

DIOS EXPLORATION INC.

Unaudited Interim Financial Statements

September 30, 2024

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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	September 30, 2024	December 31, 2023
		\$	\$
ASSETS			
Current			
Cash and cash equivalents		173,577	60,844
Term deposit 4.50%, retractable, maturing July 25, 2024		-	310,685
Good and services tax receivable		28,068	11,626
Prepaid expenses		724	4,205
		<u>202,369</u>	<u>387,360</u>
Non-current			
Fixed assets	5	86	515
Exploration and evaluation assets	6	7,118,095	6,916,063
		<u>7,118,181</u>	<u>6,916,578</u>
Total assets		<u><u>7,320,550</u></u>	<u><u>7,303,938</u></u>
LIABILITIES			
Current			
Trade and other payables		152,064	48,301
Provision for compensation	7	84,977	84,977
Other liabilities		6,038	66,342
Total liabilities		<u>243,079</u>	<u>199,620</u>
EQUITY			
Share capital	8.1	24,786,494	24,786,494
Contributed surplus		3,247,468	3,211,473
Deficit		(20,956,491)	(20,893,649)
Total equity		<u>7,077,471</u>	<u>7,104,318</u>
Total liabilities and equity		<u><u>7,320,550</u></u>	<u><u>7,303,938</u></u>

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

These financial statements were approved and authorized for issue by the Board of Directors on November 5, 2024.

(s) Marie-José Girard

Marie-José Girard, Director

(s) Normand Payette

Normand Payette, Director

DIOS EXPLORATION INC.

Interim Statement of Comprehensive Income (unaudited)

(in Canadian dollars)

	Notes	Three-month period ended		Nine-month period ended	
		September 30,		September 30,	
		2024	2023	2024	2023
		\$	\$	\$	\$
EXPENSES					
Employee benefits expense	9.1	7,324	13,662	35,996	34,742
Trustees, registration fees and shareholders' relations		6,445	5,100	21,815	26,111
Professional fees		1,163	-	49,758	43,188
Office expenses		952	2,771	2,279	8,363
Publicity, travel and promotion		533	2,897	1,267	3,634
Income tax of section III.14		338	15,630	3,530	15,630
Insurance, taxes and permits		215	2,333	2,578	8,957
Amortization of fixed assets		144	143	429	430
Bank charges		98	130	309	425
Consulting fees		-	6,050	14,450	25,126
Gain on disposal of exploration and evaluation assets		-	-	-	(30,000)
OPERATIONAL LOSS		17,212	48,716	132,411	136,606
OTHER REVENUES AND EXPENSES					
Finance income	10	-	7,941	9,264	22,422
LOSS BEFORE INCOME TAXES		(17,212)	(40,775)	(123,147)	(114,184)
Deferred income taxes		54,097	64,648	60,305	107,539
NET REVENUE (LOSS) AND COMPREHENSIVE REVENUE (LOSS)		36,885	23,873	(62,842)	(6,645)
NET REVENUE (LOSS) PER SHARE - basic and diluted					
	11	0.0002	0.001	(0.0005)	(0.001)

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

DIOS EXPLORATION INC.

Interim Statement of Changes in Equity (unaudited)

(in Canadian dollars)

	Share capital		Contributed surplus	Deficit	Total Equity
	Number of shares issued	\$	\$	\$	\$
Balance on January 1st, 2023	121,207,066	24,774,569	3,162,164	(20,764,835)	7,171,898
Net loss for the period	-	-	-	(6,645)	(6,645)
Share-based payments	9.2	-	23,555	-	23,555
Exercise of options	8.1	75,000	11,925	(4,425)	7,500
Balance on September 30, 2023	121,282,066	24,786,494	3,181,294	(20,771,480)	7,196,308
Balance on January 1st, 2024	121,282,066	24,786,494	3,211,473	(20,893,649)	7,104,318
Net loss for the period	-	-	-	(62,842)	(62,842)
Share-based payments	9.2	-	35,996	-	35,996
Balance on September 30, 2024	121,282,066	24,786,494	3,247,469	(20,956,491)	7,077,471

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

DIOS EXPLORATION INC.

Interim Statement of Cash Flows (unaudited)

(in Canadian dollars)

	Notes	Nine-month period ended	
		September 30,	
		2024	2023
		\$	\$
OPERATING ACTIVITIES			
Net loss		(62,842)	(6,645)
Adjustments			
Share-based payments		35,996	23,554
Finance income not cashed		-	(974)
Amortization of fixed assets		429	430
Deferred income taxes		(60,305)	(107,539)
Gain on disposal of exploration and evaluation assets		-	(30,000)
Changes in working capital items	12	(7,655)	95,659
Cash flows from operating activities		(94,377)	(25,515)
INVESTING ACTIVITIES			
Additions to term deposit		-	(518,643)
Disposal of term deposit		310,687	875,635
Repayment of advance on exploration and evaluation assets		-	22,005
Payment received on option		-	30,000
Tax credit received		-	112,784
Additions to exploration and evaluation assets		(103,577)	(445,828)
Cash flows from investing activities		207,110	75,953
FINANCING ACTIVITIES			
Exercise of options		-	7,500
Advance from a director		-	39,480
Share issuance costs		-	(4,700)
Cash flows from financing activities		-	42,280
NET CHANGE IN CASH AND CASH EQUIVALENTS		112,733	92,718
CASH AND CASH EQUIVALENTS, BEGINNING		60,844	62,113
CASH AND CASH EQUIVALENTS, END		173,577	154,831

Additional information - Cash Flows - Note 12.

Supplemental disclosure

Interest income received (operating activities)	9,264	21,447
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The accompanying notes are an integral part of the interim financial statements.

DIOS EXPLORATION INC.

Notes to Interim Financial Statements

For the nine-month period ended September 30, 2024 (unaudited)

(in Canadian dollars)

1. NATURE OF OPERATIONS AND CORPORATE INFORMATION

Dios Exploration Inc. (the "Company") is an 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 nor cash flows from its operations. As of September 30, 2024, the Company has a cumulated deficit of \$20,956,491 (\$20,893,649 as of December 31, 2023). 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.

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, 2023. 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, estimations and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimations and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimations and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed 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 nine-month period ended September 30, 2024 (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 exit 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 a 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 or the cash-generating units must be estimated. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to 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 recover 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 nine-month periods ended September 30, 2024 and 2023, there were no write-off of exploration and evaluation assets. No reversal of impairment losses has been recognized for the reporting periods.

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.

DIOS EXPLORATION INC.

Notes to Interim Financial Statements

For the nine-month period ended September 30, 2024 (unaudited)

(in Canadian dollars)

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

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. FIXED ASSETS

	Computer equipment
	\$
Gross carrying amount	
Balance on January 1st, 2024	1,719
Additions	-
Balance on September 30, 2024	1,719
Accumulated amortization	
Balance on January 1st, 2024	1,204
Amortization	429
Balance on September 30, 2024	1,633
Carrying amount on September 30, 2024	86

All depreciation charges are presented under *Amortization of fixed assets*.

6. EXPLORATION AND EVALUATION ASSETS

MINING RIGHTS	January 1st,	Additions	September 30,
	2024		2024
	\$	\$	\$
QUEBEC			
K2	67,671	-	67,671
Lithium North	26,584	-	26,584
Lithium 33-AU33	208,674	895	209,569
Nemiscau North	19,890	-	19,890
Pontax North	5,558	-	5,558
LeCaron Lithium	33,028	-	33,028
Clarkie East	76,712	-	76,712
Autres	13,644	-	13,644
	451,761	895	452,656

DIOS EXPLORATION INC.

Notes to Interim Financial Statements

For the nine-month period ended September 30, 2024 (unaudited)

(in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

EXPLORATION	January 1st, 2024	Additions	September 30, 2024
	\$	\$	\$
QUEBEC			
K2	3,708,323	2,483	3,710,806
Lithium North	100,918	73,231	174,149
Lithium 33-AU33	2,022,867	120	2,022,987
Nemiscau North	67,611	2,708	70,319
Pontax North	9,801	32,349	42,150
LeCaron Lithium	73,850	46,682	120,532
Clarkie East	438,096	43,564	481,660
14 Karats	42,836	-	42,836
	6,464,302	201,137	6,665,439
TOTAL	6,916,063	202,032	7,118,095

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 not response to date. Amended renunciation form 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, as of December 31, 2023, a provision of \$84,977 as a provision for compensation and an expense of the same amount 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 nine-month period ended September 30, 2023, 75,000 stock options were exercised. An amount of \$7,500, which was received and an amount of \$4,425 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 nine-month period ended September 30, 2024 (unaudited)

(in Canadian dollars)

8.2 Warrants

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

	Nine-month period ended September 30, 2024		Year ended December 31, 2023	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Balance at the beginning	250,000	0.10	9,340,000	0.20
Expired	-	-	(9,090,000)	(0.20)
Balance 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:

Expiry date	September 30, 2024	
	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 September 30,		Nine-month period ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Salaries and benefits	-	57,780	-	179,128
Share-based payments	7,324	11,083	35,996	23,554
	7,324	68,863	35,996	202,682
Less: salaries capitalized in Exploration and evaluation assets	-	(55,201)	-	(167,940)
Salaries and employee benefits expense	7,324	13,662	35,996	34,742

9.2 Share-based payments

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

DIOS EXPLORATION INC.

Notes to Interim Financial Statements

For the nine-month period ended September 30, 2024 (unaudited)

(in Canadian dollars)

9.2 Share-based payments (cont'd)

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 the award, and the term of the options cannot exceed five years. The options granted vest in stages over a period of 18 months after the grant date, at the rate of 15% per quarter, with the exception of 10% which may be exercised from the date of the grant. For the options granted to a consultant, it vest in stages over a period of 12 months after the grant, at the rate of 25% per quarter.

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:

	Nine-month period ended September 30, 2024		Year ended December 31, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Outstanding at beginning	6,290,000	0.11	6,110,000	0.11
Granted	-	-	1,125,000	0.10
Exercised	-	-	(75,000)	(0.10)
Expired/canceled	(735,000)	(0.11)	(870,000)	(0.10)
Outstanding at the end	5,555,000	0.11	6,290,000	0.11
Exercisable at the end	5,264,000	0.11	5,300,000	0.11

The following table summarizes information about common share purchase options outstanding and exercisable as of September 30, 2024:

Expiry date	September 30, 2024		Exercise price \$
	Outstanding	Exercisable	
May 26, 2025	850,000	850,000	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	679,000	0.10
	5,555,000	5,264,000	

In total, \$35,996 of employee remuneration expense (all of which related to equity-settled share-based payment transactions) were included in profit or loss for the nine-month period ended September 30, 2024 (\$23,554 for the nine-month period ended September 30, 2023) and credited to the contributed surplus.

DIOS EXPLORATION INC.

Notes to Interim Financial Statements

For the nine-month period ended September 30, 2024 (unaudited)

(in Canadian dollars)

10. FINANCE INCOME

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

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Interest income from cash and cash equivalents and term deposits	-	7,941	9,264	22,422

11. 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, potential ordinary shares such as share options and warrants have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in Notes 8.2 and 9.2.

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2024	2023	2024	2023
Net revenue (loss)	36,885 \$	23,873 \$	(62,842) \$	(6,645) \$
Weighted average number of shares in circulating	121,282,066	121,282,066	121,282,066	121,269,978
Basic and diluted revenue (loss) per share	0.0003 \$	0.0010 \$	(0.0005) \$	(0.0010) \$

12. ADDITIONAL INFORMATION - CASH FLOWS

The changes in working capital items are detailed as follows:

	Nine-month period ended September 30,	
	2024	2023
	\$	\$
Good and services tax receivable	(16,442)	71,553
Prepaid expenses	3,481	(2,662)
Trade and other payables	5,306	26,768
	(7,655)	95,659

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

	Nine-month period ended September 30,	
	2024	2023
	\$	\$
Trade and other payables related to exploration and evaluation assets	106,609	119,918

DIOS EXPLORATION INC.

Notes to Interim Financial Statements

For the nine-month period ended September 30, 2024 (unaudited)

(in Canadian dollars)

13. RELATED PARTY TRANSACTIONS

13.1 Transactions with key management personnel

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 following expenses:

	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Short-term employee benefits				
Salaries including bonuses and benefits	-	55,000	-	165,000
Consulting fees	-	6,050	14,450	25,126
Social security costs	-	2,780	-	14,128
Total short-term employee benefits	-	63,830	14,450	204,254
Share-based payments	7,324	10,496	35,996	22,317
Total remuneration	7,324	74,326	50,446	226,571

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 nine-month period ended September 30, 2024 (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. At the provincial level, the balance of the amount of this flow-through funding not spent as of September 30, 2024 is \$20,008 and this amount must be spent before December 31, 2024.