APPIA ENERGY CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and nine months ended June 30, 2016
(Unaudited)
(Expressed in Canadian $)

APPIA ENERGY CORP.
(the "Company")
NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these financial statements.

DATED this 26th day of August, 2016.

APPIA ENERGY CORP.

Per: *(signed) "Tom Drivas"*
Name: Tom Drivas
Title: Chief Executive Officer

Per: *(signed) "Frank van de Water"*
Name: Frank van de Water
Title: Chief Financial Officer

APPIA ENERGY CORP.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Cdn $)

(Unaudited)

As at	**June 30 2016**	September 30 2015
See Change in Accounting Policy Note 2	**$**	$
Assets		
Current		
Cash and cash equivalents (note 4)	**600,986**	661,087
Accounts receivable	**4,618**	1,657
Prepaid expenses	**159,667**	6,589
Total current assets	**765,271**	669,333
Exploration and evaluation assets (note 5)		
Acquisition costs	**809,454**	781,480
Total assets	**1,574,725**	1,450,813
Liabilities		
Current		
Accounts payable & accruals	**14,839**	51,052
Due to related parties (note 8)	**593,964**	505,414
Total liabilities	**608,803**	556,466
Contingencies and commitments (note 10)		
Shareholders' equity		
Share capital (note 6(a))	**7,999,428**	7,835,123
Warrants (note 6(c))	**96,124**	-
Contributed surplus (note 7)	**2,414,537**	2,413,538
Deficit	**(9,544,167)**	(9,354,314)
Total shareholders' equity	**965,922**	894,347
Total liabilities and shareholders' equity	**1,574,725**	1,450,813

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

APPROVED ON BEHALF OF THE BOARD on August 26th, 2016

"Signed"
Anastasios (Tom) Drivas

"Signed"
Frank van de Water

APPIA ENERGY CORP.

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Cdn $)

(Unaudited)

See Change in Accounting Policy Note 2	Share Capital $	Warrants $	Contributed Surplus $	Deficit $	Total $
At September 30, 2014	7,835,123		2,404,433	(9,123,773)	1,115,783
Net loss and comprehensive loss for the period	-		-	(184,600)	(184,600)
Share-based compensation	-		9,105	-	9,105
At June 30, 2015	7,835,123		2,413,538	(9,308,373)	940,288
Net loss and comprehensive loss for the period	-		-	(45,941)	(45,941)
At September 30, 2015	7,835,123		2,413,538	(9,354,314)	894,347
Working Capital Units private placement, net	164,305	-	-	-	164,305
Warrants issued	-	92,731	-	-	92,731
Valuation of broker warrants	-	3,393	-	-	3,393
Share-based compensation	-	-	999	-	999
Net loss and comprehensive loss for the period	-	-	-	(189,853)	(189,853)
At June 30, 2016	7,999,428	96,124	2,414,537	(9,544,167)	965,922

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

APPIA ENERGY CORP.

Condensed Interim Consolidated Statements of Loss, and Comprehensive Loss

(Expressed in Cdn $)

(Unaudited)

	For the three months ended June 30		For the nine months ended June 30	
	2016	2015	**2016**	2015
See Change in Accounting Policy Note 2	**$**	$	**$**	$
Expenses				
Operating activities				
Exploration Expenses	**53,495**	11,861	**77,519**	36,530
Less: provincial refunds	**-**	-	**(21,209)**	-
Net Exploration Expenses	**53,495**	11,861	**56,310**	36,530
General and administrative activities:				
Professional fees	**9,226**	8,567	**17,501**	25,653
Management fees and salaries	**25,713**	24,600	**79,513**	83,250
Office and general	**6,970**	7,330	**21,981**	20,549
Investor relations	**4,330**	3,136	**16,879**	15,749
Share-based compensation	**999**	-	**999**	9,105
General and administrative expenses	**47,238**	43,633	**136,873**	154,306
Loss for the period before the following	**(100,733)**	(55,494)	**(193,183)**	(190,836)
Interest income	**1,011**	1,766	**3,330**	6,236
Net loss and comprehensive loss for the period	**(99,722)**	(53,728)	**(189,853)**	(184,600)
Basic and diluted loss per share	**0.00**	0.00	**0.00**	0.00
Weighted average number of shares outstanding	**41,660,583**	41,616,078	**41,660,583**	41,616,078

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

APPIA ENERGY CORP.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Cdn $)

(Unaudited)

	For the nine months ended June 30	
	2016	2015
See Change in Accounting Policy Note 2	**$**	$
Operating activities		
Net loss for the period	**(189,853)**	(184,600)
Items not affecting cash:		
Share-based compensation	**999**	9,105
	(188,854)	(175,495)
Net change in non-cash working capital		
Accounts receivable	**(2,961)**	(43)
Prepaid expenses	**(153,078)**	2,282
Accounts payable and accrued liabilities	**(36,213)**	(2,664)
Due to related parties	**88,550**	55,501
Net cash used in operating activities	**(292,556)**	(120,419)
Investing activities		
Exploration and evaluation assets acquisition costs	**(27,974)**	(9,091)
Net cash used in investing activities	**(27,974)**	(9,091)
Financing activities		
Private placement of working capital units	**263,000**	-
Share issue expense	**(2,571)**	-
Net cash from financing activities	**260,429**	-
Change in cash and cash equivalents	**(60,101)**	(129,510)
Cash and cash equivalents, beginning of period	**661,087**	814,270
Cash and cash equivalents, end of period	**600,986**	684,760

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. Nature of operations and going concern

Appia Energy Corp. ("Appia" or "the Company") is incorporated under the Canada Business Corporations Act and is listed on the Canadian Securities Exchange (CSE: "API"). The Company is evaluating its mineral resource properties in Ontario and Saskatchewan to determine whether the properties contain resources that are economically recoverable. The registered office and location of corporate records is Suite 500, 2 Toronto Street, Toronto, Ontario.

The accompanying unaudited condensed interim financial statements ("Financial Statements") of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these Financial Statements.

These Financial Statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at June 30, 2016 the Company had no sources of operating cash flows. The Company will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. The Company had a working capital of $156,468 as at June 30, 2016, after providing for $593,964 due to related parties, and has incurred losses since inception, including expenditures of $5,583,195 for exploration and evaluation of its mineral properties, resulting in an accumulated deficit of $9,544,167 as at June 30, 2016. The Company's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurance that the Company will be successful in this regard, and therefore, there is doubt regarding the Company's ability to continue as a going concern and the use of accounting principles applicable to a going concern. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption is not appropriate for these financial statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

The recoverability of the carrying cost of its resource properties is dependent upon the existence of resources that are economically recoverable, confirmation of the Company's ownership interests in the claims, the ability of the Company to obtain necessary financing to complete the exploration and the development of the properties, and upon future profitable production, or proceeds from the disposition of the properties.

2. Basis of preparation and statement of compliance with IAS 34

These Financial Statements form part of the period covered by the Company's International Financial Reporting Standards ("IFRS") annual consolidated financial statements and have been prepared in accordance with IAS 34 - *Interim Financial Reporting* on the basis of IFRS standards and interpretations expected to be effective as at the Company's fiscal year end, September 30, 2016.

These Financial Statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended September 30, 2015 prepared in accordance with International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") in effect as of September 30, 2015.

During the year ended September 30, 2015, the Company voluntarily changed its accounting policy for exploration and evaluation expenditures. Previously, the Company capitalized acquisition costs and deferred exploration and evaluation expenditures on mineral properties to the specific mineral properties, net of any recoveries received.

Under the new policy, only the original acquisition costs of exploration and evaluation properties are capitalized and net expenditures incurred prior to the establishment of a positive technical feasibility and commercial report on the viability of extracting mineral resources, and a decision to proceed with mine development, are charged to operations as incurred.

In accordance with the requirements of IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the Company has retrospectively applied this change in accounting policy.

Management considers this accounting policy provides more reliable and relevant information and more clearly presents the Company's results and financial position.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these Financial Statements. Operating results for the nine months ended June 30, 2016 may not be indicative of the results that may be expected for the year ending September 30, 2016.

3. Summary of significant accounting policies

Readers should refer to the September 30, 2015 annual consolidated financial statements for the accounting policies used in the preparation of these Financial Statements and the effect of the voluntary change in accounting policy. The IASB continues to amend and add to current IFRS standards and interpretations with several projects underway. Accordingly, the accounting policies adopted by the Company for the Company's IFRS annual consolidated financial statements will be determined as at September 30, 2016 and if a new policy differs materially from the accounting policies used in the preparation of these Financial Statements, these Financial Statements will be restated to retrospectively account for the application of those policies adopted at September 30, 2016.

4. Cash and cash equivalents

Cash and cash equivalents consists of cash and investments in Canadian Chartered Bank demand money market funds.

5. Exploration and evaluation assets

Acquisition costs

	Ontario Elliot Lake	Saskatchewan	Total
	$	$	$
Balance, September 30, 2014	597,593	173,296	770,889
Total additions for the period	5,000	5,591	10,591
Balance, September 30, 2015	602,593	178,887	781,480
Total additions for the period	-	27,974	27,974
Balance, June 30, 2016	602,593	206,861	809,454

Ontario, Elliot Lake

On November 1, 2007, the Company acquired a 100% interest in 61 mining claims known as the Elliot Lake property located in Beange, Bolger, Bouck, Buckles, Gunterman and Joubin Townships, Sault Ste. Marie Mining Division in the Province of Ontario from Canada Enerco Corp. ("CEC"), a company controlled by the President, CEO and Director of the Company. CEC retains the right to a 1% Uranium Production Payment Royalty and a 1% Net Smelter Returns Royalty on any precious or base metals payable, provided that the price of uranium is greater than US$130 per pound.

Appia holds over 13,008 hectares (32,143 acres) encompassing five mineralized zones in the Elliot Lake area of northern Ontario. The zones are called Teasdale, Banana Lake, Canuc, Bouck Lake and Buckles Lake. Since the inception of mining, the Elliot Lake area has produced over 300 M lbs of U_3O_8 and is the only mining camp in Canada with significant historical commercial REE production.

Saskatchewan, Athabasca Basin

Beginning in fiscal 2011, the Company participated in staking properties in Saskatchewan.

In March 2016, the Company acquired by staking, a total of 45,423 hectares in the Athabasca Basin area in Saskatchewan.

At June 30, 2016 the Company held a total of 83,037 hectares (205,185 acres) in Saskatchewan, including a 100% interest in 81,519 hectares (201,360 acres) as well as a 90% interest in 1,518 hectares (3,751 acres).

In August 2016, Appia acquired an additional 5,969 hectares (14,750 acres) contiguous to the "Loranger" property in the Athabasca Basin, Saskatchewan, covering a 20 km aeromagnetic and electromagnetic trend to the southwest of the property.

Amounts expended to date for exploration and evaluation activities for each area are summarized below. These amounts have been charged to the statement of loss and comprehensive loss.

	Ontario Elliot Lake $	**Saskatchewan $**	**Total $**
Balance, September 30, 2014	5,315,688	166,629	5,482,317
Total additions for the period	24,126	20,442	44,568
Balance, September 30, 2015	5,339,814	187,071	5,526,885
Total additions for the period	8,691	68,828	77,519
Saskatchewan refund	-	(21,209)	(21,209)
Balance, June 30, 2016	5,348,505	234,690	5,583,195

6. Share capital

(a) Common shares

The Company is authorized to issue an unlimited number of no par value common shares. The following table provides the details of changes in the number of issued common shares

	Number #	***Amount*** $
Balance, September 30, 2015	41,616,078	7,835,123
Working Capital Units private placement June 27, 2016	1,315,000	263,000
Broker compensation shares issued	35,000	(3,393)
Less: Value associated with warrants issued	-	(92,731)
Share issue costs	-	(2,571)
Balance, June 30, 2016	42,966,078	7,999,428

On June 28, 2016, the Company completed a first tranche of a non-brokered private placement with the sale of 1,315,000 working capital units ("WC Units") at $0.20 per WC Unit for gross proceeds of $263,000. Each WC Unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share at a price of $0.30 per WC Warrant Share until the earlier of: three years from closing date; and in the event that the closing price of the Common Shares on the Canadian Securities

Exchange is at least \$0.50 for twenty consecutive trading days, and the 20th trading day is at least four months from the closing date, the date which is thirty days from the final trading day.
The Company paid a finder's fee of 35,000 common shares and 35 broker warrants. Each broker warrant entitles the holder to acquire one common share at \$0.20 until December 27, 2017.

(b) Common share purchase options

The Company has a stock option plan for the benefit of directors, officers and consultants. The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding common shares.

As at June 30, 2016, 1,700,000 common shares were reserved for the exercise of stock options granted under the Company's stock option plan (the "Plan").

The following table provides the details of changes in the number of issued common share purchase options during the period:

	Options	**Weighted-average exercise price**
	#	\$
Outstanding at September 30, 2015 and December 31, 2015	2,600,000	1.25
Expired, unexercised	(1,400,000)	1.25
Granted	500,000	0.10
Outstanding and exercisable at June 30, 2016	1,700,000	0.91

In April 2016 the Company announced the appointment of a Director of Saskatchewan Operations and made a grant of 500,000 share purchase options exercisable at \$0.10 for a period of five years.

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
400,000	400,000	7.0 months	\$1.25	February 1, 2017
400,000	400,000	21.3 months	\$1.25	April 9, 2018
400,000	400,000	32.8 months	\$1.25	March 25, 2019
500,000	250,000	57.5 months	\$0.10	April 14, 2021
1,700,000	1,450,000			

The weighted average fair value of all the options granted and outstanding is \$0.66 per option, each contract fair value having been estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate of 0.78%-1.98%, expected dividend yield of nil, expected volatility of 84.97%-141% and expected life term is 60 months. Under this method of calculation, the Company has recorded \$999 as stock based compensation during the nine months ended June 30, 2016, being the fair value of the options vested during the period ended June 30, 2016. Options that have been issued and remain outstanding vest half immediately on the date of grant and half in twelve months from the date of grant.

(c) Warrants

On certain issuances of common shares, the Company grants warrants entitling the holder to acquire additional common shares of the Company, and the Company grants warrants as consideration for services associated with the placement of such common share issues.

The following table provides the details of changes in the number of outstanding common share purchase warrants:

	Number #	$
Balance September 30, 2015	-	-
Private placement warrants issued	1,315,000	92,731
Brokers warrants issued	35,000	3,393
Balance June 30, 2016	1,350,000	96,124

Certain issuances of common shares include warrants entitling the holder to acquire additional common shares of the Company. A summary of the outstanding warrants is as follows:

	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
Warrants	1,315,000	35.9 months	$0.30	June 27, 2019
Warrants	35,000	17.9 months	$0.20	December 27, 2017
Balance, June 30, 2016	1,350,000			

The number of common shares outstanding on June 30, 2016 was 42,966,078. Taking into account outstanding share purchase options, the fully diluted number of common shares and warrants that could have been outstanding on June 30, 2016 was 46,016,078.

7. Contributed surplus

A summary of changes in contributed surplus is as follows:

	Amount $
Balance, September 30, 2014	2,404,433
Share-based compensation	9,105
Balance, September 30, 2015 and March 31, 2016	2,413,538
Share-based compensation	999
Balance, June 30, 2016	2,414,537

8. Related party transactions

During the three and nine months ended June 30, 2016, the Company incurred related party expenses of $24,713 and $80,511 (2015 – $23,600 and $79,300). These expenses related to management fees paid or payable to key management personnel; Tom Drivas, Chief Executive Officer, Frank van de Water, Secretary and Chief Financial Officer, Michael D’Amico, Chief Financial Officer until December 31, 2015, and office administration services paid to Romios Gold Resources Inc., a company with a number of common directors and officers. The amount charged for office administration services is included under office and general expenses.

At June 30, 2016, $523,306 (2015 - $463,306) of accumulated related party expenditures was payable to Tom Drivas. Canada Enerco Corp., a company controlled by Tom Drivas is owed $26,753.

During the three months ended June 30, 2016, the Company incurred expenses of $4,000 (2015 – $4,000) and $14,000 for the nine months ended June 30, 2016 (2015 - $13,500) related to directors’ fees to independent directors. At June 30, 2016, $41,000 (2015 - $23,000) was outstanding.

During the three and nine months ended June 30, 2016, the Company incurred expenses of $3,753 and $6,438 and (2015 - $363 and $2,225) for legal fees to a law firm related to a director of the Company, William R. Johnstone. At June 30, 2016 $2,905 (2015 – $410) was payable to this related party.

Share-based compensation to key management and directors for the three and nine months ended June 30, 2016 was $ 999 (2015 - $nil and $9,105).

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the nine months ended June 30, 2016 and 2015.

As disclosed in Note 6, the Company's major exploration property was acquired from a related party.

9. Financial instruments and risk management

Categories of financial assets and liabilities

Under IFRS, financial instruments are classified into one of the following five categories: Fair value through profit and loss ("FVTPL"), held to maturity investments, loans and receivables, financial assets and financial liabilities. The carrying values of the Company's financial instruments, including those held for sales are classified into the following categories:

	June 30 2016 $	September 30 2015 $
FVTPL(1)	**600,986**	661,087
Receivables (2)	**4,618**	1,657
Financial liabilities (3)	**1,434**	1,393

(1) Includes cash, committed cash and short-term investments.
(2) Includes accounts receivable related to HST tax refunds.
(3) Includes accounts payable.

Financial Instruments

The carrying amounts for the Company's financial instruments approximate their fair values because of the short-term nature of these items.

(i) Cash and cash equivalents and cash and cash equivalents held for future exploration are designated as FVTPL financial assets and are recorded at market value. The interest on deposits is insignificant.
(ii) HST receivable is designated as loans and receivables and is recorded at cost.
(iii) Accounts payable is designated as other financial liabilities and is recorded at cost.

Risks arising from financial instruments and risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company.

Carrying value of exploration and evaluation assets

The Company regularly reviews the carrying value of its properties for impairment to determine whether the carrying amount of these assets will be recoverable from future cash flows. Assumptions underlying the cash flow estimates include the forecasted prices for uranium and rare earth elements, planned production levels, and operating, capital, exploration and reclamation costs, which are subject to risks and uncertainties. Management has determined that there is no impairment of the carrying value on its Ontario and Saskatchewan properties.

(a) Market risk

(i) Price risk
Commodity price risk

The price of uranium and rare earth elements will have an impact on the Company's exploration projects.

Sensitivity price risk

Anticipated changes in the price of uranium and rare earth elements would not, in management's opinion, change the recognized value of any of the Company's financial instruments.

(ii) Cash flow fair value interest rate risk

The Company does not have interest-bearing borrowings. The Company is exposed to interest rate risk to the extent of interest received on its cash balances.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises from cash and deposits with Canadian Chartered Banks as well as credit exposures to outstanding receivables.

The Company has no concentration of credit risk. The carrying amounts of financial assets recorded in the Statements are at cost.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. The Company is currently assessing all options to address its liquidity issues. It is not possible to determine with any certainty the success and adequacy of these initiatives.

10. Capital disclosures

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The capital of the Company consists of capital stock, warrants and contributed surplus.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and will raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements.

11. Subsequent events

The Company is offering up to a further 3,685,000 WC Units for up to a further $737,000 and up to 5,000,000 flow-through units ("FT Units") of the Company at a price of $0.20 per FT Unit for up to $1,000,000 (collectively, the "Offering). The Company will leave the Offering open until the earlier of the sale of the WC Units and the remaining FT Units or September 10, 2016.

In August 2016, Appia acquired an additional 5,969 hectares (14,750 acres) contiguous to the "Loranger" property in the Athabasca Basin, Saskatchewan, covering a 20 km aeromagnetic and electromagnetic trend to the southwest of the property.