APPIA ENERGY CORP.

FINANCIAL STATEMENTS

For the years ended September 30, 2019 and 2018
(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 Energy 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 15th day of January, 2020.

APPIA ENERGY CORP.

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

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

Wasserman
Ramsay
Chartered Professional Accountants

3601 Hwy 7 East, Suite 1008, Markham, Ontario L3R 0M3
Tel. (905) 948-8637 Fax (905) 948-8638
email: wram@wassermanramsay.ca

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Appia Energy Corp.:

Opinion

We have audited the financial statements of Appia Energy Corp. (the "Company"), which comprise the statements of financial position as at September 30, 2019 and 2018, 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, 2019 and 2018, 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, 2019 the Company incurred losses of $2,305,181 and had an accumulated deficit of $15,136,216 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

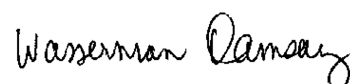
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 Kevin Ramsay.



Markham, Ontario
January 15, 2020

Chartered Professional Accountants
Licensed Public Accountants

APPIA ENERGY CORP.
Statements of Financial Position
(Expressed in Cdn $)

As at	**September 30, 2019**	September 30, 2018
	$	$
Assets		
Current		
Cash and cash equivalents (note 4)	**416,940**	818,011
Accounts receivable	**80,371**	68,298
Prepaid expenses	**113,914**	76,571
Total current assets	**611,225**	962,880
Non-current assets		
Acquisition cost of properties (note 5)	**809,183**	813,082
Exploration camp and equipment (note 6)	**228,544**	242,675
Total assets	**1,648,952**	2,018,637
Liabilities		
Current		
Accounts payable & accruals	**168,506**	86,934
Due to related parties (note 10)	**722,758**	687,733
Total liabilities	**891,264**	774,667
Nature of operations and going concern (note 1)		
Subsequent event (note 13)		
Shareholders' equity		
Share capital (note 7(a))	**12,206,321**	10,508,355
Warrants (note 7(c))	**447,807**	601,390
Contributed surplus (note 8)	**3,239,776**	2,965,260
Deficit	**(15,136,216)**	(12,831,035)
Total shareholders' equity	**757,688**	1,243,970
Total liabilities and shareholders' equity	**1,648,952**	2,018,637

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

APPROVED ON BEHALF OF THE BOARD on January 15, 2020

"Signed"
Anastasios (Tom) Drivas

"Signed"
Frank van de Water

APPIA ENERGY CORP.

Statements of Changes in Equity
(Expressed in Cdn $)

	Share Capital $	Warrants $	Contributed Surplus $	Deficit $	Total $
At September 30, 2017	9,623,555	478,548	2,846,092	(11,456,844)	1,491,351
Adjustment for expired warrants	-	(14,580)	14,580	-	-
Flow-through units private placement, net	162,532	-	-	-	162,532
Working capital units private placement, net	722,268	-	-	-	722,268
Share-based compensation	-	-	104,588	-	104,588
Valuation of warrants issued	-	137,422	-	-	137,422
Net loss and comprehensive loss for the year	-	-	-	(1,374,191)	(1,374,191)
At September 30, 2018	10,508,355	601,390	2,965,260	(12,831,035)	1,243,970
Flow-through units private placement, net	924,605	-	-	-	924,605
Working capital units private placement, net	631,058	-	-	-	631,058
Brokers warrants exercised	27,541	(9,930)	-	-	17,611
Share-based compensation	-	-	43,563	-	43,563
Valuation of warrants issued	-	107,862	-	-	107,862
Common shares issued on exercise of warrants	114,762	(20,562)	-	-	94,200
Adjustment for expired warrants	-	(230,953)	230,953	-	-
Net loss and comprehensive loss for the year	-	-	-	(2,305,181)	(2,305,181)
At September 30, 2019	12,206,321	447,807	3,239,776	(15,136,216)	757,688

The accompanying notes are an integral part of these financial statements

APPIA ENERGY CORP.
Statements of Loss, and Comprehensive Loss
(Expressed in Cdn $)

	For the years ended September 30	
	2019	2018
	$	$
Expenses		
Operating activities		
Exploration expenses	**1,704,227**	687,139
Acquisition cost of properties dropped (Note 5)	**4,199**	70,807
Depreciation (Note 6)	**79,321**	104,003
General and administrative activities:		
Professional fees	**76,589**	57,898
Management fees and salaries	**150,750**	129,738
Office and general	**56,345**	55,315
Investor relations	**205,418**	173,182
Share-based compensation	**43,563**	104,588
General and administrative expenses	**532,665**	520,721
Loss for the year before the following	**(2,320,412)**	(1,382,670)
Interest income	**15,231**	8,479
Net loss and comprehensive loss for the year	**(2,305,181)**	(1,374,191)
Basic and diluted loss per share	**0.036**	0.026
Weighted average number of shares outstanding	**63,166,000**	53,344,000

The accompanying notes are an integral part of these financial statements

APPIA ENERGY CORP.
Statements of Cash Flows
(Expressed in Cdn $)

	For the years ended September 30	
	2019	2018
	$	$
Operating activities		
Net loss for the year	**(2,305,181)**	(1,374,191)
Items not affecting cash:		
Share-based compensation	**43,563**	104,588
Depreciation (Note 6)	**79,321**	104,003
Acquisition cost of properties dropped	**4,199**	70,807
	(2,178,098)	(1,094,793)
Net change in non-cash working capital		
Accounts receivable	**(12,073)**	(66,737)
Prepaid expenses	**(37,343)**	66,518
Accounts payable and accrued liabilities	**81,573**	54,787
Due to related parties	**35,025**	43,690
Net cash used in operating activities	**(2,110,916)**	(996,535)
Investing activities		
Exploration equipment (Note 6)	**(65,190)**	(346,678)
Exploration and evaluation assets acquisition costs	**(300)**	(84,388)
Net cash used in investing activities	**(65,490)**	(431,066)
Financing activities		
Private placement of flow-through units	**1,002,112**	172,900
Private placement of working capital units	**794,189**	877,200
Warrants exercised	**111,811**	-
Share issue expense	**(132,777)**	(27,878)
Net cash from financing activities	**1,775,335**	1,022,222
Change in cash and cash equivalents	**(401,071)**	(405,379)
Cash and cash equivalents, beginning of year	**818,011**	1,223,390
Cash and cash equivalents, end of the year	**416,940**	818,011

The accompanying notes are an integral part of these financial statements

1. Nature of operations and going concern

Appia Energy Corp. (“Appia” or "the Company") is incorporated under the Canada Business Corporations Act and is listed on the Canadian Securities Exchange (CSE: “API”) and in New York on the OTCQB 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 will 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, 2019 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 deficiency of $280,039 as at September 30, 2019, after providing for $722,758 due to related parties, and has incurred losses since inception, including expenditures of $8,919,909 for exploration and evaluation of its mineral properties, resulting in an accumulated deficit of $15,136,216 as at September 30, 2019. 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, 2019 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, 2019.

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 ("$").

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

The Company adopted IFRS 9 as of October 1, 2018

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.

The Company has completed a detailed assessment of its financial instruments as of September 30, 2019. The following table shows the original classification under IAS 39 and the new classification under IFRS 9.

	IAS 39	IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Trade and other payables	Other financial liabilities	Amortized cost

The adoption of this standard did not have a material impact on the Company's financial statements but resulted in certain additional disclosures. The carrying value and measurement of all financial instruments remains unchanged as of September 30, 2019 as a result of the adoption of the new standard.

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 AFS 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

Acquisition cost of properties include the costs of acquiring licenses, through staking or purchase. Costs incurred on abandoned properties are written off.

Expenditures incurred exploring and evaluating mineral properties are charged to the statement of loss as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are also expensed.

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 reached the development stage and as a result are all considered to be exploration and evaluation assets.

Share-based Compensation

The Company grants stock 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

At the date of approval of these Financial Statements for the year ended September 30, 2019, the following standards which are applicable to the Corporation were adopted.

IFRS 9, Financial instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments – to replace IAS 39 Financial Instruments: Recognition and Measurement. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Corporation adopted this standard effective October 1, 2018 and has determined that it will had little or no impact on reported operations.

IFRS 2, Share-based payment

In June 2016, the IASB issued amendments to IFRS 2, Share-based Payment ("IFRS 2"), clarifying how to account for certain types of share-based payment transactions. The amendments apply for annual periods beginning on or after January 1, 2018 with prospective application. The Company adopted this standard effective October 1, 2018 and has determined that the adoption will have no effect on the financial statements.

Accounting pronouncements issued but not yet adopted

The following standard is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. The Company has not early adopted this standard as it is not subject to any lease agreements.

Leases (IFRS 16), Leases was issued by the IASB in January 2016 and is effective for accounting periods beginning on or after 1 January 2019. The new standard will replace IAS 17 'Leases' and will eliminate the classification of leases as either operating leases or finance leases and, instead, introduce a single lessee accounting model. The Standard provides a single lessee accounting model, specifying how leases are recognized, measured, presented and disclosed. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning on October 1, 2019 and does not expect the adoption of IFRS 16 to have a material effect on its financial statements.

4. Cash and cash equivalents

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

On December 31, 2018 the Company closed a private placement of 2,189,500 flow-through units for gross proceeds of $602,112. On April 5, 2019 the Company closed a private placement of 1,000,000 flow-through units for gross proceeds of $400,000. These funds are committed to be expended on Canadian Exploration Expenditures ("CEE") and therefore not available for current working capital purposes.

During the year ended September 30, 2019, the Company spent a total of $1,704,227 on exploration and evaluation activities, in Saskatchewan and Ontario, meeting the requirement to expend the flow-through funds on CEE.

5. Acquisition cost of properties

	Elliot Lake Ontario	Alces Lake Saskatchewan	Other Saskatchewan	Total
	$	$	$	$
Balance, September 30, 2017	602,593	102,504	94,404	799,501
Total additions for the year	-	77,604	6,784	84,388
Acquisition cost of properties abandoned	-	-	(70,807)	(70,807)
Balance, September 30, 2018	602,593	180,108	30,381	813,082
Total additions for the period	-	-	300	300
Acquisition cost of properties abandoned	-	-	(4,199)	(4,199)
Balance, September 30, 2019	602,593	180,108	26,482	809,183

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 President, CEO and Director of the Company. CEC retains the right to a 1% Uranium Production Payment Royalty and a 1% Net Smelter Returns Royalty on any precious or base metals payable, provided that the price of uranium is greater than US$130 per pound.

Appia holds over 13,008 hectares (32,143 acres) encompassing five mineralized zones in the Elliot Lake area of northern Ontario. The zones are called Teasdale, Banana Lake, Canuc, Bouck Lake and Buckles Lake.

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, 2019 the Company held a 100% interest in 64,045 hectares (158,259 acres).

Alces Lake Property is located 30 km northeast of Uranium city and comprises 14,334 hectares (35,420 acres), of high-grade REE mineralization, with multiple outcrops and boulders. The property is being actively explored and drilled in summer programs.

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 was acquired in December 2017 and comprises 11,371 hectares (28,098 acres) located 30 km northeast of Cameco’s Rabbit lake mill on the eastern edge of the Athabasca Basin.

Exploration and evaluation expenses

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

	Elliot Lake Ontario $	Alces Lake Saskatchewan $	Other Saskatchewan $	Total $
Balance, September 30, 2017	5,358,514	36,268	1,133,761	6,528,543
Total additions for the year	5,955	608,672	72,512	687,139
Balance, September 30, 2018	5,364,469	644,940	1,206,273	7,215,682
Total additions for the period	22,742	1,305,654	375,831	1,704,227
Balance, September 30, 2019	5,387,211	1,950,594	1,582,104	8,919,909

6. Exploration camp and equipment
Alces Lake

	Machinery and Equipment	Camp	Total
	$	$	$
Cost			
Balance as at October 1, 2017	**-**	**-**	**-**
Additions	251,943	94,735	346,678
Balance before depreciation as at September 30, 2018	251,943	94,735	346,678
Additions	65,190	-	65,190
Balance before depreciation as at September 30, 2019	317,133	94,735	411,868
Depreciation			
Balance as at October 1, 2017	-	-	-
Depreciation for the year	(75,583)	(28,420)	(104,003)
Net balance as at September 30, 2018	176,360	66,315	242,675
Depreciation for the year	(59,427)	(19,894)	(79,321)
Net balance, September 30, 2019	**182,123**	**46,421**	**228,544**

Depreciation is charged at 30% per annum, on the declining balance basis.

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, 2017	52,332,007	9,623,555
Flow-through units private placement July 24, 2018	910,000	172,900
Working capital units private placement July 24, 2018	5,160,000	877,200
Less: Value associated with warrants issued	-	(137,422)
Share issue costs	-	(27,878)
Balance, September 30, 2018	58,402,007	10,508,355
Flow-through units private placement December 31, 2018	2,189,500	602,112
Working capital units private placement December 31, 2018	1,425,000	342,000
Working capital units private placement January 16, 2019	1,884,121	452,189
Flow-through units private placement April 5, 2019	1,000,000	400,000
Less: Value associated with warrants issued	-	(107,862)
Warrants exercised	411,840	142,304
Share issue costs	-	(132,777)
Balance, September 30, 2019	65,312,468	12,206,321

On July 24, 2018, the Company closed a non-brokered private placement with the sale of 910,000 flow-through units ("FT Units) at $0.19 per FT Unit for gross proceeds of $172,900 and 5,160,000 working capital units ("WC Units") at $0.17 per WC Unit for proceeds of $877,200, for an aggregate $1,050,100.

Each FT Unit consists of one common share and one half of a share purchase warrant entitling the holder to purchase one common share for one full warrant at a price of $0.30 until January 24, 2020. Each WC Unit comprises one common share and one common share purchase warrant entitling the holder to purchase one common share at a price of $0.30 until January 24, 2020. The Company paid cash finder's fees of $19,868.

In the event that the closing price of the Common Shares on either the CSE or the OTCQB is at least $0.45 for ten consecutive trading days after at least four months from the closing date, the final exercise date would be accelerated to 30 days after the ten consecutive closing prices are established.

On December 31, 2018 the Company closed a non-brokered private placement of 2,189,500 FT Units for gross proceeds of $602,112 and the first tranche of a non-brokered private placement for WC Units of 1,425,000 WC Units for gross proceeds of $342,000.

Each FT Unit was priced at $0.275 and consists of one common share and one-half of a share purchase warrant. Each full warrant ("Warrant") entitles the holder to purchase one common share at a price of $0.40 per FT Warrant Share for 12 months from closing. Broker warrants exercisable at $0.275 for 12 months from closing for 175,160 common shares were issued to finders.

Each WC Unit was priced at $0.24 and consists of one common share and one common share purchase warrant. Each WC Warrant entitles the holder to purchase one common share at a price of $0.35 per WC Warrant Share for 24 months from closing.

On January 16, 2019 the Company closed the final tranche of the non-brokered private placement of 1,884,121 WC Units for aggregate gross proceeds of $452,189. Broker warrants exercisable at $0.24 for 12 months from closing for 133,333 common shares were issued to finders.

On April 5, 2019 the Company closed a non-brokered private placement of 1,000,000 flow-through shares for gross proceeds of $400,000. Each flow-through share was priced at $0.40. Proceeds from the Offering are expected to be used for drilling and exploration on the Company's Alces Lake Property as well as other properties in Saskatchewan. An eligible finder was paid a cash fee of $24,000 and issued 60,000 FT broker warrants. Each FT broker warrant entitles the holder to acquire one common share at a price of $0.40 for twelve months from closing.

(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, 2019, 4,050,000 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, 2017	3,850,000	0.28
Expired	(300,000)	0.30
Granted	200,000	0.30
Outstanding at September 30, 2018	3,750,000	0.28
Granted	300,000	0.40

Outstanding at September 30, 2019	4,050,000	0.29
Exercisable at September 30, 2019	3,850,000	0.28

On June 30, 2018 300,000 options at $0.30 expired unexercised.

On August 1, 2018 the Company granted 200,000 options to purchase common shares exercisable at $0.30 per share for five years to one consultant.

On May 15, 2019 the Company granted 300,000 options to purchase common shares exercisable at $0.40 per share for three years to one consultant.

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
500,000	500,000	18.5 months	$0.10	April 14, 2021
100,000	100,000	22.7 months	$0.30	August 22, 2021
2,950,000	2,950,000	28 months	$0.30	February 1, 2022
300,000	100,000	31.5 months	$0.40	May 15, 2022
200,000	200,000	46 months	$0.30	August 1, 2023
4,050,000	3,850,000			

The weighted average fair value of all the options granted and outstanding is $0.29 per share option, each contract 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 0.65%-2.20%, expected dividend yield of nil, expected volatility of 84.97%-155% and expected life term from 22 to 60 months. Under this method of calculation, the Company has recorded $43,562 as stock-based compensation for the year ended September 30, 2019, being the fair value of the options vested during the period. Options that have been issued and remain outstanding generally vest half immediately on the date of grant and 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, 2017	9,140,009	478,548
Expired, unexercised broker warrants	(35,000)	(3,393)
Expired, unexercised	(375,000)	(11,187)
Private placement warrants issued	5,615,000	137,422
Balance September 30, 2018	14,345,009	601,390
Expired, unexercised	(2,963,169)	(230,951)
Warrants exercised	(411,840)	(30,494)
Private placement warrants issued	4,772,364	107,862
Balance September 30, 2019	15,742,364	447,807

A summary of the outstanding warrants is as follows:

	Number of shares	Remaining contractual life	Exercise price per share	Expiry date
Warrants	5,615,000	3.8 months	$0.30	January 24, 2020
Warrants	4,950,000	27.7 months	$0.30	January 20, 2022
Warrants	405,000	28 months	$0.30	January 30, 2022
Warrants	1,425,000	15 months	$0.35	December 31, 2020
Warrants	1,094,750	3 months	$0.40	December 31, 2019
Warrants	175,160	3 months	$0.275	December 31, 2019
Warrants	133,333	3.5 months	$0.24	January 15, 2020
Warrants	1,884,121	3.5 months	$0.35	January 15, 2020
Warrants	60,000	6.2 months	$0.40	April 5, 2020
Balance, September 30, 2019	15,742,364			

The fair value of the warrants issued in July 2018 was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 2%, expected dividend yield of nil, average expected volatility of 110.39% and expected life term of 18 months. Under this method of calculation, the Company recorded $137,422 as the value of the warrants issued during the period ended September 30, 2018.

The fair value of the warrants issued in December 2018 was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 1.85%, expected dividend yield of nil, average expected volatility of 104.13% and expected life term of 12-24 months. Under this method of calculation, the Company recorded $50,264 as the value of the warrants issued during the period ended December 31, 2018.

The fair value of the warrants issued in January 2019 was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 1.89%, expected dividend yield of nil, average expected volatility of 104.98% and expected life term of 12 months. Under this method of calculation, the Company recorded $53,757 as the value of the warrants issued during the period ended March 31, 2019.
The fair value of the warrants issued in April 2019 was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 1.61%, expected dividend yield of nil, average expected volatility of 123.39% and expected life term of 12 months. Under this method of calculation, the Company recorded $3,841 as the value of the warrants issued during the period ended June 30, 2019.

The number of common shares outstanding on September 30, 2019 was 65,312,468. Taking into account outstanding share purchase options and warrants, the fully diluted number of common shares that could have been outstanding on September 30, 2019 was 85,104,832.

8. Contributed surplus

A summary of changes in contributed surplus is:

	Amount $
Balance, September 30, 2017	2,846,092
Share-based compensation	104,588
Warrants expired	14,580
Balance, September 30, 2018	2,965,260
Share-based compensation	43,563
Warrants expired	230,953
Balance, September 30, 2019	3,239,776

9. 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 26.25% (2018 - 26.25%) to the net loss for the year for reasons noted below:

	September 30 2019 $	September 30 2018 $
Income tax recovery based on statutory rate	**605,110**	360,700
Actual provision per financial statements	**-**	-
Non-deductible items for tax purposes	**497,000**	245,000
Items deductible for tax purposes	**9,950**	12,000
Valuation allowance	**(506,950)**	(257,000)
Net income tax recovery (expense)	**-**	-

The Company has incurred tax losses of $2,470,000 (2018 - $2,004,000) 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
	2,470,000

In addition to the above losses the Company has available approximately cumulative exploration expenditures of $2.1 million and cumulative development expenditures of $685,000 which can be used to offset future taxable income.

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

	September 30 2019 $	September 30 2018 $
Non-capital losses	**649,000**	525,000
Exploration and evaluation assets and other	**567,500**	400,000
Valuation allowance	**(1,216,500)**	(925,000)
Net deferred income tax liability	**-**	-

10. Related party transactions

During the year ended September 30, 2019, the Company incurred related party expenses totaling $266,471 (2018 – $238,109). These expenses related to management fees paid or payable to key management personnel; Tom Drivas, Chief Executive Officer, Frank van de Water, Chief Financial Officer, James Sykes, Vice-President, Exploration and Development, 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, 2019, $611,965 (2018 - $596,730) of accumulated related party expenditures was payable to Tom Drivas and $13,793 (2018 - $10,251) was payable to the other officers.

Share-based compensation to key management and directors for the year ended September 30, 2019 was $nil (2018 - $76,589).

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the year ended September 30, 2019 and 2018.

During the year ended September 30, 2019, the Company incurred expenses of $16,500 (2018 – $17,500) for independent directors' fees. At September 30, 2019, $97,000 (2018 - $80,500) of accrued directors' fees was outstanding.

During the year ended September 30, 2019, the Company incurred expenses of $40,240 (2018 - $28,827) for legal fees to a law firm related to a director of the Company, William R. Johnstone. At September 30, 2019 $nil (2018 – $811) 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.

11. 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 2019 $	September 30 2018 $
FVTPL[1]	**416,940**	818,011
Receivables [2]	**80,371**	68,298
Financial liabilities [3]	**149,673**	72,933

(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.

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.

(a) Market risk

Commodity price risk

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

Sensitivity price risk

Anticipated changes in the price of rare earth elements and uranium would not, in management's opinion, change the carrying value of the Company's exploration properties.

Cash flow fair value interest rate risk

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

(b) Credit risk

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

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

(c) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. The Company continues to assess all options to address its liquidity issues. It is not possible to determine with any certainty the success and adequacy of these initiatives, but the Company is successfully raising funds by marketing non-brokered private placement of common shares and warrants.

12. 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

13. Subsequent events

On December 16, 2019, the Company closed a first tranche of non-brokered private placement with the sale of 5,087,500 flow-through units ("FT Units) at $0.16 per FT Unit for gross proceeds of $814,000 and 43,500 working capital units ("WC Units") at $0.15 per WC Unit for proceeds of $6,525, for an aggregate $820,525.

Each FT Unit consists of one common share and one half of a share purchase warrant entitling the holder to purchase one common share for one full warrant at a price of $0.25 for twelve months from Closing. Each WC Unit comprises one common share and one common share purchase warrant entitling the holder to purchase one common share at a price of $0.25 for twelve months from Closing.

The Company paid cash finder's fees of $8,050, issued 322,467 common shares and issued 251,876 FT broker warrants. Each FT broker warrant entitles the holder to acquire one common share at a price of $0.16 for twelve months from Closing. An insider of the Company subscribed for 50,000 FT Units.

On December 31, 2019, the Company closed a final tranche of non-brokered private placement with the sale of 2,991,500 FT Units for gross proceeds of $478,640.

The Company has raised total gross proceeds of $1,299,165.

Eligible finders will be paid cash fees totalling $22,654.80 and issued 101,138 FT broker warrants. An insider of the Company subscribed directly and indirectly for 468,750 FT Units.

On December 31, 2019 1,269,910 warrants at $0.275-$0.40 expired unexercised.

On January 15, 2020 2,017,454 warrants at $0.24-$0.35 expired unexercised.