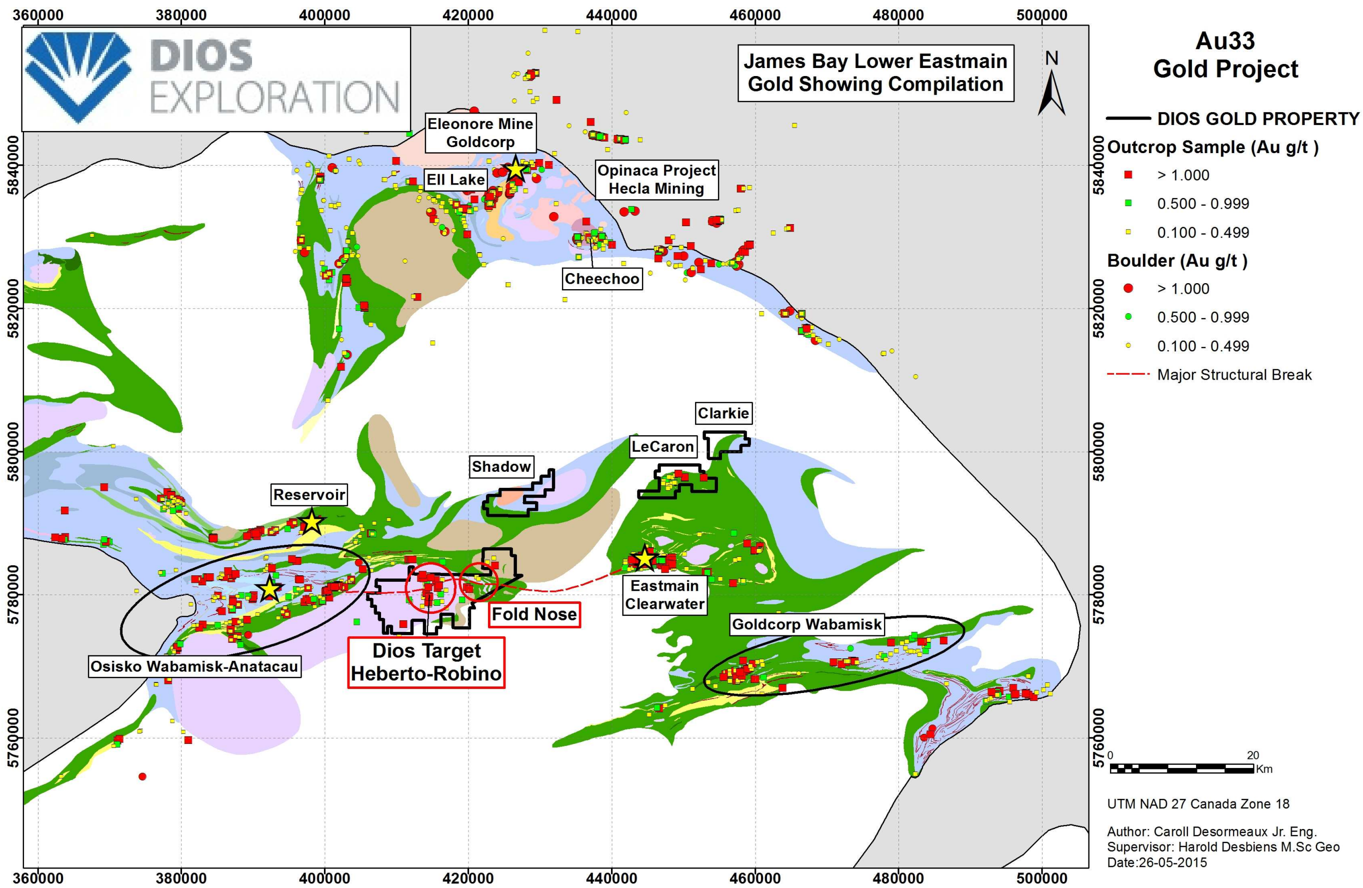
DIOS EXPLORATION INC.
MANAGEMENT REPORT
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2015

This Management Discussion and Analysis dated May 28, 2015 provides an analysis of operations and financial position of Dios Exploration Inc. (the “Company” or “Dios”) for the three-month period ended March 31, 2015. This discussion and analysis of the financial position and results of operation should be read in conjunction with the Company’s unaudited interim financial statements dated March 31, 2015 and audited financial statements for the year ended December 31, 2014 & December 31, 2013.



Our report contains «forward-looking statements» not based on historical facts. Forward-looking statements express, as of the date of this report, our estimates, forecasts, projections, expectations and opinions as to future events or results. Forward-looking statements herein expressed are reasonable, but involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, fluctuations in the market price of precious metals, mining industry risks, uncertainty as to calculation of mineral reserves and requirements of additional financing and the capacity of the Company to obtain financing.

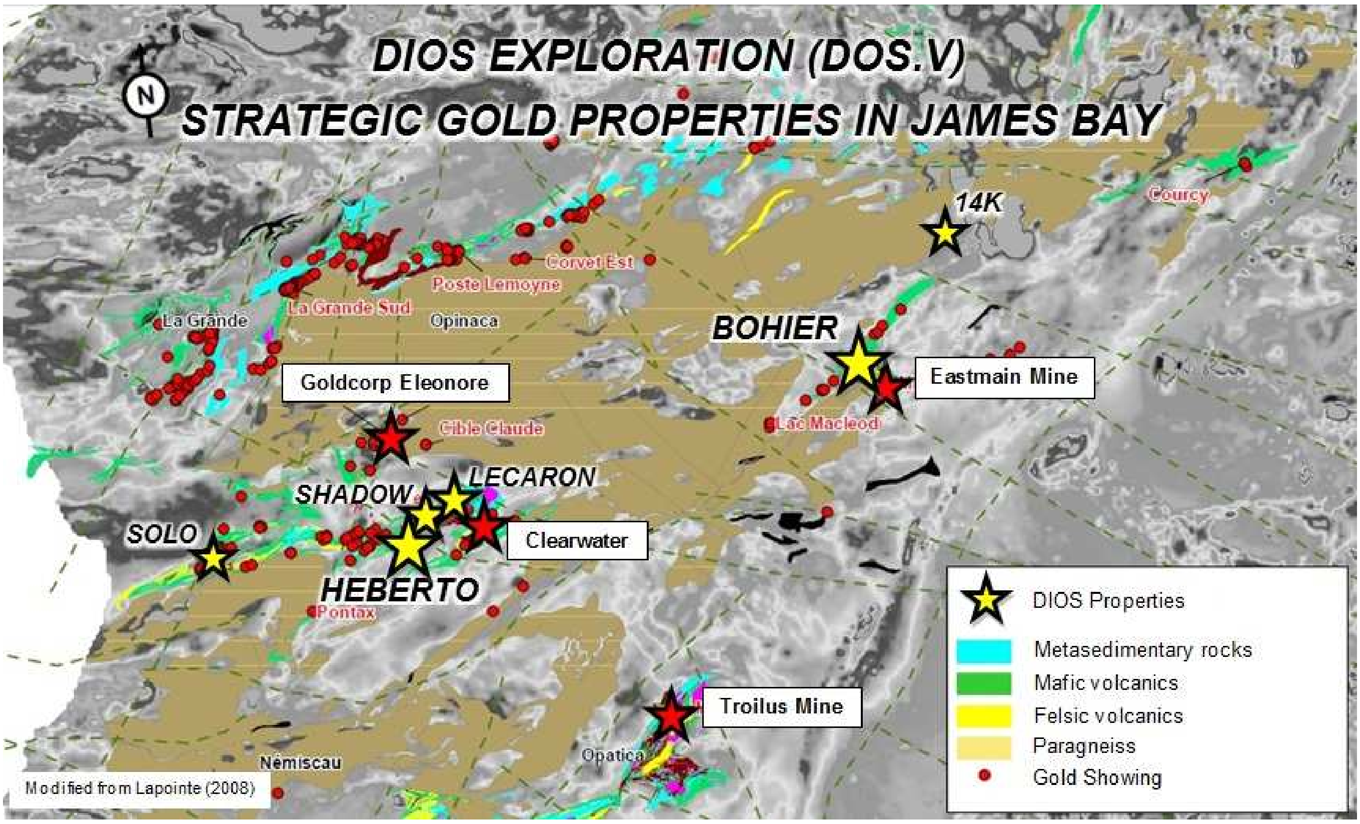
ABOUT DIOS

Dios is looking for major gold deposits in Quebec along a significant prospective James Bay geological structure, in lower metamorphic sub-province along southern contact of Opinaca paragneisses. Goldcorp Eleonore major gold mine is located near that contact.

Systematic detailed glacial till sampling by Dios for diamonds defined several gold-bearing dispersal trains and significant outcrop occurrences on wholly-owned Lower and Upper Eastmain projects.

Dios discovered high potential outcropping gold-bearing granitic rocks on AU33West (**HÉBERTO, ROBINO**) & 33CARATS (**BOHIER**), outcropping volcanic hosted gold showings on **Le CARON**, gold-bearing sedimentary rocks at **14 K** and significant soil gold targets on **SHADOW**.

Dios' shares are traded on TSX Venture Exchange under **DOS** symbol and 41,214,536 shares were issued and outstanding as of March 31, 2015. Additional information may be available through www.sedar.com web site, under the Company's section "Sedar filing" or at www.diosexplo.com.



SUMMARY OF ACTIVITIES DURING QUARTER ENDED MARCH 31, 2015

- **HÉBERTO & ROBINO** AREAS, AU33 West property (*intrusion-related gold deposit potential*) :

  Major several km gold system in association with clustered intrusive plugs and north-south faults.

  Dios is preparing a first 2,000 m NQ diamond drilling campaign for early summer on **HEBERTO** gold target, a silicified quartz diorite returning 5.18 g/t gold over 5 m in association with a 1.2 km long NS induced polarization (I.P.) anomaly corresponding to disseminated fine grained pyrite to which gold is associated. A north-south striking 7 m wide mineralized envelope grading 1.89 g/t gold from all channel samples over the 10 m NS area that could be stripped is open along strike, at depth and to the west. Drilling will test this first 1.2 km strike along extents and at depth with some ten holes. Detailed prospecting of many other goldbearing dômes and breccia is also planned.

  - Large wholly-owned AU33 West property, James Bay, Quebec, is hosting a 5 by 8.5 km very prospective gold sector with several goldbearing magmatic dômes with hydrothermal alteration and related magmatic hydrothermal breccia and/or goldbearing quartz veinlet stockworks with disseminated fine grained pyrite. Intrusive dôme components vary from one another in this intense structural context.

  - Additional promising research results: geophysical target prospecting for kimberlite by Dios for diamonds in fold nose sector, 8 km east of **HEBERTO**, helped discover breccia with similarities to **ROBINO** hydrothermal magmatic breccia pipe.

  - **ROBINO** is a significant field work discovery: hydrothermal-magmatic breccia pipe was found and yields up to 37 grams gold per ton, 14 grams silver per ton with bismuth and molybdenum association, highest value ever discovered on the property, some 3.5 kilometers from main Heberto gold showing, a major breakthrough in understanding AU33.

  - Detailed geological structural mapping of **HEBERTO** stripping delineates the **APEX ZONE:** a north-south striking 7 m wide mineralized envelope grading 1.89 g/t gold, open along strike possibly over 1 km, at depth and to the west. The **APEX ZONE** is hosted within an open anticline structure, with limbs dipping 40-50° towards each side, suggesting potential for widening of gold mineralization close to surface**.** Previous diamond saw channel sampling on newly outlined mineralized structure returned up to 5.18 g/t gold over 5 m. Two 2014 samples grabbed from quartz veinlets bearing quartz-diorite at new ends of outcrop returned 7.89 and 8.06 g/t gold further away in strike**.**

  - **ROBINO** shows same structure orientation as **HEBERTO**, an anomalous gold content (0.1 to 37.6 g/t gold), a 30 m x 40 m sub-circular outcrop surface expression, is open to the northwest and coincidental with an ovoid 400 m x 250 m low magnetic anomaly (characteristic of magnetite destruction associated to alteration).

  In 2015, an extensive Geological Report on AU33West integrating all compilations (including 2014 field work) was produced for assessment work. GOOD INDICATORS OF A BIG MINERALIZED SYSTEM on large AU33W gold property are concentric structures associated with mineralized brittle ones and magmatic-hydrothermal breccia pipes (both suggestive of buried domes), juxtaposition of alteration halos, significant regional gold in till train and anomalous gold background in fractured intrusive rocks. **HEBERTO** area geological context suggests structurally-controlled oxidized (IRG) intrusion-related gold system.

- 33 Carats property **– BOHIER TONALITE GOLD** TARGET (*IRG* or *porphyry gold potential)*:

  Within Archean Upper Eastmain greenstone-belt, road accessible from Chibougamau (QC), some 40 km south of Renard diamond deposit and 6 km northwest of former Eastmain gold mine, ***BOHIER TONALITE*** *hosts several gold-silver-copper-bismuth porphyry showings. Typical mineralization in tonalite consists in disseminated pyrite-chalcopyrite (and/or stringers), in association with 1-5% biotite-magnetite and/or quartz stringers.*

  An I.P. survey is recommended to better define drilling targets. Main targets to be tested:

  - Intersection of a "Tonalite breccia" with a favourable E-W magnetic lineament. Breccia float train consists of abundant metric glacial boulders composed of a tonalitic matrix with 5-10% subrounded-rounded dioritic xenoliths (average 5-15x 15-30cm). It is located down-ice of a low-magnetic anomaly.
  - Low magnetic anomaly located up-ice area of JD glacial float train (grading up to 3.18 g/t gold) intersecting the same E-W structure associated with the "Tonalite breccia";
  - Eastern contact between tonalite and granodiorite marked by a N-S moderate magnetic lineament (gradient) located up-ice of mineralized (5.62; 6.59 and 7.33 g/t gold) tonalite glacial boulders; some weak humus gold anomalies (98.5 percentils) are present.
  - Western N-S oriented contact between the main magnetic and non-magnetic tonalite; numerous humus copper anomalies (98,5 percentils) are coincidental with the contact; including 131 000 ppb Cu
  - Possible extent of the northern biotite-alteration zone and its intersection with the magnetic tonalite (top priority target, coincidental with spectrometric potassic anomaly)

33 Carats–Diamond property

Review of kimberlite geophysical targets, indicator minerals and lineaments in the region surrounding the Stornoway Renard-Lynx/Hibou diamond-bearing cluster was campleted. In 2015, from this work, a Summary Report for 33 Carats-diamond was produced for file assessments.

- **SHADOW PROPERTY** (intrusion-related gold type deposit potential)

  In 2015, geological compilation work was integrated in the AU33W Report for file assessments. Located about 45 km south of Goldcorp Eleonore gold deposit, and about 10-15 km NW of Eastmain Resources Clearwater gold deposit. Significant gold targets were defined following a soil geochemical survey over a poorly outcropping area up-ice of a NE gold glacial dispersal train of wholly-owned Shadow gold project, in the emerging Opinaca-Eastmain gold area. This 4 x1.5 km grid (1 472 totalling humus samples) grid encompasses an Archean volcano-sedimentary rock sequence wrapped around a 5 x 2 km felsic intrusive, located up-ice of gold in till anomalies including 1 120 ppb, 938 ppb Au and 3 510 ppb gold in heavy mineral concentrates (1 000 ppb equals 1 g/T). Twelve geochemical gold-arsenic-copper anomalies were outlined. Most pedogeochemical anomalies are located along the targeted margin of the felsic intrusive and adjacent sedimentary rocks are underlined by a magnetic anomaly and crosscut by late structures.

RESULTS OF OPERATIONS

Summary of exploration activities

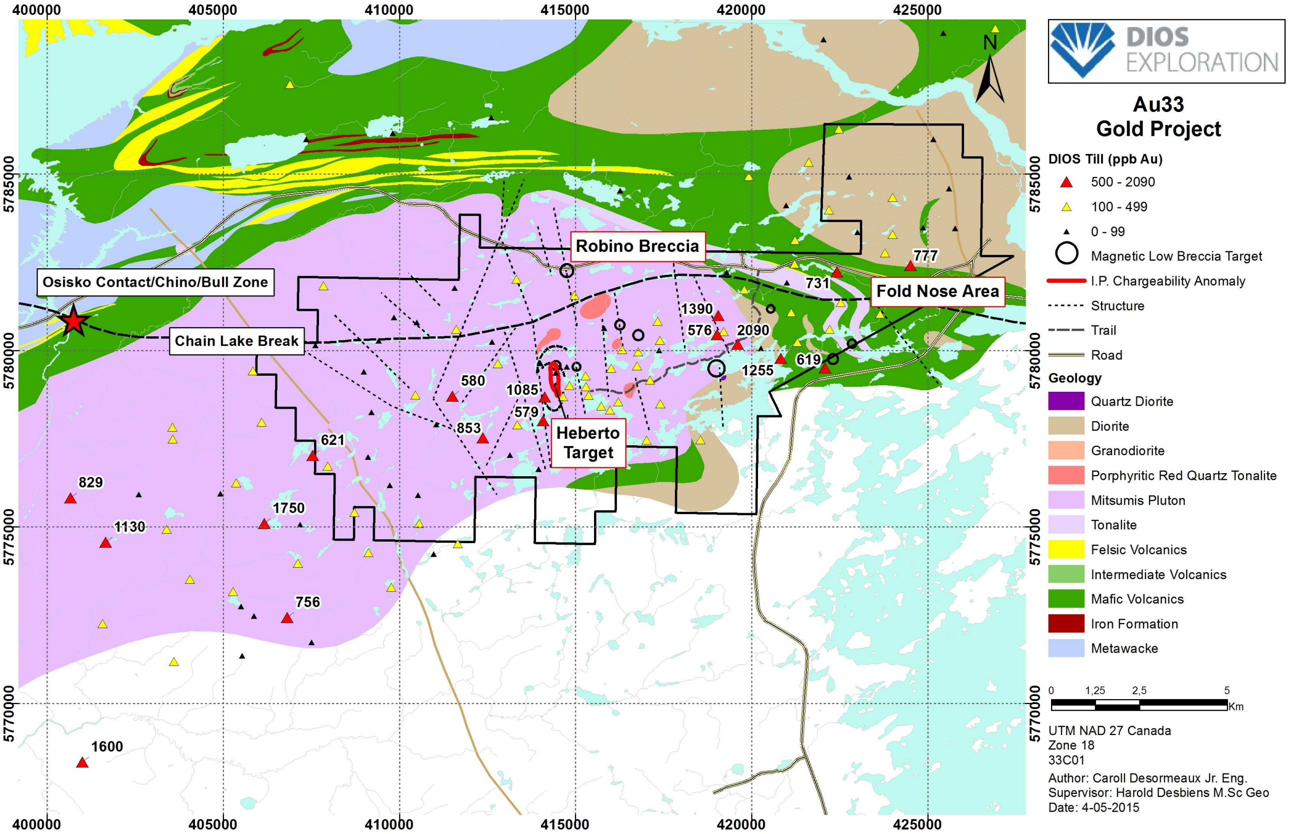
During the quarter ended March 31, 2015, the Company incurred $50,242 in exploration expenses compared to $49,417 for the same period in 2014 and incurred $9,714 in mining rights during the quarter ended March 31, 2015 compared to $28,345 for the same period in 2014.

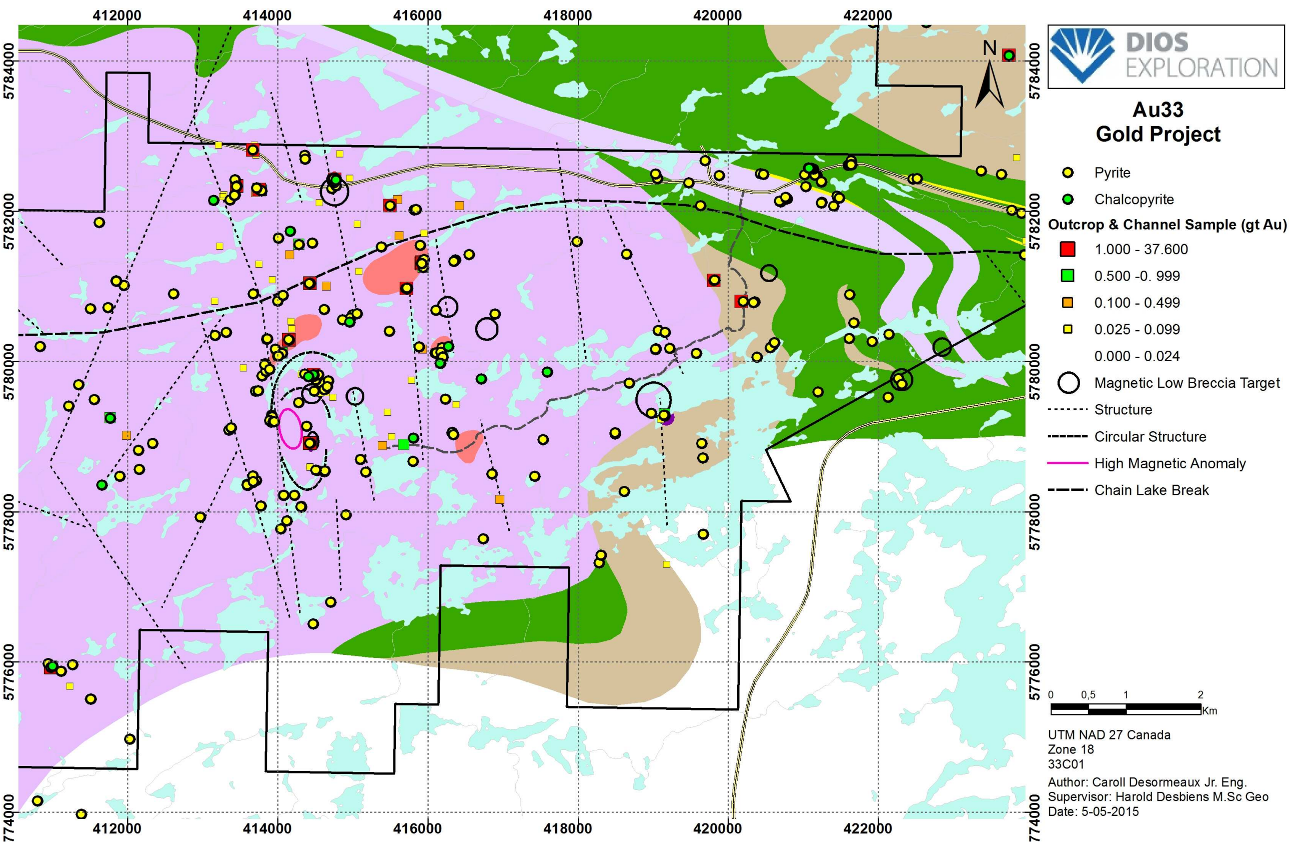
Exploration Expense Analysis

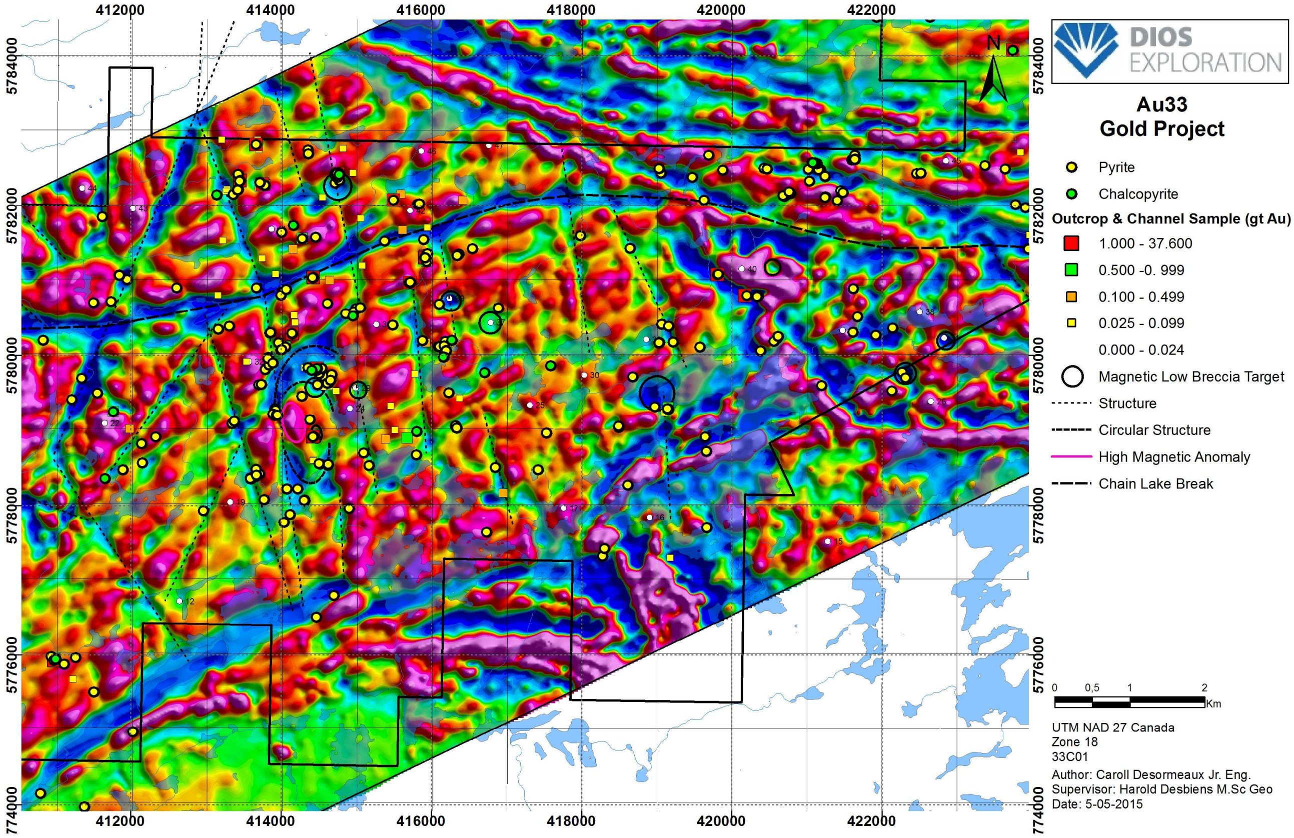
Description	33 Carats	AU33West	Other	Total
	$	$	$	$
Geology	18 169	25 761	5 423	49 353
Transportation	-		-	
Assays	-		-	
Office and other	363	526	-	889
	18 532	26 287	5 423	50 242

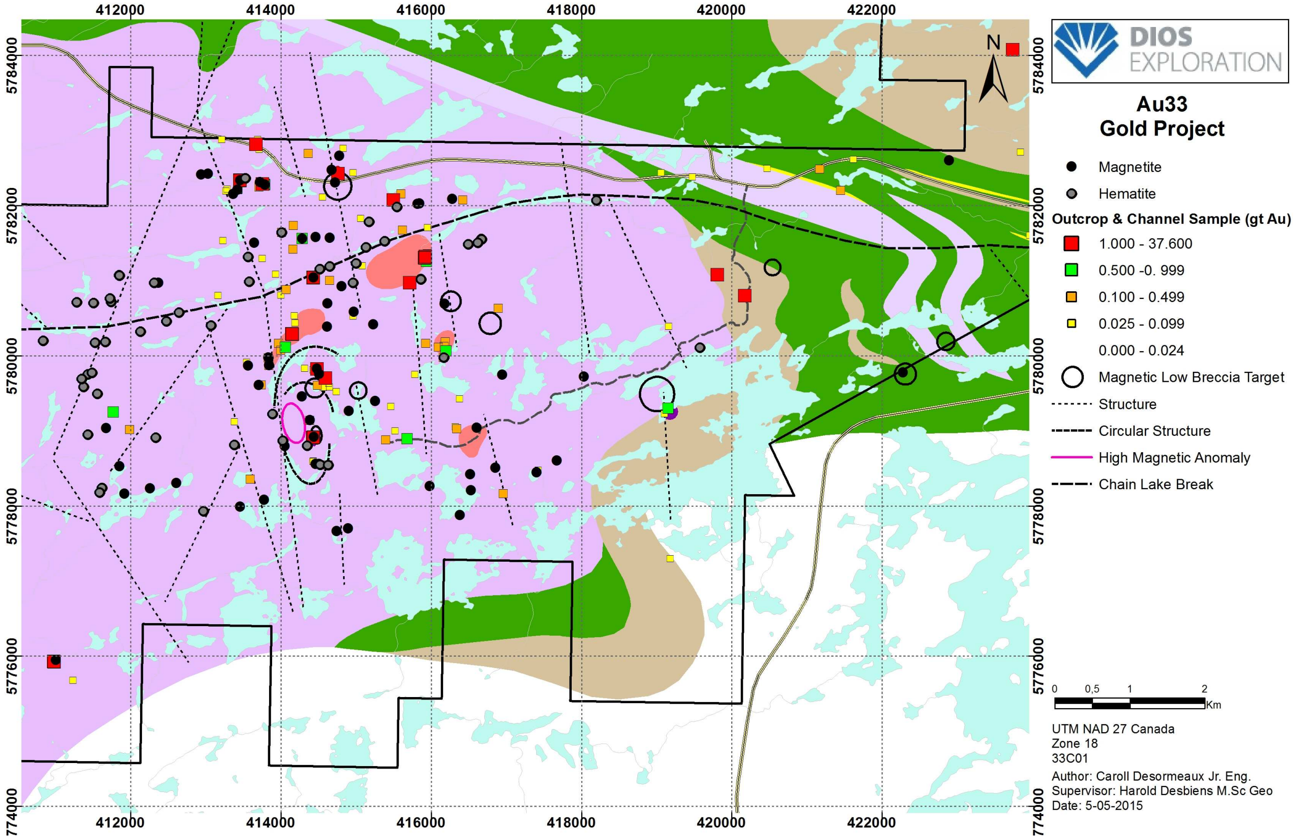
Geological information presented herein was summarized by Marie-José Girard M.Sc., Geo M.Sc., qualified person pursuant to National Instrument 43-101.

AU33West Gold project: HÉBERTO AND ROBINO TARGETS






DIOS EXPLORATION
Au33
Gold Project
Pyrite
Chalcopyrite
Outcrop & Channel Sample (gt Au)
1.000 - 37.600
0.500 -0. 999
0.100 - 0.499
0.025 - 0.099
0.000 - 0.024
Magnetic Low Breccia Target
Structure
Circular Structure
High Magnetic Anomaly
Chain Lake Break
UTM NAD 27 Canada
Zone 18
33C01
Author: Caroll Desormeaux Jr. Eng.
Supervisor: Harold Desbiens M.Sc Geo
Date: 5-05-2015


DIOS EXPLORATION
Au33
Gold Project
Magnetite
Hematite
Outcrop & Channel Sample (gt Au)
1.000 - 37.600
0.500 -0. 999
0.100 - 0.499
0.025 - 0.099
0.000 - 0.024
Magnetic Low Breccia Target
Structure
Circular Structure
High Magnetic Anomaly
Chain Lake Break
UTM NAD 27 Canada
Zone 18
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Author: Caroll Desormeaux Jr. Eng.
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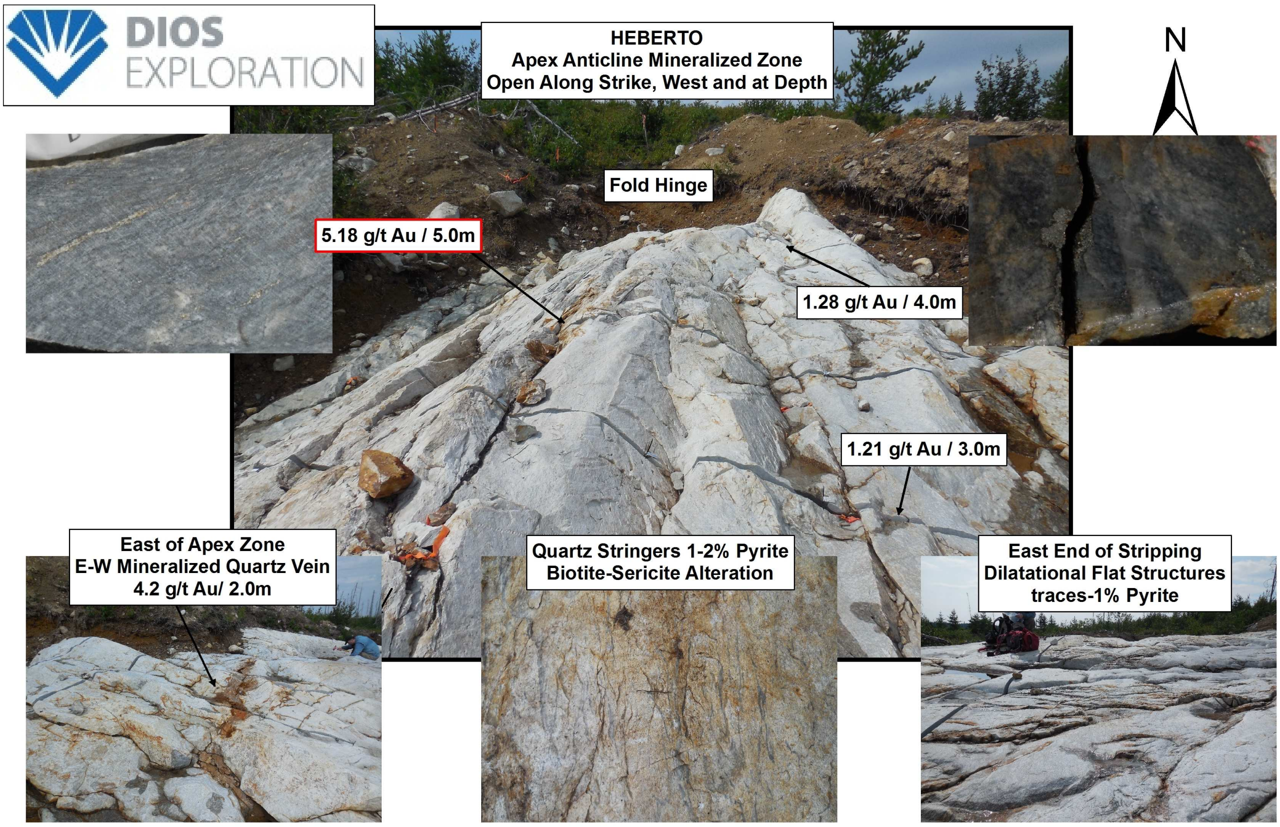
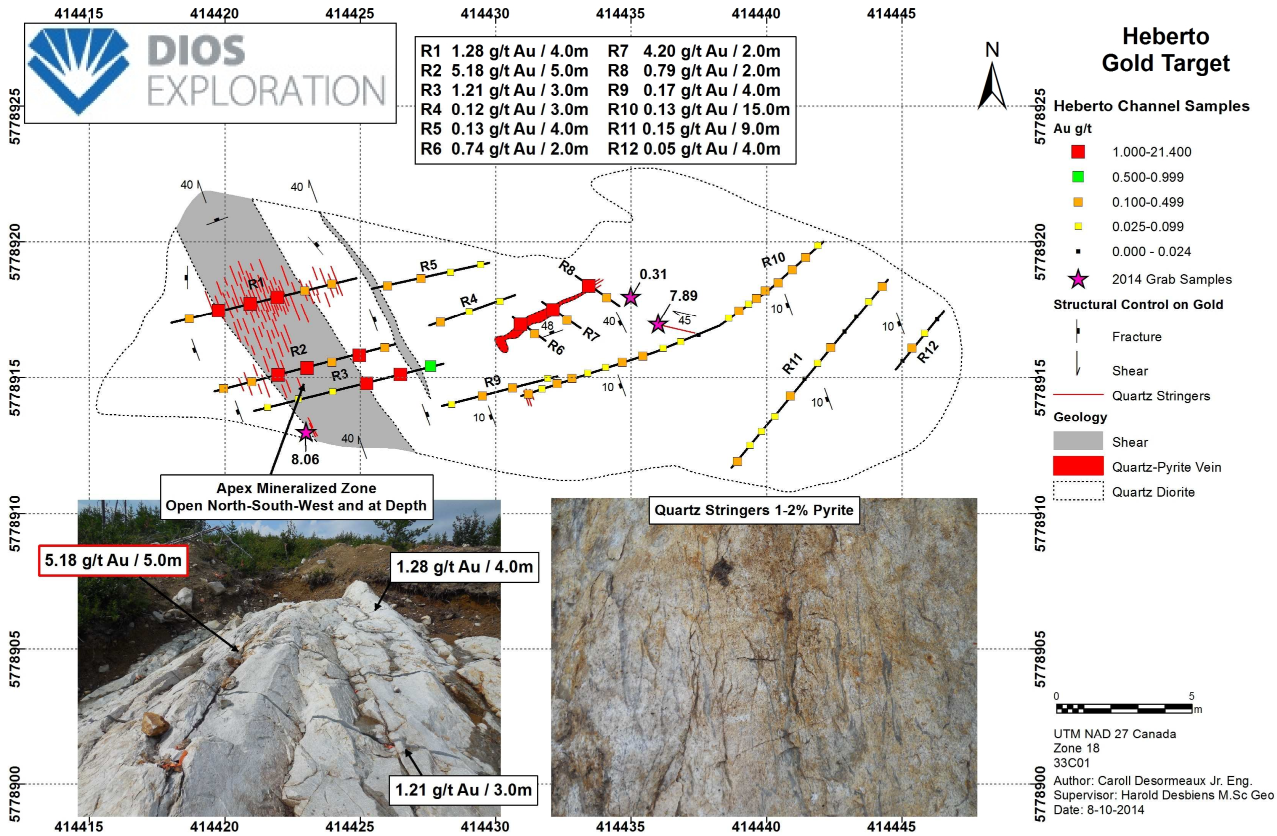
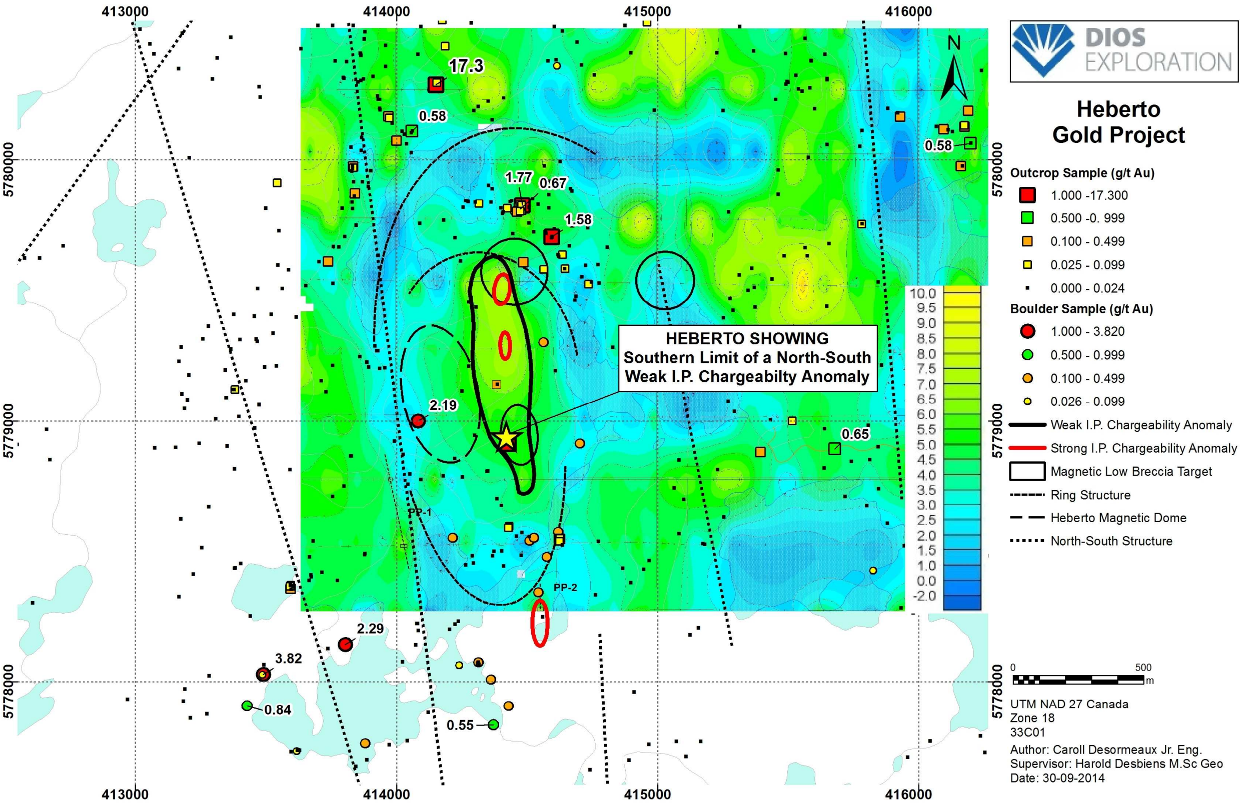

DIOS EXPLORATION
HEBERTO
Apex Anticline Mineralized Zone
Open Along Strike, West and at Depth
N
Fold Hinge
5.18 g/t Au / 5.0m
1.28 g/t Au / 4.0m
1.21 g/t Au / 3.0m
East of Apex Zone
E-W Mineralized Quartz Vein
4.2 g/t Au/ 2.0m
Quartz Stringers 1-2% Pyrite
Biotite-Sericite Alteration
East End of Stripping
Dilatational Flat Structures
traces-1% Pyrite

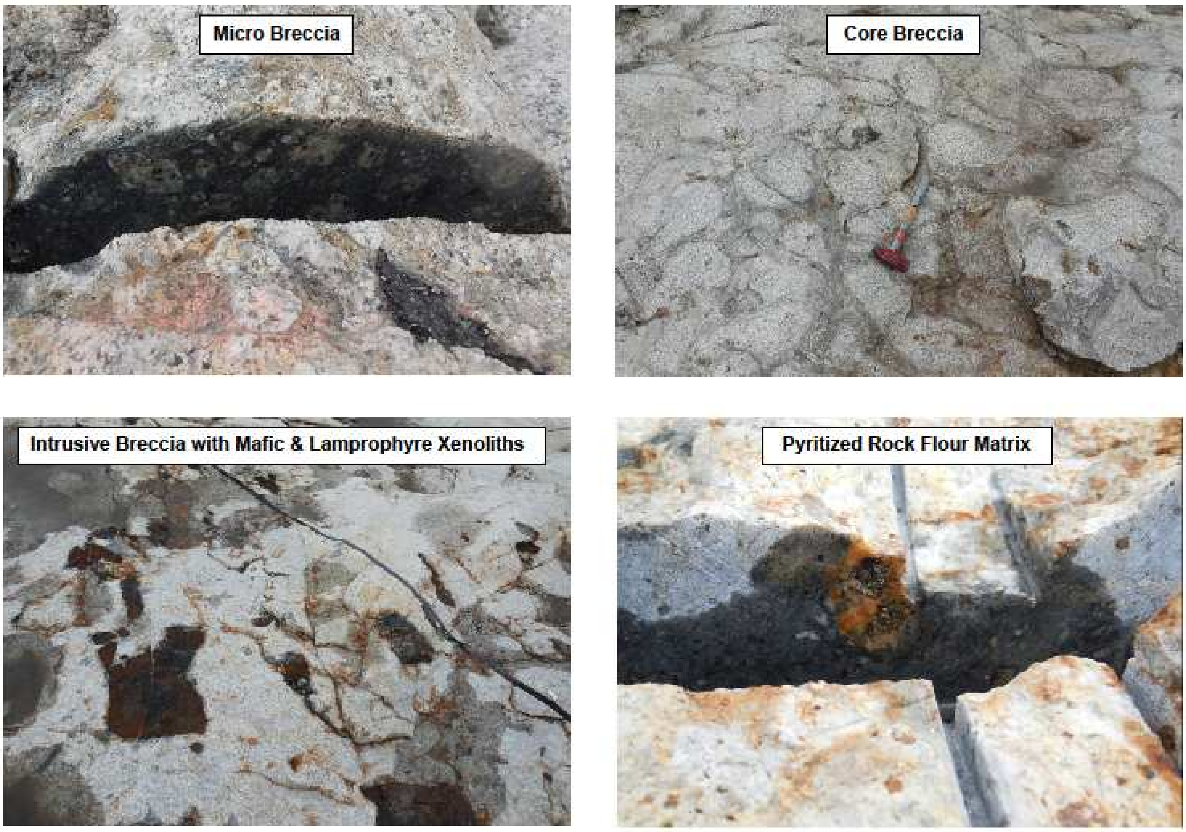

DIOS EXPLORATION
414415
414420
414425
414430
414435
414440
414445
5778925
5778920
5778915
5778910
5778905
5778900
R1 1.28 g/t Au / 4.0m
R2 5.18 g/t Au / 5.0m
R3 1.21 g/t Au / 3.0m
R4 0.12 g/t Au / 3.0m
R5 0.13 g/t Au / 4.0m
R6 0.74 g/t Au / 2.0m
R7 4.20 g/t Au / 2.0m
R8 0.79 g/t Au / 2.0m
R9 0.17 g/t Au / 4.0m
R10 0.13 g/t Au / 15.0m
R11 0.15 g/t Au / 9.0m
R12 0.05 g/t Au / 4.0m
N
0.31
7.89
8.06
Apex Mineralized Zone
Open North-South-West and at Depth
5.18 g/t Au / 5.0m
1.28 g/t Au / 4.0m
1.21 g/t Au / 3.0m
Quartz Stringers 1-2% Pyrite
Heberto
Gold Target
Heberto Channel Samples
Au g/t
1.000-21.400
0.500-0.999
0.100-0.499
0.025-0.099
0.000 - 0.024
2014 Grab Samples
Structural Control on Gold
Fracture
Shear
Quartz Stringers
Geology
Shear
Quartz-Pyrite Vein
Quartz Diorite
0
5
m
UTM NAD 27 Canada
Zone 18
33C01
Author: Caroll Desormeaux Jr. Eng.
Supervisor: Harold Desbiens M.Sc Geo
Date: 8-10-2014


DIOS EXPLORATION
Heberto
Gold Project
Outcrop Sample (g/t Au)
1.000 -17.300
0.500 -0. 999
0.100 - 0.499
0.025 - 0.099
0.000 - 0.024
Boulder Sample (g/t Au)
1.000 - 3.820
0.500 - 0.999
0.100 - 0.499
0.026 - 0.099
Weak I.P. Chargeability Anomaly
Strong I.P. Chargeability Anomaly
Magnetic Low Breccia Target
Ring Structure
Heberto Magnetic Dome
North-South Structure
HEBERTO SHOWING
Southern Limit of a North-South
Weak I.P. Chargeabilty Anomaly
UTM NAD 27 Canada
Zone 18
33C01
Author: Caroll Desormeaux Jr. Eng.
Supervisor: Harold Desbiens M.Sc Geo
Date: 30-09-2014
413000
414000
415000
416000
5780000
5779000
5778000
17.3
0.58
1.77
0.67
1.58
2.19
0.65
2.29
3.82
0.84
0.55
PP-1
PP-2
N
0
500
m

ROBINO (hereabove) shows same structure orientations as **HEBERTO** (furtherabove), anomalous gold content (0.1 to 37.6 g/t gold), with 30 m x 40 m sub-circular outcrop surface expression (see photo), open to the northwest, coincidental with an ovoid 400 m x 250 m low magnetic anomaly (typical of alteration related magnetite destruction).

ROBINO breccia pipe shows different facies including CORE BRECCIA, surrounded by MICROBRECCIA intruding a fractured-altered (sericite-silica) granodiorite. System is intruded by mafic ring-dykes and dykes.

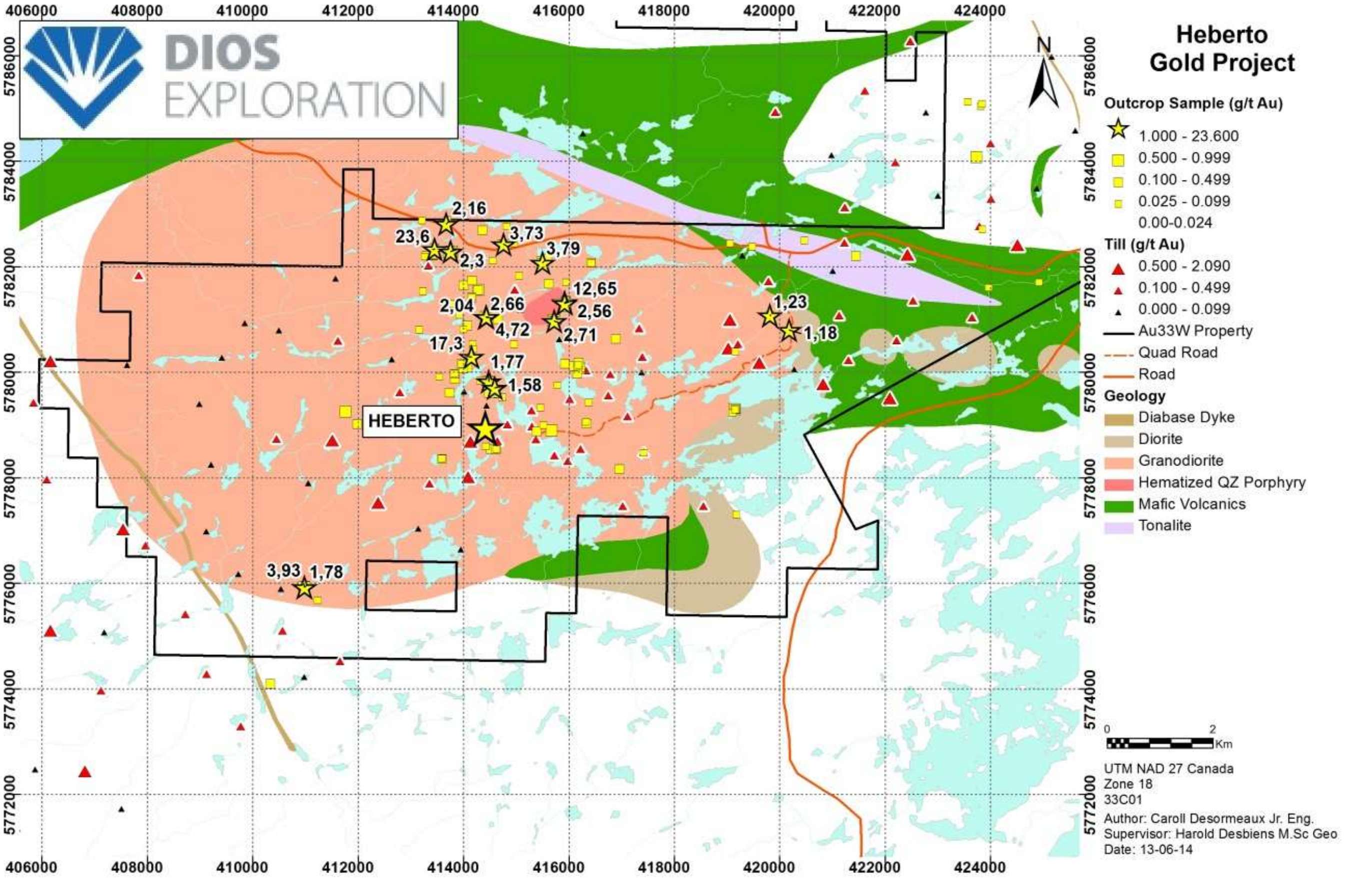
ROBINO Breccia Facies



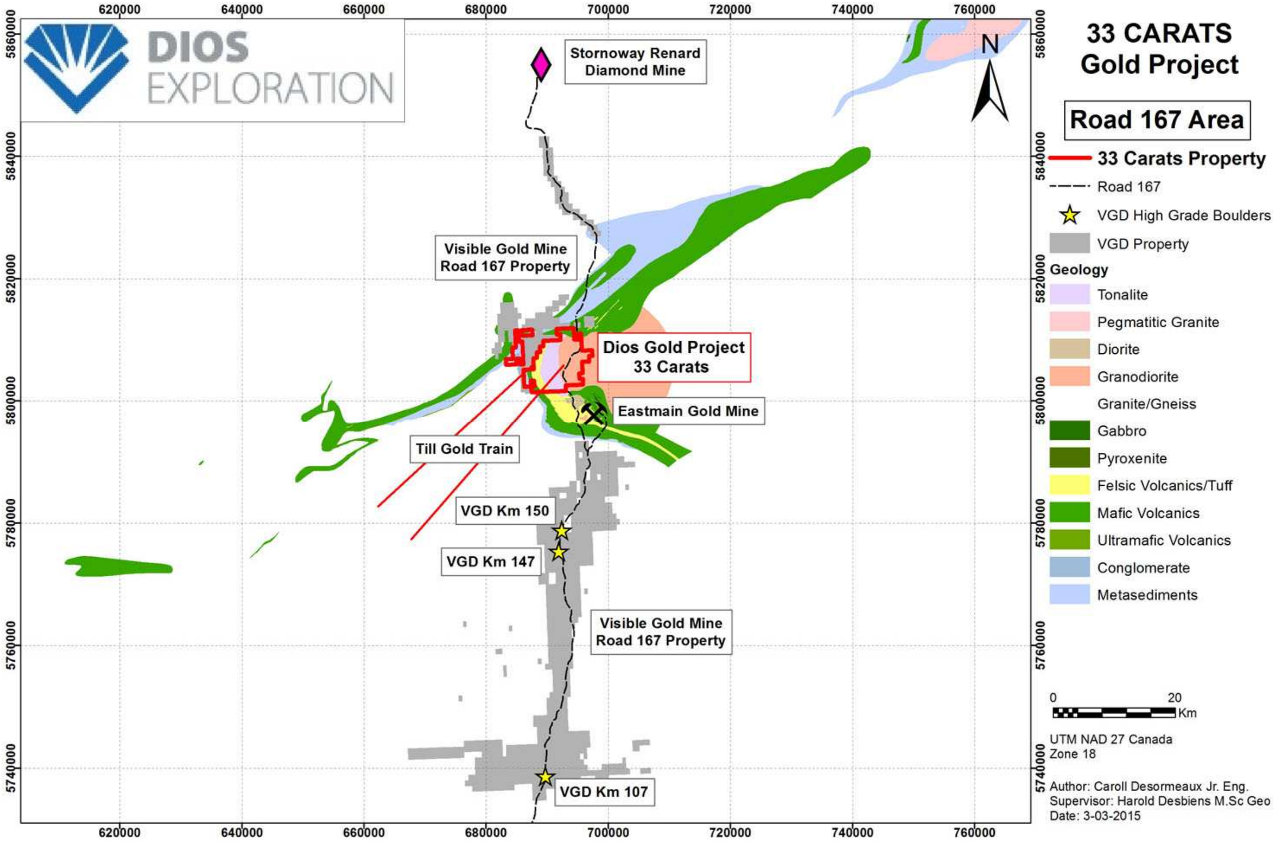
Another hydrothermal breccia (Mitsumis) was also observed 5 km east of **HEBERTO** (biotite-quartz-pyrite stockworks, locally anomalous gold (up to 0.5 g/t gold) in quartz diorites like Heberto.

In Archean geological context, such gold systems are generally associated with small high-level stock with calc-alkaline (to alkaline) volcanism and breccia formation. Such magmatic-hydrothermal environment includes structures in the brittle rocks overlying batholitic system that focus magma ascent and fluid flow into narrow apex regions (or cupolas) (Tosdal and Richards, 2001, Richards 2011). Shallow crustal magma emplacement may cause doming in the cover rocks, with dilational fault zones providing high-permeability pathways for fluids and magma ascent. Cylindrical shapes of many porphyry stocks may have arisen first as breccia pipes or diatremes bored out by rapidly escaping volatiles, only later to be back-filled with porphyritic magma (stocks and dykes). Such high-permeability pathways are likely to have thermally weaken the wall-rocks and promote further fracturing and channelling for metals.

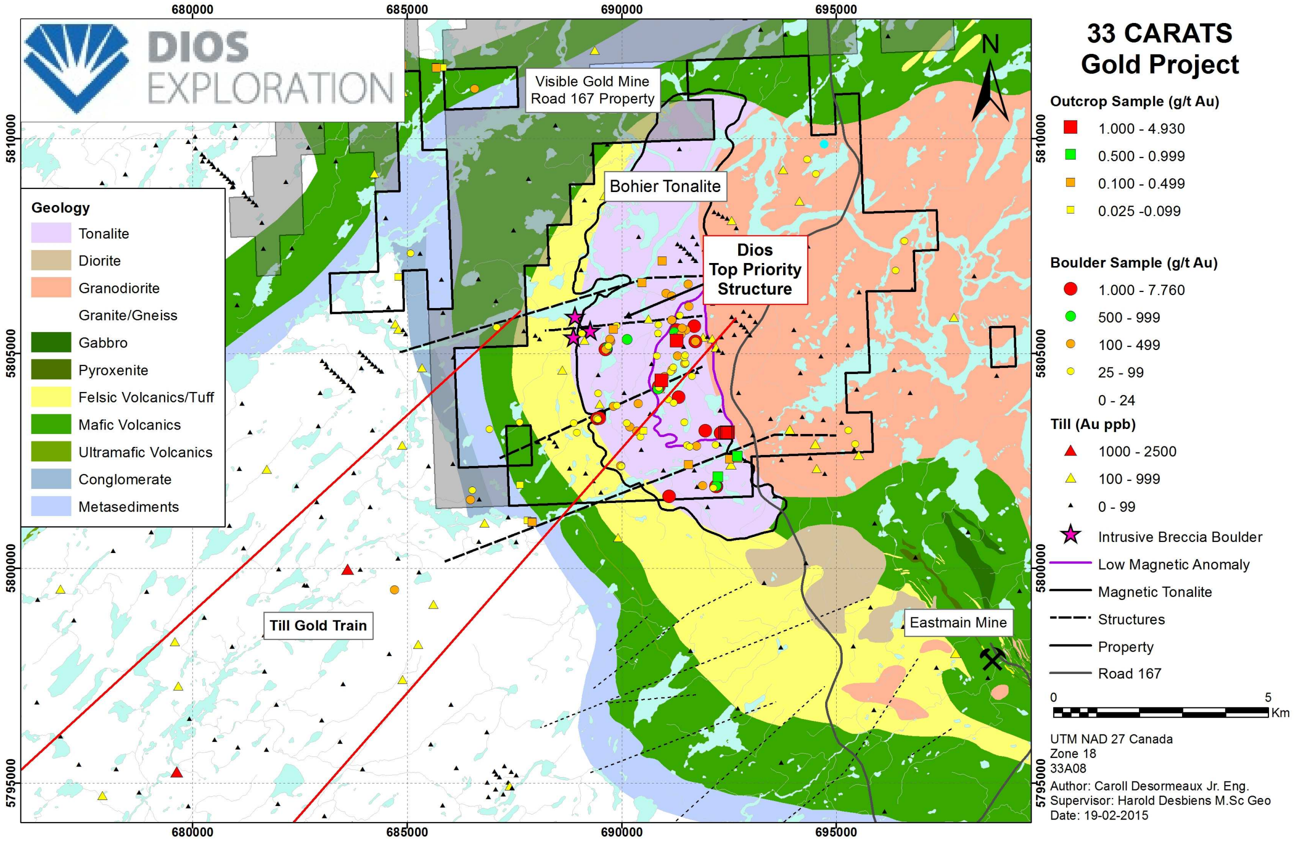
GEOLOGY AND SHOWINGS MAP

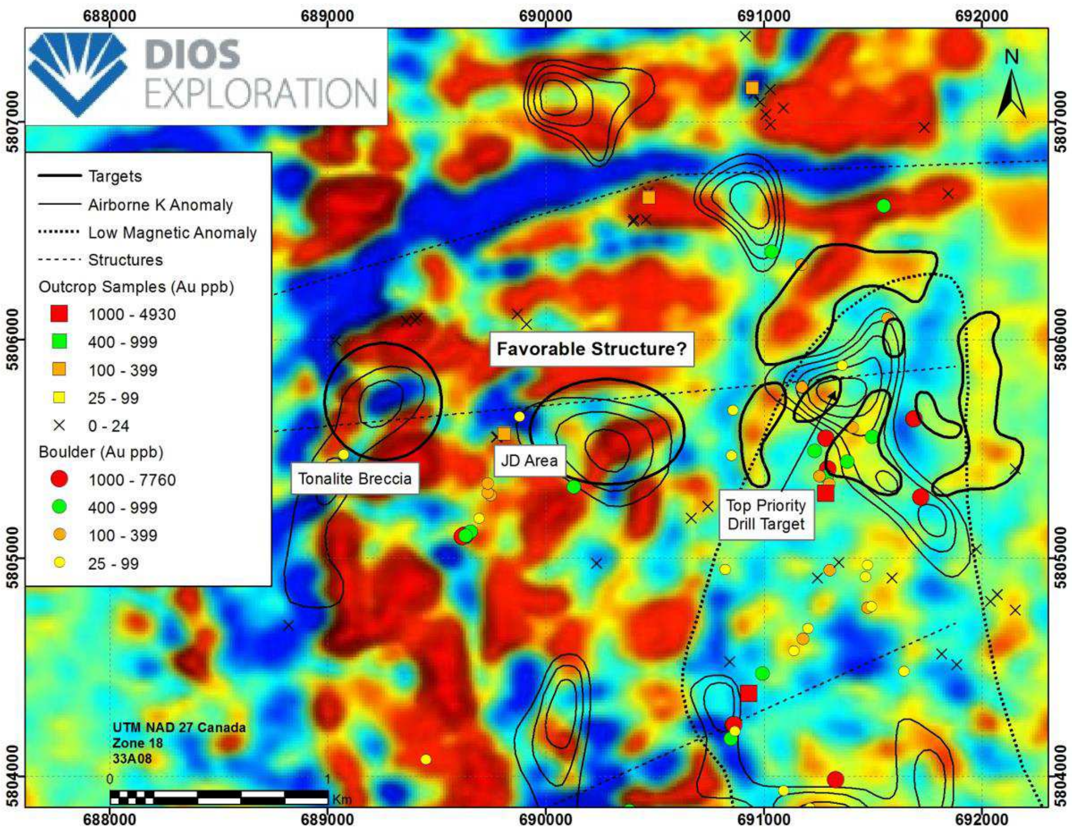


33CARATS GOLD PROJECT **(BOHIER TONALITE target)**

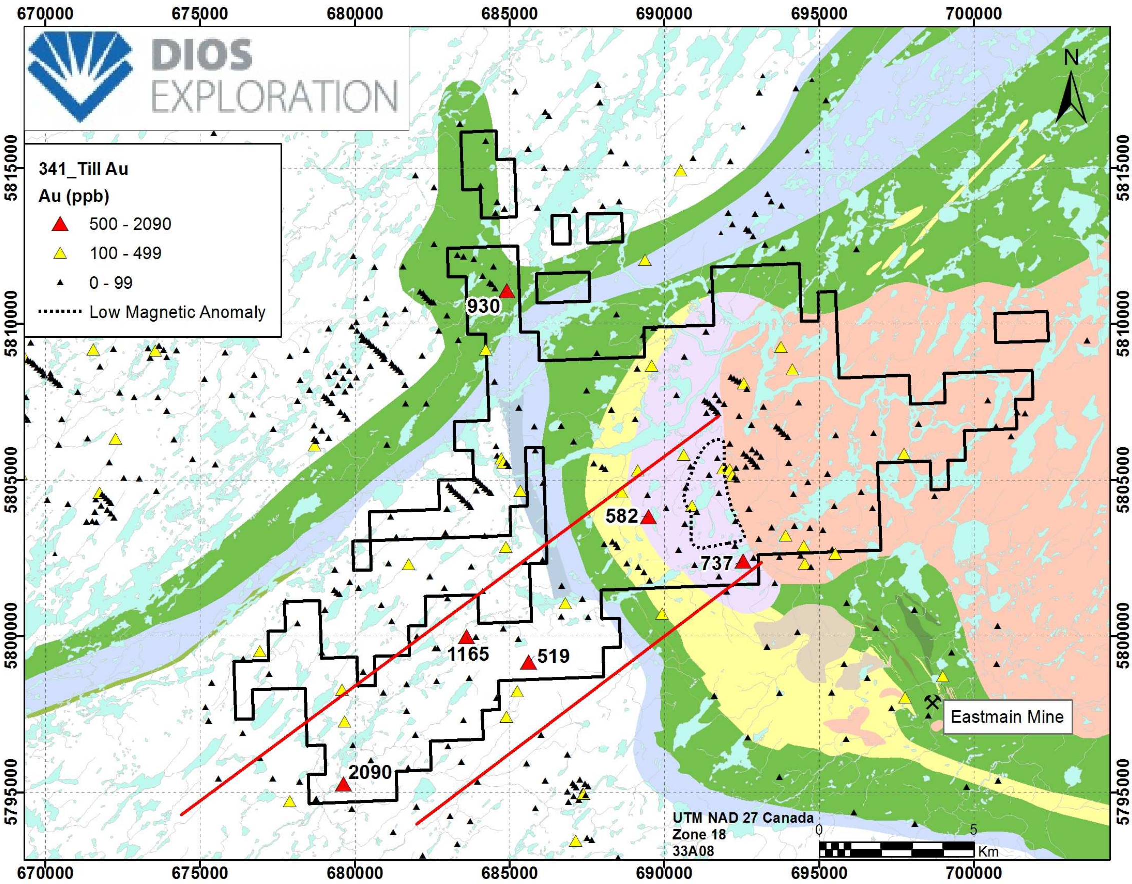


Within the Archean Upper Eastmain greenstone-belt, road accessible from Chibougamau (QC), some 40 km south of Renard diamond deposit and 6 km northwest of former Eastmain gold mine, ***BOHIER TONALITE*** *hosts several gold-silver-copper-bismuth porphyry showings. Typical mineralization in tonalite consists of disseminated pyrite-chalcopyrite (and/or stringers), associated with 1-5% biotite-magnetite and/or quartz stringers.*


33 CARATS
Gold Project
Outcrop Sample (g/t Au)
1.000 - 4.930
0.500 - 0.999
0.100 - 0.499
0.025 -0.099
Boulder Sample (g/t Au)
1.000 - 7.760
500 - 999
100 - 499
25 - 99
0 - 24
Till (Au ppb)
1000 - 2500
100 - 999
0 - 99
Intrusive Breccia Boulder
Low Magnetic Anomaly
Magnetic Tonalite
Structures
Property
Road 167
Geology
Tonalite
Diorite
Granodiorite
Granite/Gneiss
Gabbro
Pyroxenite
Felsic Volcanics/Tuff
Mafic Volcanics
Ultramafic Volcanics
Conglomerate
Metasediments
Visible Gold Mine
Road 167 Property
Bohier Tonalite
Dios
Top Priority
Structure
Till Gold Train
Eastmain Mine
UTM NAD 27 Canada
Zone 18
33A08
Author: Caroll Desormeaux Jr. Eng.
Supervisor: Harold Desbiens M.Sc Geo
Date: 19-02-2015


Targets
Airborne K Anomaly
Low Magnetic Anomaly
Structures
Outcrop Samples (Au ppb)
1000 - 4930
400 - 999
100 - 399
25 - 99
0 - 24
Boulder (Au ppb)
1000 - 7760
400 - 999
100 - 399
25 - 99
Favorable Structure?
Tonalite Breccia
JD Area
Top Priority
Drill Target
UTM NAD 27 Canada
Zone 18
33A08

<u>Significant length and values of gold glacial train leading to auriferous</u> **<u>BOHIER TONALITE</u>** are comparable to AU33 West gold glacial dispersal train and another James Bay major gold train, as is suggested from internal and proprietary data from Dios. Geological team at Dios is of the opinion that the source of such a major long gold dispersal train with many values above 2 g/t gold in till (heavy mineral concentrates) suggests a very significant gold source.



Summary of planned exploration programs for 2015

PROJECTS	PLANNED WORK	BUDGET ($)	FOLLOW-UP WORK
33 CARATS	Prospecting IP survey, line cutting	78,000 75,000	Drilling
AU33 West	Prospecting & mapping	90,000	Drilling
SOLO	Prospecting and mapping	81,000	Prospecting, Geophysics & Drilling
TOTAL		**324,000**	

This budget is subject to additional fundraising in 2015

SUMMARY OF FINANCIAL ACTIVITIES

Net loss for the quarter is $97,817 (net loss of $6,838 for the first quarter 2014) whereas administrative expenses for the quarter totalled $86,808 ($51,895 for the first quarter 2014).

Analysis of administrative expenses

Description	Quarter ended March 31	
	2015	2014
	$	$
Employee benefits expense	**40 927**	11 348
Professional fees	**28 955**	26 600
Registration fees and shareholders information	**9 729**	7 022
Office	**846**	1 946
Insurances, taxes and permits	**3 456**	2 044
Publicity and public relations	**2 711**	2 586
Banking fees and interests	**184**	349
	86 808	51 895

During the three-month period March 31, 2015, one notes mainly:

Administrative expenses

- Employee benefits expenses: Increase in stock-based compensation in 2015;
- Office and Publicity and public relation: Program of spending cuts in 2015

Net loss

- Negative change in fair value of listed shares of $18,608 in 2015;
- Increase in stock-based compensation in 2015.

SUMMARY OF QUARTERLY RESULTS

	2015		**2014**					**2013**		
($ 000 except loss/share)	**Q1**		**Q4**	**Q3**	**Q2**	**Q1**		**Q4**	**Q3**	**Q2**
Income	0.4		0.8	1	0.4	0.6		2	1	1
Net earnings (Net loss)	(98)		(61)	6	(4940)	(7)		(26)	(45)	(86)
Net earnings (net loss) per share(basic and diluted)	(0.002)		(0.001)	0.001	(0.12)	(0.001)		(0.002)	(0.001)	(0.002)

Variations in quarterly loss can be explained by the following:

2015-Q1	Increase of stock-based compensation.
2014-Q4	Write-off of Pontax exploration and evaluation assets
2014-Q3	Decrease in Salaries
2014-Q2	Major compensation cut program in 2014 and no stock-based compensation; Write-off of Hotish uranium and Shipshaw exploration and evaluation assets.
2014-Q1	Major compensation cut program in 2014 and no stock-based compensation.
2013-Q4	Decrease in stock-based compensation.
2013-Q3	Decrease in banking interests and stock-based compensation.
2013-Q2	Decrease in banking interests and stock-based compensation. Spending cut program in 2013 (Office and Publicity and public relation).

CASH FLOW SITUATION

Working capital decreased by $104,573 as at March 31, 2015 going from $425,314 as at December 31, 2014 to $320,741 as at March 31, 2015. The decrease is mainly due to exploration costs, mining right payments and administrative expenses incurred during the period.

The cash and term deposits (free cash flow) totaled $186,362 as at March 31, 2015 compared to $241,706 as at December 31, 2014.

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 Company considers the cash on hand sufficient for known obligations. As at March 31, 2015, the Company did not have any debt or any financial commitments in upcoming quarters.

SHARE CAPITAL AND, , OPTIONS

As at March 31, 2015 :

- 41,214,536 Common Shares were issued.
- 4,130,000 options were granted and a total of 3,192,500 can be exercised at prices ranging between $0.15 to $0.30 between 2016 and 2019. Each option can be exchanged by its holder thereof for one common share of the Company.

Share capital

Variations in share capital as at May 28, 2015 are the following:

Description	**Number of shares**	**Amount $**
As at December 31, 2014	**40,070,961**	**17,775,898**
Private Placement on December 31, 2014		
Issued in February 2015	728,575	43,714
Private Placement	415 000	22,825
As at March 31, 2015 and May 28, 2015	**41,214,536**	**17,842,437**

Options

Variations in outstanding options as at May 28, 2015 are the following:

	Number	**Weighted average exercise price ($)**
As at December 31, 2014	4,800,000	0.22
Expired	(670,000)	0.15
As at March 31, 2015 and May 28, 2015	**4,130,000**	**0.20**

Options granted and exercisable as at May 28, 2015:

Expiry date	**Number of options**	**Exercisable**	**Exercise price ($)**
April 25, 2016	920,000	920,000	0.30
February 28, 2017	965,000	965,000	0.235
December 12, 2017	995,000	995,000	0.15
October 2, 2019	1,250,000	312,500	0.15
	4,130,000	3,192,500	0.20

In total, $30,375 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, 2015 ($0 for the three-month period ended March 31, 2014) and credited to Contributed surplus.

ACCOUNTING POLICIES

These interim financial statements of the Company were prepared in accordance with IFRS, as issued by the International Accounting Standards Board as described in Note 4 of 2014 financial statements.

CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS 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. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Estimation uncertainty

(a) Impairment of exploration and evaluation assets

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 ot estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined.

No impairment loss of the exploration and evaluation assets was recognized during the period. No reversal of impairment losses has been recognized for the reporting periods.

(b) 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 and warrants granted and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model.

Significant management judgement

(a) 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.

Determining whether to test for impairment of exploration and evaluation assets requires management's judgment, among others, regarding the following: the period for which the Company has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

(b) Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likehood 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.

Off-balance sheet arrangements

During the period, the Company did not set up any off-balance sheet arrangements.

RISK AND UNCERTAINTIES

Risks inherent in the nature of mineral exploration and development

Mineral exploration and development involve several risks which experience, knowledge and careful evaluation may not be sufficient to overcome. Large capital expenditures are required in advance of anticipated revenues from operations. Many exploration programs do not result in the discovery of mineralization; moreover, mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labor are some of the risks involved in the conduct of exploration programs and the operation of mines. The commercial viability of exploiting any precious metal deposit is dependent on a number of factors including infrastructure and governmental regulations, in particular those respecting the environment, price, taxes, and royalties. No assurance can be given that minerals of sufficient quantity, quality, size and grade will be discovered on any of the Company's properties to justify commercial operation. Numerous external factors influence and may have significant impacts on the operations of the Company and its financing needs.

Financial risks

The Company is an exploration company. The Company will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Tax

No assurance can be made that Canada Revenue Agency or Quebec Minister of Revenue will agree with Company’s characterization of expenditures as Canadian exploration expenses or Canadian development expenses.

Dependence on key personnel

The development of the Company’s business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

Conflicts of interest

Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith of view to the best interests of the Company and to disclose any interest, which they may have un any project or opportunity of the Company. If a conflict arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

Environmental risks

The Company is subject to various environmental incidents that can occur during exploration work. The Company maintains an environmental management system including operational plans and practices.

MANAGEMENT’S RESPONSABILITY FOR FINANCIAL INFORMATION

The Company's financial statements are the responsibility of the Company's management, and have been approved by the board of directors. The financial statements were prepared by the Company’s management in accordance with IFRS. The financial statements include certain amounts based on the use of estimated and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

(Signed) Marie-José Girard, M.Sc. Geo President (Signed) René Lacroix CPA CA, Chief Financial Officer

Montreal, May 28, 2015