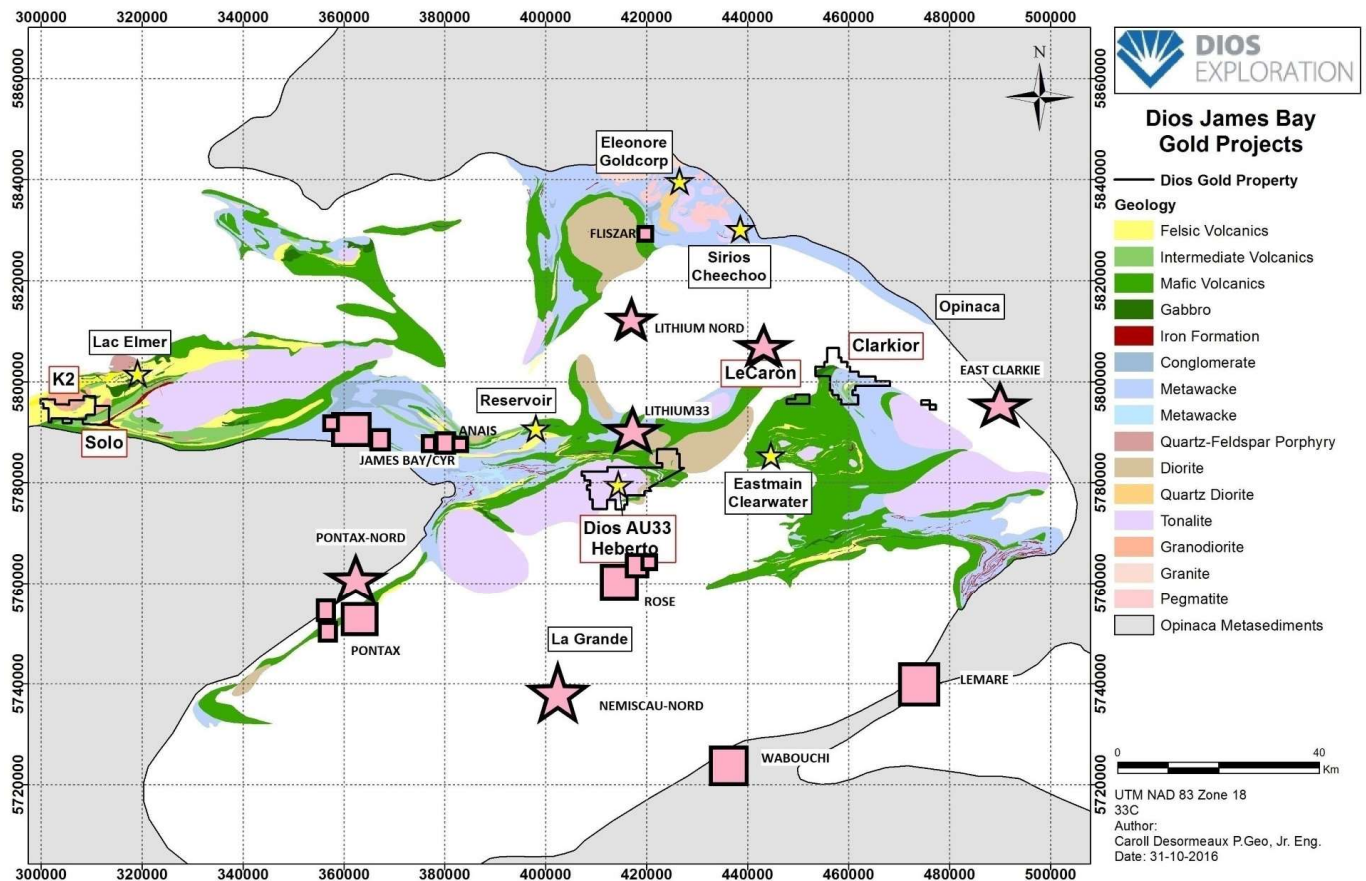




**DIOS EXPLORATION INC.
Management's Discussion and Analysis
Quarterly highlights
For the three and six-month periods ended
June 30, 2023**



*Lower Eastmain Greenstone belt, LaGrande Geological sub-province:
PINK STARS= DIOS LITHIUM PROJECTS PINK SQUARES= LITHIUM DEPOSITS OR SHOWINGS*

DIOS EXPLORATION INC. - Management's Discussion & Analysis – Quarterly Highlights – Three and six-month periods ended June 30, 2023

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, 2023.

This discussion and analysis should be read in conjunction with:

- The unaudited interim financial statements as at June 30, 2023;
- 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 web site, under the Company’s section “Sedar filing” or at www.diosexplo.com. The Company's shares are listed on the TSX Venture Exchange, under the symbol "DOS". As at June 30, 2023, there are 121,282,066 Common Shares of Dios issued and outstanding.

Nature of activities

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

Several significant **LITHIUM** acquisitions were completed in 2023, in addition to at least two large **LITHIUM** properties in 2022: **Nemiscau North** and **Lithium33 Battery Metal** contiguous to **AU33** hosting Dios’ **HEBERTO GOLD** discovery.

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.

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Investing activities

Quarter ended June 30, 2023

In 2023-Q2, Dios paid \$33,006 for mining rights (claim renewal and acquisitions) compared to \$16 160 for the same period last year.

Mining Right Additions

| Properties | \$ |
|-----------------|--------|
| Lithium North | 2,040 |
| Nemiscau North | 366 |
| LeCaron Lithium | 8,330 |
| Clarkie East | 2,550 |
| Claim renewal | 19,720 |
| | 33,006 |

During the three-month period ended June 30, 2023, the Company incurred \$67,282 in exploration expenses compared to \$71,099 for the same period in 2022.

Exploration Expense Analysis

| Description | Geology | Assays | Offices and others | Total |
|------------------|---------|--------|--------------------|--------|
| | \$ | \$ | \$ | \$ |
| Clarkie East | 20,354 | - | - | 20,354 |
| Lithium North | 18,947 | - | - | 18,947 |
| LeCaron Lithium | 14,816 | - | - | 14,816 |
| Nemiscau North | 6,154 | - | - | 6,154 |
| Other properties | 4,051 | 2,762 | 198 | 7,011 |
| | 64,322 | 2,762 | 198 | 67,282 |

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Six-month period ended June 30, 2023

During this period, Dios paid \$101,155 for mining rights (claim renewal and acquisitions) compared to \$18,240 last year.

Mining Right Additions

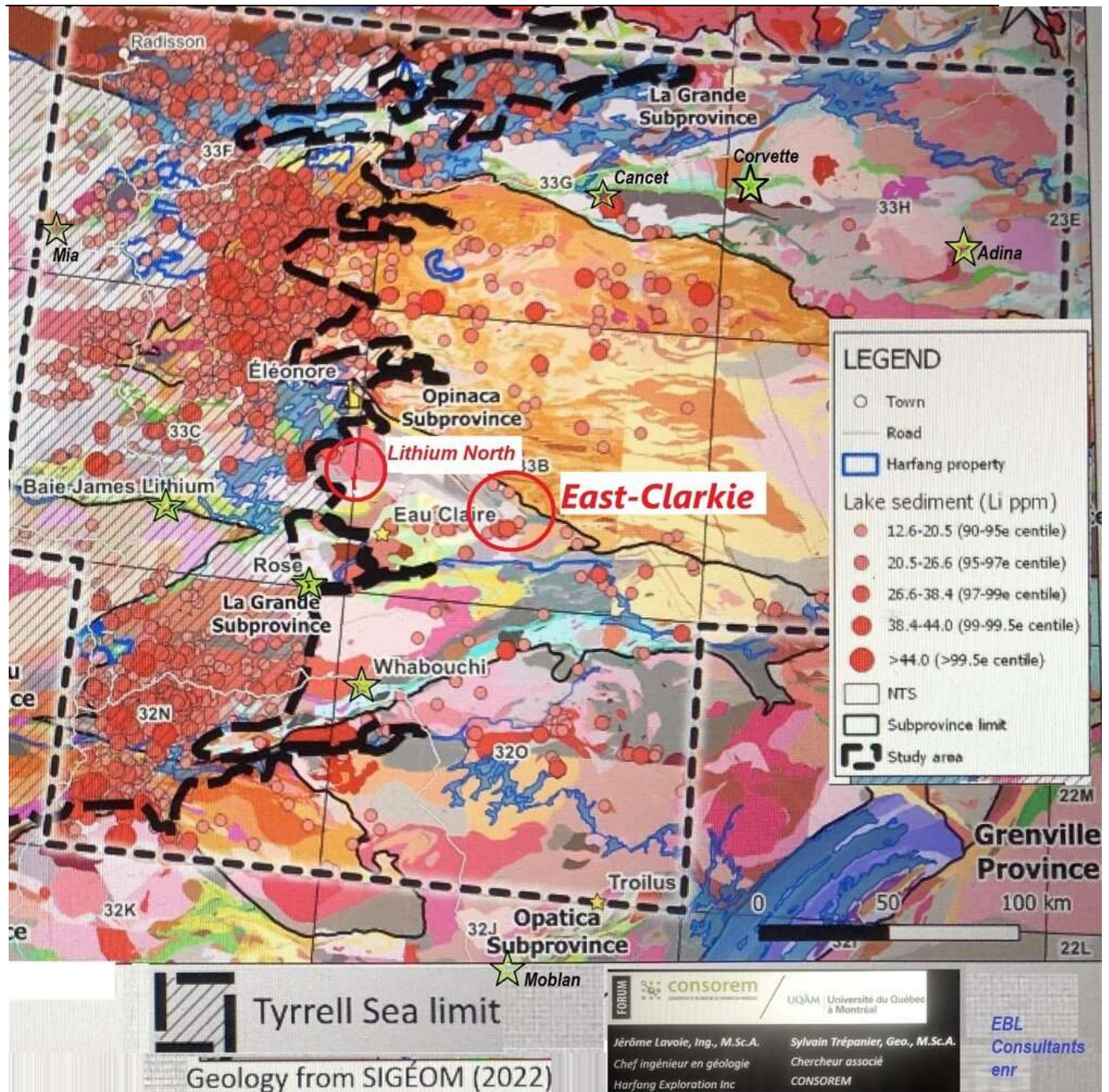
| Properties | \$ |
|-------------------|-----------|
| Lithium North | 26,350 |
| Nemiscau North | 4,110 |
| LeCaron Lithium | 18,360 |
| Pontax North | 1,190 |
| Clarkie East | 28,900 |
| Claim renewal | 22,245 |
| | 101,155 |

During the six-month period ended June 30, 2023, the Company incurred \$143,453 in exploration expenses compared to \$172,593 for the same period in 2022.

Exploration Expense Analysis

| Description | Geology | Assays | Offices and others | Total |
|--------------------|----------------|---------------|---------------------------|--------------|
| | \$ | \$ | \$ | \$ |
| Clarkie East | 34,199 | - | - | 34,199 |
| Lithium North | 42,840 | - | - | 42,840 |
| LeCaron Lithium | 19,928 | - | - | 19,928 |
| Nemiscau North | 17,373 | - | - | 17,373 |
| K2 | 16,941 | 3,224 | 3,275 | 23,440 |
| Other properties | 5,673 | - | - | 5,673 |
| | 136,954 | 3,224 | 3,275 | 143,453 |

DIOS EXPLORATION INC. - Management's Discussion & Analysis – Quarterly Highlights – Three and six-month periods ended June 30, 2023



DIOS EXPLORATION INC. - Management's Discussion & Analysis – Quarterly Highlights – Three and six-month periods ended June 30, 2023

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 also 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) will start in second half of August along these prospective pegmatitic structures associated with lithium-rubidium-cesium values*, 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*

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Overall performance

Net profit for the quarter ended June 2023 is \$8,426 (net loss of \$12,370 for the second quarter 2022) whereas expenses for the quarter totalled \$18,921 (\$37,857 for the second quarter 2022). The profit for the quarter results from an item not contributing any cash flow (see below).

During the three-month period ended June 30, 2023, one notes mainly:

- Decrease of stock-based compensation expenses and Deferred income taxes recovered. See the table below.
- Gain on disposal of the 33Carats property of \$30,000.
- Decrease in Professional fees due to the timing of audit fees invoiced.
- Increase in Finance income due to the increase in yield rates.
- 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, 2023 | Quarter ended June 30, 2022 |
|---------------------------------|--------------------------------|--------------------------------|
| Share-based payments | \$(4,968) | \$(10,830) |
| Deferred income taxes recovered | \$20,315 | \$21,330 |

Net loss for the six-month period ended June 30, 2023 is \$30,518 (net loss of \$32,333 for the six-month period ended June 30, 2022) whereas expenses for the six-month period 2023 totalled \$87,890 (\$90,053 for the six-month period ended June 30, 2022).

During the six-month period ended June 30, 2023, one notes mainly:

- Significant increase in audit fees 2022.
- Decrease of Stock-based compensation expenses and Deferred income taxes recovered. See the table below.
- Website improvements costs.
- 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):

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| | Six-month period ended June 30, 2023 | Six-month period ended June 30, 2022 |
|---------------------------------|---|---|
| Share-based payments | \$(12,472) | \$(29,944) |
| Deferred income taxes recovered | \$42,891 | \$51,778 |

Financial position

- Working capital decreased by \$232,862 as at June 30, 2023 going from \$791,228 as at December 31, 2022 to \$558,366 as at June 30, 2023, including *other liabilities* of \$152,109 to be recovered and added to working capital once incurred all *flow through funds* in 2023. The decrease is mainly due to exploration costs, mining right payments and administrative expenses incurred during the period.
- Cash and term deposit totalled \$799,550 as at June 30, 2023 compared to \$941,122 as at December 31, 2022. 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 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, professional fees and share-based payments.

For the three-month period ended June 30, 2023, the compensation was \$74,183 (\$80,949 for the same period last year). An amount of \$54,055 (\$56,837 for the same period last year) was capitalized in Exploration and Evaluation assets.

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For the six-month period ended June 30, 2023, the compensation was \$152,245 (\$166,212 for the same period last year). An amount of \$112,740 (\$115,015 for the same period last year) was capitalized in Exploration and Evaluation assets.

Forward-looking information

See the forward-looking information in the 2022 Annual Management report.

Montreal, Quebec
August 16, 2023