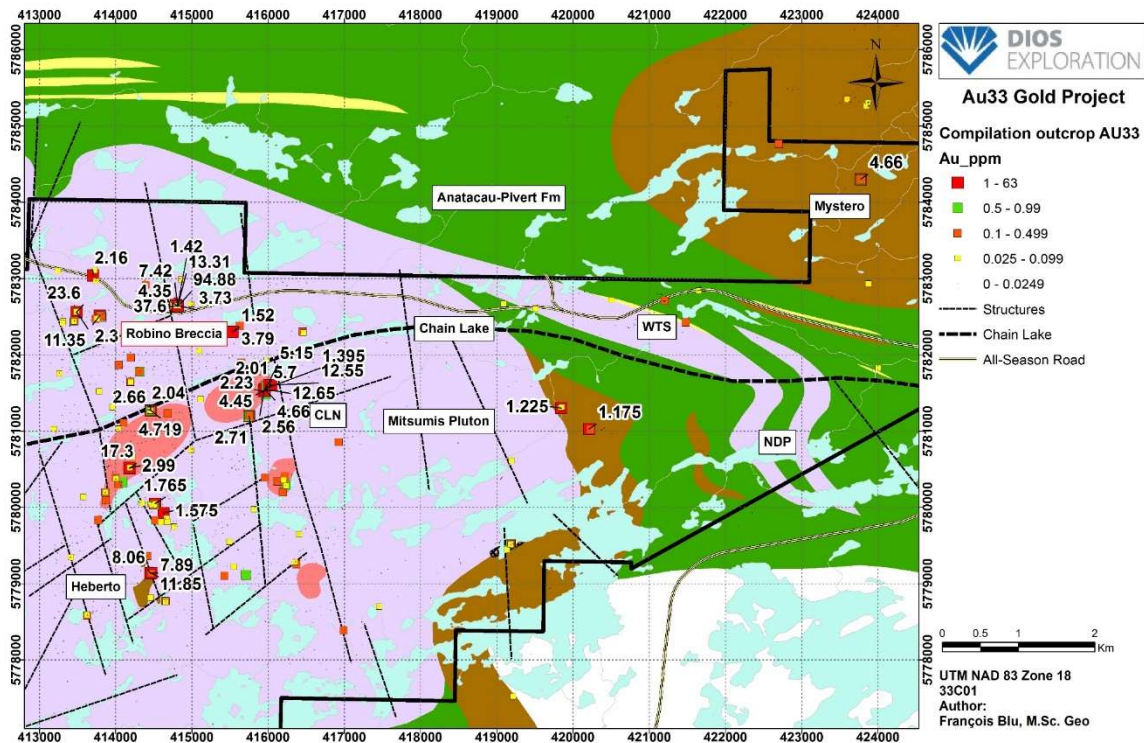
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49	31	32	1 m	1.51	Magnetic granodiorite, 0.5% pyrite
49	115	116	1 m	2.48	Magnetic Granodiorite dyke, 1% pyrite
45	37	38	1 m	1.68	Foliated basalt 1-2% pyrite
45	46	47	1 m	0.891	Foliated basalt 1%pyrite
45	87	88	1 m	1.0	Foliated basalt 1% pyrite
51	7	8	1 m	0.628	Qz-cb-cpy-py.veinlets in granodiorite
50	54	56	2 m	0.17	Foliated basic dyke, 5% qz-cb veinlets
50	64.5	66.5	2 m	0.2	Magnetic grano- diorite dyke, 1%pyrite
50	76.5	79.5	3 m	0.274	Magnetic Grano- diorite dyke, .5% pyrite
50	88.5	90.5	2 m	0.44	Foliated basic dyke, 0.5%py +qz-cb veinlets
50	123.5	125.5	2 m	0.4	Foliated basalt, 2% pyrite

Numerous narrow (1-3 m) goldbearing (0.5 to 18 g/t gold) structures with quartz (pyrite-chalcopyrite) veinlets and/or disseminated (1-4%) pyrite were hit in 2019 drilling WTS gold-in-soil anomalies.

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During late 2019, Dios discovered on AU33 some high grade gold showings of 94.88 grams/ton & 13.31 g/t Au, 7.42 g/t Au, 4.45 g/t Au in different occurrences on eastern margin of Robino breccia.



Overall performance

Net loss for the quarter is \$37,875 (net loss of \$39,176 for the first quarter 2019) whereas expenses for the quarter totalled \$38,628 (\$55,027 for the first quarter 2019).

- Decrease of stock-based compensation expenses. See the table below.
- Decrease in Professional fees due to the timing of audit fees invoiced.
- Increase in Office expense: Finalization of a new website.
- 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, 2020 \$	Quarter ended March 31, 2019 \$
Stock-based payments	-	(5,219)
Deferred income taxes recovered	-	13,482

Financial position

- Working capital increased by \$502,862 as at March 31, 2020 going from \$30,250 as at December 31, 2019 to \$533,112 as at March 31, 2020, (including in addition

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Other liabilities of \$109,350 as at March 31, 2020 to be erased when flow-through expenditures related to this quarter flow-through financings have been incurred). The increase is mainly due to financings made during the period offset by exploration costs, mining right payments and administrative expenses incurred during the period

- Cash and term deposit amount to \$648,275 as at March 31, 2020 compared to \$157,743 as at December 31, 2019. 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 as at March 31, 2020 is \$108,478 to be spent before December 31, 2020 and 659,000\$ to be spent before December 31, 2021.

Exploration Budget for fiscal 2020: The planned exploration works to be conducted by Dios in 2020 are disclosed in the 2019 Annual Management report. See above section "Exploration performed during the quarter". See also the paragraph above concerning 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, exploration. Key management personnel remuneration includes the salaries, the consulting fees and share-based payments. For the 2020-Q1, the compensation is \$17,706 (\$71,437 for the same period last year). An amount of \$10,956 (\$55,506 for the same period last year) was capitalized in Exploration and Evaluation assets.

Forward-looking information

See the forward-looking information in the 2019 Annual Management report.

Montreal, Quebec
May 1, 2020