

APPIA RARE EARTHS & URANIUM CORP.
(formerly “APPIA ENERGY CORP.”)

FINANCIAL STATEMENTS

For the years ended September 30, 2022 and 2021
(Expressed in Canadian \$)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements have been prepared by and are the responsibility of the management of Appia Rare Earths & Uranium Corp. (the "Company"). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and reflect management's best estimates and judgments based on currently available information. The Company has developed and maintains a system of internal controls in order to ensure, on a reasonable and cost-effective basis, the reliability of the financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibility and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee. The financial statements have been audited by Wasserman Ramsay, an independent firm of chartered professional accountants. Their report outlines the scope of their examination and opinion on the financial statements.

DATED this 23rd day of January, 2023.

APPRIA RARE EARTHS & URANIUM 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

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Appia Rare Earths & Uranium Corp.:

Opinion

We have audited the financial statements of Appia Rare Earths & Uranium Corp. (the "Company"), which comprise the statements of financial position as at September 30, 2022 and 2021, and the statements of changes in equity, loss and comprehensive loss and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that for the year ended September 30, 2022 the Company incurred losses of \$2,435,442 and had an accumulated deficit of \$17,355,181 at year end. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

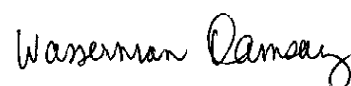
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Florence Chee.



Markham, Ontario
January 23, 2023

Chartered Professional Accountants
Licensed Public Accountants

APPIA RARE EARTHS & URANIUM CORP.
Statements of Financial Position
(Expressed in Cdn \$)

As at	September 30, 2022 \$	September 30, 2021 \$
Assets		
Current		
Cash and cash equivalents (note 4)	4,302,874	7,844,422
Accounts receivable	331,459	249,562
Prepaid expenses	95,550	32,570
Total current assets	4,729,883	8,126,554
Non-current assets		
Acquisition cost of properties (note 5)	842,062	825,687
Deferred exploration expenditures (notes 3 and 5)	19,237,376	7,857,131
Exploration camp and equipment (note 6)	844,466	991,047
Total assets	25,653,787	17,800,419
Liabilities		
Current		
Accounts payable & accruals	170,217	1,136,862
Due to related parties (note 11)	40,403	680,242
Flow-through share premium (note 8)	-	693,425
	210,620	2,510,529
Long term		
Future income tax liabilities	2,300,000	-
Total liabilities	2,510,620	2,510,529
<i>Nature of operations and going concern (note 1)</i>		
Shareholders' equity		
Share capital (note 7(a))	30,650,221	22,893,656
Warrants (note 7(c))	3,836,191	2,353,150
Contributed surplus (note 9)	6,011,936	4,962,823
Deficit	(17,355,181)	(14,919,739)
Total shareholders' equity	23,143,167	15,289,890
Total liabilities and shareholders' equity	25,653,787	17,800,419

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

APPROVED ON BEHALF OF THE BOARD on January 23, 2023.

"Signed"
Anastasios (Tom) Drivas

"Signed"
Frank van de Water

APPIA RARE EARTHS & URANIUM CORP.
Statements of Changes in Equity
(Expressed in Cdn \$)

	Share Capital \$	Warrants \$	Contributed Surplus \$	Deficit (Restated) \$	Total (Restated) \$
At September 30, 2020	14,063,465	737,435	3,676,415	(13,641,380)	4,835,935
Flow-through units private placement, net	3,934,338	-	-	-	3,934,338
Working capital units private placement	3,759,007	-	-	-	3,759,007
Valuation of warrants issued	(2,162,623)	2,162,623	-	-	-
Warrants exercised	3,507,894	(521,615)	521,615	-	3,507,894
Stock options exercised	320,000	-	-	-	320,000
Adjustment of expired warrants	-	(25,293)	25,293	-	-
Share-based compensation	-	-	739,500	-	739,500
Allocated to flow-through premium	(528,425)	-	-	-	(528,425)
Net loss and comprehensive loss for the year	-	-	-	(1,278,359)	(1,278,359)
At September 30, 2021	22,893,656	2,353,150	4,962,823	(14,919,739)	15,289,890
Flow-through units private placement, net	7,783,380	-	-	-	7,783,380
Valuation of warrants issued	(1,879,876)	1,879,876	-	-	-
Stock options exercised	1,098,824	-	(399,324)	-	699,500
Warrants exercised	2,014,793	(352,126)	(13,808)	-	1,648,859
Warrants expired	-	(44,709)	44,709	-	-
Share-based compensation	-	-	1,417,536	-	1,417,536
Allocated to flow-through premium	(1,260,556)	-	-	-	(1,260,556)
Net loss and comprehensive loss for the year	-	-	-	(2,435,442)	(2,435,442)
At September 30, 2022	30,650,221	3,836,191	6,011,936	(17,355,181)	23,143,167

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

APPIA RARE EARTHS & URANIUM CORP.
Statements of Income/(Loss) and Comprehensive Income/(Loss)
(Expressed in Cdn \$)

	For the years ended September 30	
	2022	2021
	\$	\$
Expenses		
General and administrative activities:		
Professional fees	182,719	96,248
Management fees and salaries	189,450	188,977
Office and general	101,692	89,993
Investor relations	236,942	191,068
Share-based compensation	1,417,536	739,500
General and administrative expenses	2,128,339	1,305,786
Loss for the year before the following	(2,128,339)	(1,305,786)
Deferred income tax expense	(346,019)	-
Interest income/(loss), sundry	38,916	27,427
Net loss and comprehensive income/(loss) for the year	(2,435,442)	(1,278,359)
Basic and diluted loss per share	(0.02)	(0.01)
Weighted average number of shares outstanding	119,280,000	101,820,000

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

APPIA RARE EARTHS & URANIUM CORP.
Statements of Cash Flows
(Expressed in Cdn \$)

	For the years ended September 30	
	2022	2021
	\$	\$
Operating activities		
Net income/(loss) for the year	(2,435,442)	(1,278,359)
Items not affecting cash:		
Deferred income tax	346,019	-
Share-based compensation	1,417,536	739,500
	(671,887)	(538,859)
Net change in non-cash working capital		
Accounts receivable	(81,897)	(178,333)
Prepaid expenses	(62,979)	43,067
Accounts payable and accrued liabilities	(966,646)	805,606
Due to related parties	(639,839)	(125,313)
Net cash used in operating activities	(2,423,248)	6,168
Investing activities		
Exploration and evaluation assets acquisition costs (note 5)	(16,375)	(11,272)
Exploration equipment (note 5)	(166,186)	(870,324)
Deferred exploration expenditures	(11,067,478)	(4,566,310)
Net cash used in investing activities	(11,250,039)	(5,447,906)
Financing activities		
Private placement of flow-through units	8,500,000	4,301,600
Private placement of working capital units	-	4,098,400
Warrants exercised	1,648,859	3,507,894
Stock options exercised	699,500	320,000
Share issue expense	(716,620)	(706,655)
Net cash from financing activities	10,131,739	11,521,239
Change in cash and cash equivalents	(3,541,548)	6,079,501
Cash and cash equivalents, beginning of the year	7,844,422	1,764,921
Cash and cash equivalents, end of the year	4,302,874	7,844,422

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

APPRIA RARE EARTHS & URANIUM CORP.
Notes to Financial Statements
For the year ended September 30, 2022
(expressed in Canadian dollars unless otherwise stated)

1. Nature of operations and going concern

Appria Rare Earths & Uranium Corp. ("Appria" or "the Company") is incorporated under the Canada Business Corporations Act and is listed on the Canadian Securities Exchange (CSE: "API") and in New York on the OTCQX platform as "APAAF". The shares also trade on German exchanges. The Company is evaluating its mineral resource properties in Ontario and is actively exploring on its Saskatchewan properties 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.

These financial statements ("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 September 30, 2022 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 working capital of \$4,519,263 as at September 30, 2022, after providing for \$40,403 due to related parties, and has incurred losses since inception resulting in an accumulated deficit of \$17,355,181 as at September 30, 2022. 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 is not appropriate. If the going concern assumption is not appropriate, 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

The Financial Statements of the Company as at and for the year ended September 30, 2022 have been prepared in accordance with International Financial Reporting Standards ("IFRS") 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, 2022.

3. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the Financial Statements.

Presentation Currency

The Company's presentation currency and functional currency is the Canadian dollar ("C\$").

Significant Accounting Judgments and Estimates

The preparation of financial statements requires management to make estimates, judgments and assumptions that affect the amounts reported in the Financial Statements and notes. By their nature, these estimates, judgments and assumptions are subject to measurement uncertainty and the effect on the Financial Statements of changes in such estimates in future periods could be material. These estimates are based on historical

experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The more significant estimates and judgments are as follows:

Critical accounting estimates

The amounts recorded for share-based compensation transactions are based on estimates. The Black-Scholes model is based on subjective estimates of assumptions for expected volatility, expected number of options to vest, dividend rate, risk-free interest rate and expected life of the options.

The recoverability of amounts shown for exploration and evaluation assets is dependent on the discovery of economical reserves, the ability of the Company to obtain financing to complete development of the properties and on future production or proceeds of disposition.

Management's opinion that there is no material restoration, rehabilitation and environmental obligation resulting from its exploration work, is based on the existing facts and circumstances.

Deferred income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the Statements of Financial position and their corresponding tax values. Deferred income tax assets also result from unused loss carry-forwards and other deductions. The valuation of deferred income tax assets is adjusted to reflect the uncertainty of realization through profitable operations.

Critical accounting judgments

The following accounting policies involve judgments or assessments made by management:

- The determination of categories of financial assets and financial liabilities;
- The determination of a cash-generating unit for assessing and testing for impairment; and
- The determination of when an exploration and evaluation asset moves from the exploration stage to the development stage.

Financial Instruments

Financial assets

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") or amortized cost. The Company determines the classification of financial assets at initial recognition.

Financial assets at Fair-value through profit or loss

Financial instruments classified as fair value through profit and loss are reported at fair value at each reporting date, and any change in fair value is recognized in the statement of operations in the period during which the change occurs. Realized and unrealized gains and losses from assets held at FVPTL are included in losses in the period in which they arise.

Financial assets at Fair-value through other comprehensive income

Financial assets carried at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss). For investments in equity instruments that are not held for trading, the Company can make an irrevocable election (on an instrument-by-instrument basis) at initial recognition to classify them as FVTOCI. On the disposal of the investment, the cumulative change in fair value remains in other comprehensive income (loss) and is not recycled to profit or loss.

Financial assets at amortized cost

Financial assets are classified at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows comprise solely payments of principal and interest. The Company's accounts receivable are recorded at amortized cost as they meet the required criteria. A provision is recorded based on the expected credit losses for the financial asset and reflects changes in the expected credit losses at each reporting period.

Financial liabilities

Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL (such as derivatives) or the Company has elected to measure at FVTPL. The Company's financial liabilities include trade and other payables which are classified at amortized cost.

Impairment

IFRS 9 requires an 'expected credit loss' model to be applied which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition.

Fair value hierarchy:

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to the valuation technique used to measure fair value as per IFRS 7. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company has valued all of its financial instruments using Level 1 measurements.

Impairment of financial assets:

When an FVTOCI financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period.

Financial assets are assessed for indicators of impairment at the end of each reporting period.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash, Canadian Chartered Bank demand deposits and money market funds.

Foreign Currency Translation

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period-end exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction.

All gains and losses on translation of these foreign currency transactions are included in the statement of loss and comprehensive loss.

Exploration camp and equipment

Exploration camp buildings and equipment costs are carried at built or acquisition cost less subsequent depreciation and impairment losses.

Depreciation is recognized on a declining balance basis to write off the cost, less their estimated residual value. The rates generally applicable are:

Exploration camp	30%
Machinery and equipment	30%

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in profit or loss within "other income" or "other expenses."

Exploration and Evaluation Assets

Exploration and evaluation assets include the costs associated with exploration and evaluation activity (e.g., geological, geophysical studies, exploratory drilling and sampling), and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. The Company follows the practice of capitalizing all costs related to the acquisition of, exploration for and evaluation of mineral claims and crediting all revenue received against the cost of related claims. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the income statement. Any recovery or proceeds related to a particular mineral property in excess of the capitalized costs in exploration and evaluation assets attributed to that mineral property is recognized in income or loss in that period.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a preliminary economic feasibility study, exploration and evaluation assets attributable to that area of interest are first tested for impairment and would then be reclassified to mining property and development assets.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

It is management's judgment that none of the Company's exploration and evaluation assets have not reached the development stage and as a result are all considered to be exploration and evaluation assets. It is the Company's opinion that the value of the exploration projects has not been impaired.

Share-based Compensation

The Company grants share purchase options to buy common shares of the Company to directors, officers, employees and service providers. The board of directors generally grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of share purchase options granted is recognized on vesting, as an expense in general and administration cost, or charged to exploration expense when appropriate, with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of the share purchase options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions under which the share purchase options were granted.

The fair value for share purchase options granted to non-employees for services provided is measured at the date the services are received. If the fair value of services received cannot be estimated reliably, the value of the share purchase options is estimated using the Black-Scholes option pricing model, taking into account the terms and conditions under which the share purchase options were granted.

At each financial position reporting date, the amount recognized as an expense reflects the actual number of share purchase options that are expected to vest.

Income Taxes

Income tax on the profit or loss consists of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit;
- goodwill not deductible for tax purposes; and
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied.

Restoration, Rehabilitation and Environmental Obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of an interest in an exploration and evaluation asset. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for

the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

The Company has not incurred material restoration, rehabilitation and environmental costs, as the exploration programs create minimal disturbance to the properties.

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance expense (“notional interest”).

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed. The Company presently does not have any amounts considered to be provisions.

Flow-through shares

The Company will, from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share subscription agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders and the premium liability is reversed. The reversal of the premium liability and the deferred tax liability are recognized as tax recoveries to the extent that suitable deferred tax assets are available.

Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the year. Since the Company is in a loss position, the effects of exercising share purchase options and warrants are anti-dilutive.

Impairment

The carrying value of exploration and evaluation assets are reviewed on a quarterly basis and when changes in circumstances suggest their carrying value may become impaired. Management considers exploration and evaluation assets to be impaired if the carrying value exceeds the estimated undiscounted future projected cash flows from the use of the property and its related assets or their eventual disposition through sale. If impairment is deemed to exist, the property and its related assets will be written down to fair value. Fair value is generally determined using a discounted cash flow analysis. Management determined that there was no impairment of carrying value on its properties in the current period.

Accounting pronouncements adopted

No new standards were adopted in the current year.

Accounting pronouncements issued but not yet adopted

At the date of approval of these Financial Statements for the year ended September 30, 2022, the following standards have been issued but not yet adopted.

Amendment to IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current- In January 2020, the IASB issued amendments to paragraphs 69-76 of IAS 1 to clarify the

requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2022, with early adoption permitted.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

The amendments are effective for annual periods beginning on or after January 1, 2023. The amendments must be applied retrospectively in accordance with IAS 8 Accounting Policies, *Changes in Accounting Estimates and Errors*. Earlier application is permitted. The Company is in the process of assessing the impact the amendments may have on future financial statements and plans to adopt the new standard retrospectively on the required effective date.

The amendments are not expected to have an impact on the Company’s financial statements.

4. Cash and cash equivalents

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

On November 17, 2021 the Company closed a private placement of 8,722,222 flow-through units for gross proceeds of \$8,500,000. These funds were expended on Canadian Exploration Expenditures (“CEE”) in the year ended September 30, 2022.

5. Exploration and evaluation

Property acquisition costs and related direct exploration costs less recoveries are deferred until such time as the properties are either placed into commercial production, sold, determined not to be economically viable, or abandoned.

Acquisition cost of properties:

	Elliot Lake Ontario	Alces Lake Saskatchewan	Other Saskatchewan	Total
	\$	\$	\$	\$
Balance, September 30, 2020	602,693	182,054	29,668	814,415
Total additions for the year	-	11,272	-	11,272
Balance, September 30, 2021	602,693	193,326	29,668	825,687
Total additions for the year	-	16,375	-	16,375
Balance, September 30, 2022	602,693	209,701	29,668	842,062

Deferred exploration and evaluation expenditures

Year ended September 30	Saskatchewan	
	\$ 2022	\$ 2021
Opening balance October 1	7,857,131	3,290,821
Additions:		
Assaying	656,213	128,498
Geophysics	184,595	308,711
Contract flying	2,299,031	1,144,038
Helicopter fuel	794,052	239,952
Drilling	4,034,865	958,246
Contract labour	1,239,333	754,741
Personnel travel costs	318,686	186,877
Field communications	60,206	43,969
Camp operating costs	1,077,932	377,379
Shipping	356,771	264,967
Depreciation	312,767	130,652
Other	45,794	28,280
Total additions for the year	11,380,245	4,566,310
Balance, September 30	19,237,376	7,857,131

Saskatchewan, Athabasca Basin Area

The Company commenced adding to its holdings by staking in Saskatchewan in 2011 and began significant acquisitions starting in 2016. At September 30, 2022 the Company held a 100% interest in 110,997 hectares (274,279 acres).

Alces Lake Property is located 30 km northeast of Uranium city and at September 30, 2021 comprised 35,682 hectares (88,172 acres), of high-grade REE mineralization, with multiple outcrops and boulders. In August 2021 18,105 hectares (44,738 acres) of land contiguous to the existing claim block were staked. The property is being actively explored and drilled in summer programs, extended to December in 2021, but in 2022 the program ran for 4.5 months from March to August.

Eastside Property is located east of Cameco's Rabbit Lake mill and the eastern edge of the Athabasca Basin and was acquired by staking in June 2017. The property comprises 4,933 hectares (12,191 acres).

Loranger Property comprises 26,409 hectares (65,258 acres) on the east side of Wollaston Lake with two diamond drill programs completed in January 2017 and March 2019.

North Wollaston Property comprises 16,682 hectares (41,221 acres) located 30 km northeast of Cameco's Rabbit Lake mill on the eastern edge of the Athabasca Basin.

Other Side Property comprises 27,291 hectares (67,437 acres).

Ontario, Elliot Lake

In 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 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 12,545 hectares (31,000 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.

In prior years the Company had spent over \$5 million exploring this property and had some promising results. However, with the low Uranium prices, the explorations costs were written off. The Company continues to own these claims.

6. Exploration camp and equipment Alces Lake

	Machinery and Equipment	Camp	Total
Cost	\$	\$	\$
Balance as at September 30, 2019 and September 30, 2020	317,133	94,735	411,868
Additions	280,609	720,367	1,000,976
Balance as at September 30, 2021	597,742	815,102	1,412,844
Additions	116,831	49,355	166,186
Balance as at September 30, 2022	714,573	864,457	1,579,030
Accumulated depreciation			
Balance, September 30, 2020	(228,905)	(62,240)	(291,145)
Depreciation for the year	(66,260)	(64,392)	(130,652)
Balance, September 30, 2021	(295,165)	(126,632)	(421,797)
Depreciation for the year	(100,760)	(212,007)	(312,767)
Balance, September 30, 2022	(395,925)	(338,639)	(734,564)
Net balance, September 30, 2021	302,577	688,470	991,047
Net balance, September 30, 2022	318,648	525,818	844,466

Depreciation is charged at 30% per annum, on a declining balance basis and has been added to deferred exploration costs.

7. 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, 2020	79,676,718	14,063,465
Warrants exercised	11,343,563	3,507,894
Flow-through units private placement October 28, 2020	2,737,500	1,095,000
Working capital units private placement October 28, 2020	597,285	209,050
Flow-through units private placement November 18, 2020	1,315,000	526,000
Working capital units private placement November 18, 2020	57,000	19,950
Flow-through units private placement December 4, 2020	1,000,000	400,000
Working capital units private placement December 31, 2020	1,000,000	400,000
Flow-through units private placement May 19, 2021	3,258,000	2,280,600
Working capital units private placement May 19, 2021	5,782,333	3,469,400
Stock options exercised	1,400,000	320,000
Less: Value associated with warrants issued	-	(1,896,974)
Less: Value associated with broker warrants issued	-	(265,649)
Allocated to flow-through premium (note 8)	-	(528,425)
Share issue costs	-	(706,655)
Balance, September 30, 2021	108,167,399	22,893,656
Flow-through units private placement November 17, 2021	2,222,222	2,000,000

Flow-through units private placement November 17, 2021	6,500,000	6,500,000
Warrants exercised	3,839,642	2,014,793
Stock options exercised	2,405,000	1,098,824
Less: Value associated with warrants issued	-	(1,759,629)
Less: Value associated with broker warrants issued	-	(120,247)
Allocated to flow-through premium (note 8)	-	(1,260,556)
Share issue costs	-	(716,620)
Balance, September 30, 2022	123,134,263	30,650,221

In October, 2020, the Company closed non-brokered private placements with the sale of 2,737,500 FT Units at \$0.40 per FT Unit for gross proceeds of \$1,095,000 and 597,285 WC Units at \$0.35 per WC Unit for proceeds of \$209,050, for an aggregate \$1,304,050.

In November, 2020, the Company closed a non-brokered private placement with the sale of 1,315,000 FT Units at \$0.40 per FT Unit for gross proceeds of \$526,000 and 57,000 WC Units at \$0.35 per WC Unit for proceeds of \$19,950, for an aggregate \$1,850,000.

In December, 2020, the Company closed a non-brokered private placement with the sale of 1,000,000 FT Units at \$0.40 per FT Unit for gross proceeds of \$400,000 and 1,000,000 WC Units at \$0.40 per FT Unit for gross proceeds of \$400,000 for an aggregate \$800,000.

Of the total funds raised in the three months, ended December 31, 2020 on FT offerings an amount of \$202,625 (2019 - \$nil) has been calculated as a FT share premium (Note 8).

On May 19, 2021 a "bought deal" private placement closed with gross proceeds of \$5,750,000. 5,782,333 units were issued at \$0.60 and 3,258,000 flow-through units were issued at \$0.70. Each unit included one common share and a warrant entitling the holder to acquire one common share at an exercise price of \$0.75 for a period of 24 months. The Underwriter received a cash fee of 7% of the gross proceeds and 632,823 compensation warrants exercisable at \$0.60 entitling the holder to purchase one common share plus a warrant for an additional share at \$0.75 for a period of 24 months.

On November 17, 2021 the Company announced the closing of its bought deal private placement for gross proceeds of \$8,500,000, which included the proceeds from the full exercise of the underwriters' over-allotment option. Due to significant demand, the Offering was upsized from the original gross proceeds of \$6.0 million. Under the Offering, the Company sold 2,222,222 flow-through units of the Company (each, a "FT Unit") at a price of \$0.90 per FT Unit and 6,500,000 FT Units that were sold to charitable purchasers (each, a "Charity FT Unit") at a price of \$1.00 per Charity FT Unit.

Red Cloud Securities Inc. was the lead underwriter and sole bookrunner, with Research Capital Corp. also acting as an underwriter (the "Underwriters") for the Offering.

Each FT Unit and Charity FT Unit consists of one common share of the Company issued as a "flowthrough share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one half of one common share purchase warrant. Each whole Warrant entitles the holder to purchase one Warrant Share at a price of \$1.10 at any time on or before November 17, 2023.

Proceeds from the sale of FT Shares were used to incur "Canadian exploration expenses" as defined in subsection 66.1(6) of the Income Tax Act and "flow through mining expenditures" as defined in subsection 127(9) of the Income Tax Act ("Qualifying Expenditures"). Such proceeds were renounced to the subscribers on December 31, 2021, in the aggregate amount of not less than the total amount of gross proceeds raised from the issue of FT Shares.

Under the Offering, the Company paid to the Underwriters total cash commissions of \$591,491 and issued to the Underwriters 606,656 warrants of the Company (the "Compensation Warrants"). Each Compensation Warrant is exercisable to acquire one unit of the Company (each, a "Compensation Unit") at a price of \$0.90 at

any time on or before November 17, 2023. Each Compensation Unit consists of one common share of the Company and one half of one Warrant.

An insider of the Company subscribed for 17,000 FT Units for \$15,300 of the Offering.

(b) Common share purchase options

The Company has a stock option plan (the “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 September 30, 2022, 7,110,000 common shares were reserved for the exercise of stock options granted under 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, 2020	4,950,000	0.27
Granted	1,650,000	0.71
Exercised	(1,400,000)	0.23
Outstanding at September 30, 2021	5,200,000	0.42
Exercised	(2,405,000)	0.30
Granted	5,250,000	0.50
Expired	(935,000)	0.54
Outstanding at September 30, 2022	7,110,000	0.51
Exercisable at September 30, 2022	4,151,667	0.50

On February 10, 2021, the Company granted 200,000 options to purchase common shares exercisable at \$0.68 per share for five years to a consultant of the Company.

On March 5, 2021, the Company granted 1,000,000 options to purchase common shares exercisable at \$0.65 per share for five years to the President of the Company. As he resigned on August 31, 2022 these options will expire on October 30, 2022.

On June 4, 2021, the Company granted 150,000 options to purchase common shares exercisable at \$0.91 per share for five years to one consultant.

On September 1, 2021, the Company granted 300,000 options to purchase common shares exercisable at \$0.84 per share for five years to the Vice-President, Exploration of the Company.

On September 21, 2022, the Company granted 5,250,000 options to purchase common shares exercisable at \$0.50 per share for five years to the directors and consultants of the Company.

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
200,000	200,000	10 months	\$0.30	August 1, 2023
510,000	510,000	34.1 months	\$0.25	August 4, 2025
1,000,000	666,667	41.2 months	\$0.65	March 5, 2026
150,000	150,000	44.1 months	\$0.91	June 3, 2026
5,250,000	2,625,000	59.7 months	\$0.50	September 21, 2027
7,110,000	4,151,667			

The weighted average fair value of all the options issued in the period ended March 31, 2021, was calculated as \$0.65 per share option. The fair value was estimated at the date of grant using the Black-Scholes pricing model

with the following assumptions: risk-free weighted-average interest rate of 0.49-0.90%, expected dividend yield of nil, expected volatility of 180.81 and expected life term of 60 months. Options that have been issued generally vest one-half immediately on the date of grant and one-half twelve months from the date of grant. The 200,000 options issued on February 10, 2021, vested on issue and 1,000,000 options issued on March 5, 2021, vested one-third on issue and one-third on the next two anniversary dates.

The value of the options issued on June 4, 2021, was calculated as \$0.79 per share. The fair value was estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate of 0.86%, expected dividend yield of nil, expected volatility of 132.63 and expected life term of 60 months. The options vested immediately on the date of grant.

The value of the options issued on September 1, 2021, was calculated as \$0.71 per share. The fair value was estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate of 0.79%, expected dividend yield of nil, expected volatility of 126.72 and expected life term of 60 months. The options vested immediately on the date of grant.

The weighted average fair value of all the options issued on September 21, 2022, was calculated as \$0.39 per share option. The fair value was estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate of 3.35%, expected dividend yield of nil, expected volatility of 120.93 and expected life term of 60 months. Options that have been issued generally vest one-half immediately on the date of grant and one-half 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 shares issuable on exercise of outstanding common share purchase warrants:

	Number of shares	Value \$
Balance September 30, 2020	13,180,852	737,435
Private placement warrants issued	13,946,021	2,162,623
Warrants exercised	(11,343,563)	(521,615)
Warrants expired	(743,289)	(25,293)
Balance September 30, 2021	15,040,021	2,353,150
Private placement warrants issued	5,271,095	1,879,876
Warrants exercised	(3,839,642)	(352,126)
Warrants expired	(894,400)	(44,709)
Balance September 30, 2022	15,577,074	3,836,191

A summary of the outstanding warrants is as follows:

	Number of shares	Remaining contractual life	Exercise price per share	Expiry date
Warrants	9,040,333	7.6 months	\$0.75	May 19, 2023
Warrants	632,823	7.6 months	\$0.75	May 19, 2023
Warrants	632,823	7.6 months	\$0.60	May 19, 2023
Warrants	4,361,111	13.6 months	\$1.10	November 17, 2023
Warrants	606,656	13.6 months	\$0.60	November 17, 2023
Warrants	303,328	13.6 months	\$0.60	November 17, 2023
Balance, September 30, 2022	15,577,074			

The fair value of the warrants issued for the three months ended December 31, 2020 was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 0.20-

0.27%, expected dividend yield of nil, average expected volatility of 133.91-135.53% and expected life term of 18 months. Under this method of calculation, the Company recorded \$206,306 as the value of the warrants issued under this offering.

The fair value of the warrants issued for the three months ended June 30, 2021 was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 0.33%, expected dividend yield of nil, average expected volatility of 131.95% and expected life term of 24 months. Under this method of calculation, the Company recorded \$1,956,317 as the value of the warrants issued under this offering.

The fair value of the warrants issued for the three months ended December 31, 2021 was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 1%, expected dividend yield of nil, average expected volatility of 126.01% and expected life term of 24 months. Under this method of calculation, the Company recorded \$1,879,876 as the value of the warrants issued under this offering.

The number of common shares outstanding on September 30, 2022, was 123,134,263. Taking into account outstanding share purchase options and warrants, the fully diluted number of common shares that could have been outstanding on September 30, 2022, was 145,821,337.

8. Flow-through share premium

Flow-through liabilities include the deferred premium portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through issuances.

	September 30, 2022, \$	September 30, 2021, \$
Balance at the beginning of the year	693,425	165,000
Liability incurred on flow-through shares issued	1,260,556	528,425
Settlement of liability settled through the expenditure of funds	(1,953,981)	-
Balance at the end of the year	-	693,425

9. Contributed surplus

A summary of changes in contributed surplus is:

	Amount \$
Balance, September 30, 2020	3,676,415
Share-based payments	739,500
Warrants exercised	521,615
Warrants expired	25,293
Balance, September 30, 2021	4,962,823
Share-based payments	1,417,536
Stock options exercised	(399,324)
Warrants exercised	(13,808)
Warrants expired	44,709
Balance, September 30, 2022	6,011,936

10. Income taxes

The Company's effective income tax rate differs from the amount that would be computed by applying the combined Federal and Provincial statutory tax rate of 26.50% (2021 - 26.25%) to the net loss for the year for reasons noted below:

	September 30 2022	September 30 2021
	\$	\$
Income tax recovery based on statutory rate	553,597	335,570
Actual provision per financial statements		
Non-deductible items for tax purposes	(376,100)	(194,100)
Items deductible for tax purposes	71,150	36,000
Tax on items renounced	(594,666)	-
Valuation allowance	-	(177,470)
Net deferred income tax recovery (expense)	(346,019)	-

The Company has incurred tax losses of \$4,769,000 (2021 - \$3,830,000) which may be used to reduce future taxable income. The potential benefit of these losses will expire in the fiscal years ended September 30, if unused, as follows:

	Amount
	\$
2028	98,000
2029	101,000
2030	136,000
2032	219,000
2033	220,000
2034	165,000
2035	122,000
2036	156,000
2037	392,000
2038	411,000
2039	450,000
2040	400,000
2041	960,000
2042	939,000
	4,769,000

In addition to the above losses the Company has available approximately cumulative exploration expenditures of \$4.5 million and cumulative development expenditures of \$425,000 which can be used to offset future taxable income.

The components of future income tax asset (liability) are as noted below:

	September 30 2022	September 30 2021
	\$	\$
Non-capital losses and share issue costs	1,587,000	1,133,500
Exploration and evaluation assets and other	(3,887,000)	(1,072,000)
Valuation allowance	-	(61,500)
Net deferred income tax liability	(2,300,000)	-

11. Related party transactions

During the year ended September 30, 2022, the Company incurred related party expenses totaling \$289,946 (2021 – \$253,092). These expenses related to management fees paid or payable to key management personnel; Tom Drivas, Chief Executive Officer, Frederick Kozak, President from March 8, 2021 to August 31, 2022, Frank van de Water, Chief Financial Officer, 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 September 30, 2022, \$nil (2021 - \$570,375) of accumulated related party expenditures was payable to Tom Drivas and \$11,918 (2021 - \$25,588) was payable to the other officers and Romios Gold Resources Inc.

One insider of the Company subscribed for 17,000 FT Units for \$15,300 in the November 2021 private placement.

In the current year the Company paid the accumulated related party amounts owing to the Chief Executive Officer of \$570,375 and the accrued fees owing to the independent directors of \$80,500.

During the year, Directors exercised 1,915,000 share purchase options at the exercise price of \$0.30 per share and 350,000 share purchase options at the exercise price of \$0.25 per share

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the years ended September 30, 2022, and 2021.

During the year ended September 30, 2022, the Company incurred expenses of \$20,000 (2021 - \$20,000) for independent directors' fees. At September 30, 2022, \$20,000 (2021 - \$76,500) of accrued directors' fees was outstanding.

During the year ended September 30, 2022, the Company incurred expenses of \$97,148 (2021 - \$150,602) for legal fees to a law firm related to a director of the Company, William R. Johnstone. At September 30, 2022 \$8,485 (2021 – \$7,779) was payable to this related party.

As disclosed in Note 5, the Elliot Lake exploration properties were acquired from a related party that holds a 1% Uranium Production Payment Royalty and a 1% NSR Royalty on any precious or base metals payable provided that the price of uranium is greater than US\$130 per pound.

12. 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 sale are classified into the following categories:

	September 30 2022	September 30 2021
	\$	\$
FVTPL ⁽¹⁾	4,302,874	7,844,422
Receivables ⁽²⁾	331,459	249,562
Financial liabilities ⁽³⁾	170,217	1,136,862

(1) Includes cash, committed cash and demand deposits and money market funds of a Canadian Chartered Bank.

(2) Includes accounts receivable related to HST and PST 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.

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.

Pandemic COVID-19 risk

On March 11, 2020, the World Health Organization declared the COVID -19 infectious virus a global pandemic, with resulting travel bans, physical distancing, closing of social, cultural and educational facilities and non-essential businesses. Global financial equity markets have declined considerably and remain volatile. The effect on the Company included difficulty in accessing exploration sites and hiring personnel for exploration programs, as well as in raising additional equity financing. Vaccines have proven effective against the virus, but new variants of the virus have recently appeared that may make the vaccines less effective and may pose a challenge in the future. The timing of a return to normal and the impact on the Company's operations is difficult to project.

Carrying value of exploration and evaluation assets

The Company regularly reviews the carrying value of its properties to determine whether the cost of these assets will be recoverable from future cash flows or from the proceeds of their disposal. Assumptions underlying the cash flow estimates would 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 of its exploration properties.

13. 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.

14. Subsequent events

On October 30, 2022, 1 million share purchase options exercisable at \$0.65 expired unexercised. In addition, after year end, 1.2 million share purchase options were issued at prices ranging from \$0.35 to \$0.65.

On November 22, 2022, the Company closed the first tranche of a non-brokered private placement of 5,000,000 flow-through shares at \$0.50 per share subject to a hold period expiring March 23, 2023.

On December 8, 2022, the Company closed the final tranche of the private placement with the issuance of 1,980,000 flow-through shares for gross proceeds of \$990,000 and working capital units ("WC units") at \$0.43 for gross proceeds of \$176,000. The WC units consist of one common share and one common share purchase warrant to acquire one common share at an exercise price of \$0.65 until December 8, 2023.

Shares issued in the December 8 closing are subject to a hold period expiring on April 9, 2023.

**APPIA RARE EARTHS & URANIUM CORP.
(formerly “APPIA ENERGY CORP.”)**

MANAGEMENT’S DISCUSSION AND ANALYSIS

For the year ended September 30, 2022

Management's Discussion and Analysis – September 30, 2022 As of January 23, 2023

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Appia Rare Earths & Uranium Corp. ("Appia" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended September 30, 2022. The MD&A was prepared as of January 25, 2023 and should be read in conjunction with the audited financial statements for the year ended September 30, 2022, including the notes thereto. Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. These Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as described in Note 2 to the Financial Statements.

Appia is a Canadian mineral exploration company listed on the Canadian Securities Exchange under the trading symbol "API", and in the USA the shares commenced trading on the OTCQX platform as "APAAF" on June 14, 2022. Graduating to the OTCQX marks an important milestone, demonstrating its qualifications and building visibility among U.S. investors. In Germany the shares trade under the symbols A01.F, A01.MU and A01.BE. Appia is focused on the rare earth element ("REE") deposits at Alces Lake, particularly high priced "critical REE's", and on exploring high-grade, near-surface uranium deposits in the Athabasca Basin area.

ALCES LAKE HIGH-GRADE REE PROJECT

On July 26, 2022, Appia announced that the Company had completed the planned 2022 drilling / exploration program on the 100%-owned Alces Lake high-grade rare earth elements and gallium property, Athabasca Basin area, northern Saskatchewan.

The news release is posted on Appia's website.

Highlights:

- Record metreage (17,481 metres) drilled in 2022
- Additional delineation drilling on the high-grade mineralization in the WRCB discovery including previously undrilled monazite targets at Danny and Wilson/Wilson North
- Initial delineation drilling on the discoveries at Magnet Ridge and Magnet Ridge West included 44 holes and a total 7,344 metres drilled
- First drilling on highly prospective anomalies at the West Limb
- Drilling on the Western Anomaly at Sweet Chili Heat, Diablo and Buffalo to follow-up on 2021 assay results

In June, complete WRCB assay results from its 2021 drilling program were announced and the discovery of a massive new rare earth element ("REE") bearing zone in the WRCB area of Alces Lake. Additional assay results from 2021 drilling in the Western Anomaly area of the Alces Lake claims block were announced in July.

Highlights:

- Wilson 21-WRC-014 intersected 15.81 wt% TREO over a drilled width of 3.67m within a broader interval of 6.99m @ 11.70wt% TREO
- Wilson 21-WRC-016 intersected 24.30 wt% TREO over a drilled width of 1.93m within a broader interval of 3.19m @ 15.38wt% TREO and 17.85 wt% TREO over a drilled width of 2.69m within a broader interval of 11.6m @ 5.71wt% TREO
- Richard 21-WRC-053 intersected 17.12 wt% TREO over a drilled width of 1.08 metres within a broader interval of 4.29m @ 5.19 wt% TREO
- High grade, at or near surface mineralization at WRCB is now correlated along strike length for 100 metres
- New discovery of the AMP zone, which is continuous from surface to a down plunge extent of 300 metres and remains open. The true width of the mineralized zone is known to exceed 10 metres

In the 2022 drilling program, a total of 37 holes were drilled into WRCB to continue delineation of the high-grade REE mineralization and also delineate previously undrilled targets in Danny (adjacent to WRCB) as well as additional drilling into the Wilson/Wilson North zone. New WRCB drilling also extended the trend of the REE mineralization by approximately 120 metres along strike to a total of 280 metres of strike-length mineralization. The WRCB accumulation remains open in both the northwest and southeast directions.

The most significant new drilling area in 2022 was in the Magnet Ridge, located approximately 1.5 kilometres south-southeast of WRCB on a well defined regional geologic corridor. A total of 34 holes (5,318 metres) were drilled into the primary Magnet Ridge target that outcrops on surface. A nearby (and possibly geologically related) prospect on Magnet Ridge West saw another 10 holes (2,025.9 metres) drilled. The rocks in these two prospects appear to be geologically similar to the 2021 discovery AMP zone at WRCB, which also outcrops on surface.

Drilling on-trend and in-between WRCB and Magnet Ridge was also conducted, with 5 holes and 1,044 metres of drilling done, primarily at the Strocen prospect.

Keying off results in the WRCB-Magnet Ridge trend on the eastern limb of the large regional fold at Alces Lake, Appia conducted the first drilling program on the previously undrilled West Limb. Six holes with a total of 1,014.9 metres were drilled and encountered indications of elevated radioactivity. Lastly, drilling of five holes was conducted on the Western Anomaly. Following up on the 2021 assay results for this new exploration area, two holes (393 metres) were drilled at Sweet Chili Heat, two holes (393 metres) at Diablo and one hole (166.5 metres) at Buffalo. Mineralization was encountered in all three target areas and assay results will be analyzed and evaluated once received.

On December 6, 2022, the Company announced the receipt of assay results from the prospecting program carried out on the West Limb zone south of the Magnet Ridge zone. Grab samples from outcrops included into following results:

- 36.11wt.% TREO from samples of massive to semi-massive monazite in outcrop at West Limb
- 3.34 wt.% TREO from a mineralized biotite shear zone at West Limb
- 4.34 wt.% TREO from visible monazite in a shear zone south of the Magnet Ridge zone
- 2.03 wt.% TREO from visible monazite discovered in the Western Anomaly.

Following the results of the 2021 aerial geophysics survey, Appia more than doubled the acreage of the Alces Lake claims blocks. Appia expects to report on a total 4,864-line km of high resolution radiometric and aeromagnetic surveys over three previously unsurveyed sections of the Alces Lake block. The northwest portion of the block has a planned 2,152-line km, the south portion of the block will have 2,487-line km surveyed, and the eastern side of the claims block will have an additional 225-line km collected. The survey results are being analysed.

Bulk Sample Extraction

As part of a metallurgical collaboration with CanmetMINING focused on beneficiation testwork for the Alces Lake Rare Earth Project, the Company in May 2022 extracted a bulk sample from the Alces Lake discovery. The primary focus for the test program is to optimize and enhance the development of an Alces Lake Project flowsheet and to confirm other material testwork that has been previously conducted by other parties on the Alces Lake monazite.

Federal R&D assistance is provided through a collaboration agreement with CanmetMINING, under their Critical Minerals Research, Development and Demonstration program. This program targets research and development for upstream critical minerals processing and aims to stimulate the development of battery and permanent magnet value chains in Canada.

The test work is anticipated to include grinding, flotation, magnetic separation, ore sorting, and dense medium separation (DMS). CanmetMINING scientists will work closely with the Company and its consultants for mineral processing. The objective is to design and execute a comprehensive and optimal testing approach that will produce a high-grade rare earth mineral concentrate from the Alces Lake mineralized material.

A total of 0.9 tonnes of mineralized material was extracted from the Alces Lake Deposit with 0.6 tonnes shipped to SGS Canada's Lakefield facility in Ontario for crushing and sizing ahead of test work. The remainder of the sample will be shipped at a later date. Upon completion of the preparatory work, the sample will be shipped to CanmetMINING for the test programs.

CanmetMINING is a science and technology branch of the Lands and Metals sector of Natural Resources Canada, is a world-class leader in the development and deployment of green mining innovation technologies. Much of its research is undertaken in partnership with industry, provincial governments, other federal departments, universities and international agencies.

CanmetMINING's \$47.7M Critical Minerals RD&D Program was funded through the Federal Budget 2021 to develop domestic critical raw materials value chains, and position Canada as a global supplier of choice for critical mineral products. R&D is focused on 3 key priority research areas: battery minerals, the Mining Value from Waste Program (MVfW), and rare earth elements and other critical minerals. This collaboration with Appia under the REE and other critical minerals area seeks to advance the production of permanent magnet raw materials in Canada.

ALCES LAKE SUMMARY

Appia's 2022 drilling program included drilling significantly deeper holes to determine continuity at depth and along the identified REE mineralization trends, as the Company works toward making a maiden resource estimate in accordance with NI 43-101 requirements.

The Alces Lake project encompasses some of the highest-grade total and critical* REEs and gallium mineralization in the world, hosted within a number of surface and near-surface monazite occurrences that remain open at depth and along strike.

* Critical rare earth elements are defined here as those that are in short-supply and high-demand for use in permanent magnets and modern electronic applications such as electric vehicles and wind turbines (i.e: neodymium (Nd), praseodymium (Pr), dysprosium (Dy) and terbium (Tb)).

The Alces Lake project is located in northern Saskatchewan, the same provincial jurisdiction that is developing a "first-of-its-kind" rare earth processing facility in Canada (currently under construction by the Saskatchewan Research Council, with the Monazite Processing Unit scheduled to become operational in 2023). The Alces Lake project area is 35,682 hectares (88,173 acres) in size.

Athabasca Basin Uranium Properties

In January 2022 Appia announced the acquisition of contiguous new mineral claims in the Athabasca Basin area, northwest Saskatchewan. Portions of the newly acquired Otherside claims block were previously held by Appia.

The Otherside claim block is 27,291 contiguous hectares (67,437 acres) located approximately 50 kilometres south of Fond du Lac. The claims were staked on the basis of similar geological and geophysical signatures to the Company's Loranger property as well as other known high-grade, large-tonnage uranium deposits in the Athabasca Basin including Fission Uranium Corp's Triple R deposit, NexGen Energy's Arrow deposits and others. Otherside straddles a 40 km long corridor hosting multiple discrete conductors with associated magnetic gradients and gravity lows, within the north central Athabasca Basin.

Appia now holds a total of 69,344 hectares (171,351 acres) of land on four uranium claims (Otherside, Eastside, North Wollaston and Loranger).

On November 2, 2022, the Company reported on the helicopter-borne gamma-ray spectrometry and VTEM geophysical survey on the North Wollaston uranium property. Appia acquired 951-line km of VTEM data and 867 line km of radiometric data within an area of 174 km² revealing characteristic features of basement hosted type uranium deposits of the eastern Athabasca Basin. There is an abundance of historic uranium anomalies on the property. Data integration and 3D modelling is in process for identifying drill targets for 2023.

Uranium and REEs Outlook

The trade war between the USA and China is jeopardizing the availability of critical REEs. The Company's Alces Lake project contains some of the highest-grade total critical REE mineralization in the world.

A shortage of critical REEs has developed, largely a result of the increase in electric vehicle production. China continues to control the pricing of REEs, but its share of the world's REE production has dropped from 80% to 60% and China has lost some of its pricing power. Some of the REE concentrates is imported, processed in China to final form and re-exported.

Since the coup in Myanmar in February 2021 the Chinese are illegally mining across the border in areas controlled by a junta-sponsored militia. Myanmar is China's largest, rare earth source. In 2020 Myanmar accounted for 35,500 tons of concentrates, 74% of Chinese imports of rare earths for refining, processing and sale around the world. Around ten rare earth mines have opened illegally across an uncontrolled border in Myanmar, with considerable environmental damage and pollution of the rivers.

For the supply of critical REEs required by the defence industry and for electronics, Washington is working on plans to reduce the dependence on China for the supply of critical REEs. There is a growing cooperation between Canada and USA in finding and producing REEs in North America, a long-term objective. A bipartisan bill was introduced in the American Senate which would force the US defence contractors to avoid use of China-sourced rare earth metals; it would also seek to create a strategic stockpile in the US.

Cameco is reactivating the shut down McArthur River uranium mine over a period of time. Operations at Cigar Lake, the world's largest single largest uranium mine are increasing. Cameco is using its inventory of mined uranium and is expected to continue purchasing 5 million pounds on the spot market this year in order to satisfy its contractual delivery requirements and reported an increase of only 41% in its average realized price over the same period in 2021 due to the impact of fixed price contracts.

The uranium demand forecast shows an increase from China, and in 2021 known supply sources are projected to be unable to match demand. Industry opinion is that long term contract prices of US\$60 per pound is needed before any new mining project advances. The spot price is currently around US\$48 per pound. The World Nuclear Association recently projected an annual production shortfall of 50 million pounds in the near future, but there is idle production capacity available at this time.

The political stability of countries supplying the US with uranium and REEs has caused concern in the United States, as it relies on imports of uranium for reactors and for the supply of REEs required by the defence industry, for electronics and high strength magnets needed in the electric vehicle and wind farm applications.

Ontario Properties

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. The Elliot Lake area produced some 360 M lbs. of U₃O₈ from 13 underground mines between 1955 and 1996 and is the only mining camp in Canada that had significant historical commercial REE production.

No work has been carried out in recent years, as the current market price for uranium oxide does not yet warrant additional work at this time.

The Company is considering the next stage of the Teasdale exploration and evaluation. The longer-term outlook for uranium prices is positive and the successful recovery of the REEs, particularly the critical elements of the total rare earths encountered, is very encouraging. Factors favourable for the project include the following:

- new mine infrastructure development would be in brownfield areas already disturbed by industrial and mining activity;
- water, electrical, transportation and communications infrastructure are in place or close at hand;
- the recovery of uranium from Elliot Lake ore is well known. Based on Teasdale Lake test results, the recovery of REEs appears to face no significant technical uncertainties;
- Appia is not responsible in any manner for potential future environmental impacts arising out of historical mining operations or waste disposal; and,
- The Cameco uranium refinery is located approximately 60 km away, near Blind River.

Results of Operations

The Company spent \$11,380,245 on deferred evaluation expenditures for the year ended September 30, 2022 (2021 - \$4,566,310) (Note 5 of the Financial Statements). The very large increase reflects the extension of the 2021 drilling program to December 2021, as well as an early start of the 2022 drill program in March 2022.

Total general and administrative expenses for the year ended September 30, 2022, were \$2,128,339 compared to \$1,305,786 in 2021, higher due to an increase in non-cash share-based compensation to \$1,417,536 (2021 - \$739,500), an increase in professional fees to \$182,719 (2021 - \$96,248) and investor relations to \$236,942 (2021 - \$191,068).

The Company's net loss and comprehensive loss for the year ended September 30, 2022, was \$2,435,442 (2021 – 1,278,359), after deferred income taxes in the amount of \$346,019 for the year ended September 30, 2022 (2021 – nil).

Fourth Quarter

The Company's net loss and comprehensive loss for the three months ended September 30, 2022, was a loss \$3,387,048 compared to a loss of \$212,043 in the prior year. The change in the fourth quarter of 2022 compared to 2021 was due to the increase in a deferred income tax liability to \$2,082,754 (2021 - \$nil), offset by the decrease in non-cash share-based compensation to \$1,103,183 (2021 - \$110,832).

A summary of selected financial information for the period ended September 30 is as follows:

	September 30 2022	September 30 2021	September 30 2020
Net income/(loss) for the year	\$(2,435,442)	\$(1,278,359)	(1,795,985)
Total assets	25,743,787	17,800,419	2,846,925
Cash flow from/(used) in operations	(2,423,248)	6,168	(1,311,652)
Income/(loss) per share (basic and diluted)	\$(0.02)	\$(0.01)	\$(0.03)

Selected Quarterly Information

2021 - 2022	Sep 30, 2022	June 30, 2022	Mar 31, 2022	Dec 31, 2021
	\$	\$	\$	\$
Net income/(loss) and comprehensive income/(loss)	(3,387,048)	555,482	718,662	(322,538)
Net income/(loss) per share – basic and diluted	(0.03)	0.00	0.01	(0.00)
Total assets	25,743,787	26,878,081	25,514,178	25,662,712
2020 - 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020
	\$	\$	\$	\$
Net loss and comprehensive loss (restated)	(212,043)	(396,699)	(534,354)	(135,263)
Net loss per share – basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)
Total assets	17,800,419	16,763,110	11,162,336	9,861,455

Capital Resources and Liquidity

At September 30, 2022, the Company had working capital of \$4,519,263 (after providing \$40,403 owing to related parties) compared to a working capital of \$5,616,025 as at September 30, 2021 and had working capital of \$7,342,000 at January 25, 2023. In January 2022 the Company paid the accumulated related party amount owing to the Chief Executive Officer of \$570,375 and the accrued fees owing to the independent directors of \$80,500.

In November, 2021, the Company closed non-brokered private placements with the sale of 2,222,222 FT Units at \$0.90 per FT Unit for gross proceeds of \$2,000,000 and 6,500,000 FT Units at \$1.00 per FT Unit for proceeds of \$6,500,000, for an aggregate \$8,500,000.

On November 22, 2022, the Company closed the first tranche of a non-brokered private placement of 5,000,000 flow-through shares at \$0.50 per share subject to a hold period expiring March 23, 2023.

On December 8, 2022, the Company closed the final tranche of the private placement with the issuance of 1,980,000 flow-through shares for gross proceeds of \$990,000 and working capital units (“WC units”) at \$0.43 for gross proceeds of \$176,000. The WC units consist of one common share and one common share purchase warrant to acquire one common share at an exercise price of \$0.65 until December 8, 2023.

The Company has no operating revenue and has historically funded its operations with equity based private placements. The Company’s future exploration plans are contingent on raising capital but has financial resources to fund its planned exploration program and administration costs for the next twelve months.

The Company’s ability to meet its obligations and continue as a going concern is dependent on the ability to identify and complete future financings. While the Company has been successful in raising financings, there can be no assurance that it will be able to do so in the future.

Common Share Data

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, 2020	79,676,718	14,063,465
Warrants exercised	11,343,563	3,507,894
Flow-through units private placement October 28, 2020	2,737,500	1,095,000
Working capital units private placement October 28, 2020	597,285	209,050
Flow-through units private placement November 18, 2020	1,315,000	526,000
Working capital units private placement November 18, 2020	57,000	19,950
Flow-through units private placement December 4, 2020	1,000,000	400,000
Working capital units private placement December 31, 2020	1,000,000	400,000
Flow-through units private placement May 19, 2021	3,258,000	2,280,600
Working capital units private placement May 19, 2021	5,782,333	3,469,400
Stock options exercised	1,400,000	320,000
Less: Value associated with warrants issued	-	(1,896,974)
Less: Value associated with broker warrants issued	-	(265,649)
Allocated to flow-through premium (note 8)	-	(528,425)
Share issue costs	-	(706,655)
Balance, September 30, 2021	108,167,399	22,893,656
Flow-through units private placement November 17, 2021	2,222,222	2,000,000
Flow-through units private placement November 17, 2021	6,500,000	6,500,000
Warrants exercised	3,839,642	2,014,793
Stock options exercised	2,405,000	1,098,824
Less: Value associated with warrants issued	-	(1,759,629)
Less: Value associated with broker warrants issued	-	(120,247)
Allocated to flow-through premium (note 8)	-	(1,260,556)
Share issue costs	-	(716,620)
Balance, September 30, 2022	123,134,263	30,650,221
Flow-through units private placement November 22, 2022	5,000,000	2,500,000
Flow-through units private placement December 8, 2022	1,980,000	990,000
Working capital units private placement December 8, 2022	409,300	175,999
Less: Value associated with warrants issued	-	(32,818)
Balance, January 25, 2023	130,523,563	34,283,402

Common share purchase stock options

The Company has a stock option plan (the "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 September 30, 2022, 7,110,000 common shares were reserved for the exercise of stock options granted under 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, 2020	4,950,000	0.27
Granted	1,650,000	0.71
Exercised	(1,400,000)	0.23
Outstanding at September 30, 2021	5,200,000	0.42
Exercised	(2,405,000)	0.30
Granted	5,250,000	0.50
Expired	(935,000)	0.54
Outstanding at September 30, 2022	7,110,000	0.51

Exercisable at September 30, 2022	4,151,667	0.50
Granted	200,000	0.60
Granted	1,000,000	0.35
Expired	(1,000,000)	0.65
Outstanding at January 25, 2023	7,310,000	0.47
Exercisable at January 25, 2023	4,185,000	0.46

A summary of the outstanding stock options as at January 25, 2023 is as follows:

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
200,000	200,000	6.4 months	\$0.30	August 1, 2023
510,000	510,000	30.5 months	\$0.25	August 4, 2025
150,000	150,000	40.5 months	\$0.91	June 3, 2026
5,250,000	2,625,000	56.1 months	\$0.50	September 21, 2027
200,000	200,000	57 months	\$0.60	October 18, 2027
1,000,000	500,000	59.5 months	\$0.35	January 4, 2028
7,310,000	4,185,000			

The weighted average fair value of all the options Issued in the 2022 was calculated as \$0.45 per share option. The fair value was estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate of 0.490-0.86% expected dividend yield of nil expected volatility of 126.72-180.31% and expected life term of 60 months. Options that have been issued generally vest one-half immediately on the date of grant and one-half twelve months from the date of grant.

Warrants

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

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

	Number of shares	Value \$
Balance September 30, 2020	13,180,852	737,435
Private placement warrants issued	13,946,021	2,162,623
Warrants exercised	(11,343,563)	(521,615)
Warrants expired	(743,289)	(25,293)
Balance September 30, 2021	15,040,021	2,353,150
Private placement warrants issued	5,271,095	1,879,876
Warrants exercised	(3,839,642)	(352,126)
Warrants expired	(894,400)	(44,709)
Balance September 30, 2022	15,577,074	3,836,191
Private placement warrants issued	421,300	32,818
Balance January 25, 2023	15,998,374	3,869,009

A summary of the outstanding warrants as at January 25, 2023 is as follows:

	Number of shares	Remaining contractual life	Exercise price per share	Expiry date
Warrants	9,040,333	4 months	\$0.75	May 19, 2023
Warrants	632,823	4 months	\$0.75	May 19, 2023
Warrants	632,823	4 months	\$0.60	May 19, 2023
Warrants	4,361,111	10 months	\$1.10	November 17, 2023
Warrants	606,656	10 months	\$0.60	November 17, 2023
Warrants	303,328	10 months	\$0.60	November 17, 2023
Warrants	409,300	10.7 months	\$0.65	December 8, 2023
Warrants	12,000	10.7 months	\$0.43	December 8, 2023
Balance, January 25, 2023	15,998,374			

The number of common shares outstanding on January 25, 2023 was 130,523,563. Taking into account outstanding share purchase options and warrants, the fully diluted number of common shares that could have been outstanding on January 25, 2023 was 153,831,937.

Related Party Transactions

During the year ended September 30, 2022, the Company incurred related party expenses totaling \$289,946 (2021 – \$253,092). These expenses related to management fees paid or payable to key management personnel; Tom Drivas, Chief Executive Officer, Frederick Kozak, President from March 8, 2021 to August 31, 2022, Frank van de Water, Chief Financial Officer, 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 September 30, 2022, \$nil (2021 - \$570,375) of accumulated related party expenditures was payable to Tom Drivas and \$11,918 (2021 - \$25,588) was payable to the other officers and Romios Gold Resources Inc.

One insider of the Company subscribed for 17,000 FT Units for \$15,300 in the November 2021 private placement.

In the current year the Company paid the accumulated related party amounts owing to the Chief Executive Officer of \$570,375 and the accrued fees owing to the independent directors of \$80,500.

During the year, Directors exercised 1,915,000 share purchase options at the exercise price of \$0.30 per share and 350,000 share purchase options at the exercise price of \$0.25 per share

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the years ended September 30, 2022, and 2021.

During the year ended September 30, 2022, the Company incurred expenses of \$20,000 (2021 - \$20,000) for independent directors' fees. At September 30, 2022, \$20,000 (2021 - \$76,500) of accrued directors' fees was outstanding.

During the year ended September 30, 2022, the Company incurred expenses of \$97,148 (2021 - \$150,602) for legal fees to a law firm related to a director of the Company, William R. Johnstone. At September 30, 2022 \$8,485 (2021 – \$7,779) was payable to this related party.

As disclosed in Note 5 to the financial statements, the Elliot Lake exploration properties were acquired from a related party that holds a 1% Uranium Production Payment Royalty and a 1% NSR Royalty on any precious or base metals payable provided that the price of uranium is greater than US\$130 per pound.

Carrying value of exploration and evaluation assets

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

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Financial Instruments and risk management

The Company is required to disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet dates, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The Company's financial instruments recognized in the balance sheet consist of cash and cash equivalents, HST/GST receivable and current liabilities. The fair value of these financial instruments approximates their carrying value due to the short maturity or current market rate associated with these instruments.

Risk Factors

There are a number of risks that could affect Appia's business prospects. They include the speculative nature and the ability to finance the exploration and development of the Company's mineral properties, operating hazards, environmental and other government regulations, competition in the marketplace, markets for the Company's securities and the demand for uranium and rare earth elements. The Company's viability will depend on defining recoverable and economic resources and establishing positive comprehensive feasibility studies leading to production decisions. After completion of positive feasibility studies, the Company's success is dependent on maintaining the title and beneficial interest in the properties, obtaining the necessary governmental approvals and the successful financing, construction and operation of a facility to profitably extract the contained metals.

Financial Capability and Additional Financing

The Company had a cash position of \$7,070,000 and working capital of \$7,342,000 at January 25, 2023, has no source of operating income and has no assurance that additional funding will be available to it for further exploration and development of its projects. Although the Company has been successful in the past in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to continue as a going concern.

Pandemic COVID-19 risk

The declaration by the World Health Organization that the COVID-19 infectious virus is a global pandemic delayed the start of the 2021 exploration program in the calendar year. Although Saskatchewan has not experienced the dire results in other Provinces, there are government-imposed restrictions on access to the properties and regulation of proposed activity. It is uncertain what restrictions may be applied in the summer of 2022.

To ensure safe work conditions are met for the workforce, the Company developed exploration guidelines that comply with the Saskatchewan Public Health Order and the specific Northern Saskatchewan Administration District Order, in order to maintain social distancing and help prevent the transmission of the COVID-19 infectious virus.

Land access

Under the modified Mining Act (Ontario), the Company is required to obtain permits to conduct exploration and evaluation activities on its Ontario properties. The Ontario Government is required to consult with the First Nations in order to reach agreement to permit activity in areas considered to have been historically inhabited.

Similar restrictions have been enacted in Saskatchewan, requiring the Company to obtain permission to occupy the camp at Alces Lake. Necessary Permits are in place.

Special Note Regarding Forward-Looking Statements

Certain statements in this MD&A may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from the statements made. When used in this report, the words "estimate", "believe", "anticipate", "intend", "expect", "plan", "may", "should", and "will", are intended to identify forward-looking statements, and reflect the current expectations of the management of the Company with respect to future events, and are subject to risks and uncertainties, such as reduced funding and general economic and market factors. New risk factors may arise from time to time and it is not possible for management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those expressed or implied in such forward-looking statements. Investors should not place undue reliance on forward-looking statements as a prediction of actual results. The Company does not undertake or assume any obligation to update these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

Additional Information

Additional information may be found on the Company's website at www.appiareu.ca and on SEDAR.