APPIA ENERGY CORP.

FINANCIAL STATEMENTS

For the years ended September 30, 2017 and 2016
(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 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 accountants. Their report outlines the scope of their examination and opinion on the financial statements.

(*signed*) “*Tom Drivas*”
Chief Executive Officer

(signed) “Frank van de Water”
Chief Financial Officer

December 6, 2017

Wasserman Ramsay

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Appia Energy Corp.:

We have audited the accompanying financial statements of Appia Energy Corp., which comprise the statements of financial position as at September 30, 2017 and 2016 and the statements of changes in equity, loss and comprehensive loss and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Appia Energy Corp. and its subsidiary as at September 30, 2017 and 2016 and the results of its changes in equity, operations, and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Wasserman Ramsay

Markham, Ontario
December 6, 2017

Chartered Accountants
Licensed Public Accountants

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

As at	**September 30, 2017 $**	September 30, 2016 $
Assets		
Current		
Cash and cash equivalents (note 4)	**1,223,390**	661,751
Accounts receivable	**1,561**	5,280
Prepaid expenses	**143,089**	192,841
Total current assets	**1,368,040**	859,872
Exploration and evaluation assets (note 5)		
Acquisition cost	**799,501**	813,036
Total assets	**2,167,541**	1,672,908
Liabilities		
Current		
Accounts payable & accruals	**32,147**	15,183
Due to related parties (note 9)	**644,043**	617,690
Total liabilities	**676,190**	632,873
Nature of operations and going concern (note 1)		
Shareholders' equity		
Share capital (note 6(a))	**9,623,555**	8,150,029
Warrants (note 6(c))	**478,548**	107,688
Contributed surplus (note 7)	**2,846,092**	2,446,703
Deficit	**(11,456,844)**	(9,664,385)
Total shareholders' equity	**1,491,351**	1,040,035
Total liabilities and shareholders' equity	**2,167,541**	1,672,908

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

APPROVED ON BEHALF OF THE BOARD on December 6, 2017

"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, 2015	7,835,123	-	2,413,538	(9,354,314)	894,347
Working Capital Units private placement, net	314,906	-	-	-	314,906
Valuation of warrants issued	-	104,295	-	-	104,295
Valuation of broker warrants	-	3,393	-	-	3,393
Share-based compensation	-	-	33,165	-	33,165
Net loss and comprehensive loss for the year	-	-	-	(310,071)	(310,071)
At September 30, 2016	8,150,029	107,688	2,446,703	(9,664,385)	1,040,035
Flow-through shares private placement, net	202,718	-	-	-	202,718
Valuation of broker warrants	-	10,158	-	-	10,158
Working Capital Units private placement, net	1,270,808	-	-	-	1,270,808
Valuation of warrants issued	-	360,702	-	-	360,702
Share-based compensation	-	-	399,389	-	399,389
Net loss and comprehensive loss for the year	-	-	-	(1,792,459)	(1,792,459)
At September 30, 2017	9,623,555	478,548	2,846,092	(11,456,844)	1,491,351

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	
	2017	2016
	$	$
Expenses		
Operating activities		
Exploration Expenses	**955,797**	84,099
Less: provincial refunds	**(17,029)**	(21,209)
Net Exploration Expenses	**938,768**	62,890
Acquisition cost of properties abandoned	**18,697**	-
General and administrative activities:		
Professional fees	**45,989**	31,141
Management fees and salaries	**122,775**	107,438
Office and general	**45,270**	33,287
Investor relations	**226,202**	46,341
Share-based compensation	**399,389**	33,165
General and administrative expenses	**839,625**	251,372
Loss for the period before the following	**1,797,090**	314,262
Interest income	**(4,631)**	(4,191)
Net loss and comprehensive loss for the year	**1,792,459**	310,071
Basic and diluted loss per share	**0.04**	0.01
Weighted average number of shares outstanding	**49,411,000**	41,967,000

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	
	2017	2016
	$	$
Operating activities		
Net loss for the year	**(1,792,459)**	(310,071)
Items not affecting cash:		
Share-based compensation	**399,389**	33,165
Acquisition cost of properties dropped	**18,697**	-
	(1,374,373)	(276,906)
Net change in non-cash working capital		
Accounts receivable	**3,719**	(3,623)
Prepaid expenses	**49,752**	(186,252)
Accounts payable and accrued liabilities	**16,965**	(6,319)
Due to related parties	**26,353**	82,726
Net cash used in operating activities	**(1,277,584)**	(390,374)
Investing activities		
Exploration and evaluation assets acquisition costs	**(5,162)**	(31,556)
Net cash from investing activities	**(5,162)**	(31,556)
Financing activities		
Private placement of flow-through shares	**234,180**	-
Private placement of working capital units	**1,723,225**	428,000
Share issue expense	**(113,020)**	(5,406)
Net cash from financing activities	**1,844,385**	422,594
Change in cash and cash equivalents	**561,639**	664
Cash and cash equivalents, beginning of period	**661,751**	661,087
Cash and cash equivalents, end of period	**1,223,390**	661,751

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”). The Company is evaluating its mineral resource properties in Ontario and Saskatchewan to determine whether the properties contain resources that are economically recoverable. The registered office and location of corporate records is Suite 500, 2 Toronto Street, Toronto, Ontario.

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, 2017 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 $691,850 as at September 30, 2017, after providing for $644,043 due to related parties, and has incurred losses since inception, including expenditures of $6,528,543 for exploration and evaluation of its mineral properties, resulting in an accumulated deficit of $11,456,844 as at September 30, 2017. The Company’s ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurance that the Company will be successful in this regard, and therefore, there is doubt regarding the Company’s ability to continue as a going concern and the use of accounting principles applicable to a going concern. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption is not appropriate for these financial statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

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

2. Basis of preparation and statement of compliance

The Statements of the Company as at and for the year ended September 30, 2017 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, 2017.

3. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the 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 Statements and notes. By their nature, these estimates, judgments and assumptions are subject to measurement uncertainty and the effect on the 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, 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 statement 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 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 classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company’s accounting policy for each category is as follows:

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Corporation's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of earnings in the period of determination.

Fair value through profit or loss - This category includes derivatives, and investments acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the statement of comprehensive income (loss). *Available-for-sale* - Non-derivative financial assets not included in the above categories are classified as available-for-sale ("AFS"). They are carried at fair value with changes in fair value recognized directly in other comprehensive earnings. Where a decline in the fair value of an AFS financial asset constitutes objective evidence of impairment, the amount of the loss is removed from other comprehensive earnings and recognized in the statement of comprehensive income (loss).

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets are impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the balance sheet at fair value with changes in fair value recognized in the statement of earnings.

Other financial liabilities - This category includes accounts payables recognized at amortized cost.

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.

Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as AFS, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

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 and Evaluation Assets

Exploration and evaluation assets include the costs of acquiring licenses, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination.

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 feasibility study, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then 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 as an expense or charged to exploration and evaluation assets as 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 for share purchase options granted to employees or those providing services similar to those provided by a direct employee is measured at the grant date and each tranche is recognized using the accelerated method basis over the period during which the share purchase options vest. 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 upon 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. The fair value of the share purchase options granted is measured at the fair value of the services received, unless the fair value of services received cannot be estimated reliably, in which case the fair value of the share purchase options is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share purchase options were granted.

At each financial position reporting date, the amount recognized as an expense is adjusted to reflect 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.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

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

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 and their eventual disposition. 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 issued but not yet adopted

At the date of authorization of these Financial Statements for the period ended September 30, 2017, the following standards which are applicable to the Corporation were issued but not yet effective.

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 has not yet adopted this standard and is in the process of determining the impact of this standard.

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. Retrospective, or early, application is permitted if information is available without the use of hindsight. The Company is in the process of determining the impact of IFRS 2 on its Financial Statements.

4. Cash and cash equivalents

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

On December 30, 2016, the Company completed a private placement of 1,301,000 flow-through shares for gross proceeds of $234,180. These funds were committed to be expended on Canadian Exploration Expenditures ("CEE") and were expended in the current fiscal year.

5. Exploration and evaluation assets

Acquisition costs

	Ontario Elliot Lake $	Saskatchewan $	Total $
Balance, September 30, 2015	602,593	178,887	781,480
Total additions for the period	-	31,556	31,556
Balance, September 30, 2016	602,593	210,443	813,036
Total additions for the period	-	5,162	5,162
Acquisition cost of properties abandoned	-	(18,697)	(18,697)
Balance, September 30, 2017	602,593	196,908	799,501

Ontario, Elliot Lake

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

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

Saskatchewan, Athabasca Basin

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

In March 2016, the Company acquired by staking, a total of 46,623 hectares (115,208 acres) in the Athabasca Basin area in Saskatchewan.

In August 2016, Appia acquired an additional 5,970 hectares (14,752 acres) contiguous to the "Loranger" property in the Athabasca Basin, Saskatchewan, covering a 20 km aeromagnetic and electromagnetic trend to the southwest of the property.

On January 17, 2017 the Company received the necessary work permits in order to complete ground gravity surveys and conduct a diamond drill program on the Loranger property. The ground surveys were completed in February and the first seven drill holes were reported on April 12, 2017.

In January 2017, Appia acquired an additional 2,682 hectares (6,627 acres) contiguous to the "Loranger" property to the southeast in the Athabasca Basin, Saskatchewan.

In June 2017, the Company acquired 4,933 hectares (12,191 acres), named the Eastside property, which is located 50 km east of the Company's Loranger property and 85 km east of Cameco's Rabbit Lake mill and the eastern edge of the Athabasca Basin. An airborne survey comprising 1,178 line-kilometres of High Resolution Aeromagnetics and other technical aspects was completed in September 2017.

At September 30, 2017 the Company held a total of 62,976 hectares (155,617 acres) in Saskatchewan.

Exploration and evaluation expenses

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

	Ontario Elliot Lake $	Saskatchewan $	Total $
Balance, September 30, 2015	5,339,814	187,071	5,526,885
Total additions for the period	10,540	73,559	84,099
Saskatchewan refund	-	(21,209)	(21,209)
Balance, September 30, 2016	5,350,354	239,421	5,589,775
Total additions for the period	8,160	947,637	955,797
Saskatchewan refund	-	(17,029)	(17,029)
Balance, September 30, 2017	5,358,514	1,170,029	6,528,543

6. Share capital

(a) Common shares

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

	Number #	***Amount*** $
Balance, September 30, 2015	41,616,078	7,835,123
Working Capital Units private placement June 27, 2016	1,315,000	263,000
Working Capital Units private placement September 8, 2016	75,000	15,000
Flow-through Units private placement September 8, 2016	750,000	150,000
Broker compensation shares issued	35,000	(3,393)
Less: Value associated with warrants issued	-	(104,295)
Share issue costs	-	(5,406)
Balance, September 30, 2016	43,791,078	8,150,029
Flow-through shares private placement December 30, 2016	1,301,000	234,180
Working capital units private placement January 23, 2017	5,000,000	1,000,000
Working capital units private placement January 27, 2017	405,000	81,000
Working capital units private placement March 23, 2017	1,442,071	504,725
Working capital units private placement April 5, 2017	392,858	137,500
Less: Value associated with broker warrants issued	-	(10,158)
Less: Value associated with warrants issued	-	(360,702)
Share issue costs	-	(113,019)
Balance, September 30, 2017	52,332,007	9,623,555

On June 28, 2016, the Company completed the first tranche of a non-brokered private placement with the sale of 1,315,000 working capital units (“WC Units”) at $0.20 per WC Unit for gross proceeds of $263,000. Each WC Unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share at a price of $0.30 per WC Warrant Share until the earlier of: three years from closing date; and in the event that the closing price of the Common Shares on the Canadian Securities Exchange is at least $0.50 for twenty consecutive trading days, and the 20th trading day is at least four months from the closing date, the date which is thirty days from the final trading day.

The Company paid a finder’s fee of 35,000 common shares and 35,000 broker warrants. Each broker warrant entitles the holder to acquire one common share at $0.20 until December 27, 2017.

On September 8, 2016, the Company completed the second tranche of the non-brokered private placement with the sale of 75,000 working capital units ("WC Units") at $0.20 per WC Unit for gross proceeds of $15,000 and 750,000 flow-through units ("FT Units) at a price of $0.20 per FT Unit for proceeds of $150,000.

Each FT Unit consists of one common share and one-half common share purchase warrant entitling the holder to purchase one common share at a price of $0.35 per Warrant Share exercisable for a period of eighteen months following the closing date, subject to earlier expiry on the trigger date.

On December 30, 2016, the Company completed a non-brokered private placement with the sale of 1,301,000 flow-through shares ("FT Shares") at $0.18 per FT Share for gross proceeds of $234,180. The Company paid cash finder's fees of $18,014 and issued 100,080 broker warrants. Each broker warrant entitles the holder to acquire a common share of the Company at $0.18 until December 30, 2018. The brokers warrants have been value at $10,158 using a Black Scholes option valuation model with inputs as follows: : risk-free weighted-average interest rate of 0.74%, expected dividend yield of nil, expected volatility of 109% and expected life term from 24 months. An insider of the Company subscribed for 50,000 FT Shares.

On January 23, 2017, the Company completed the first tranche of a non-brokered private placement with the sale of 5,000,000 working capital units ("WC Units") at $0.20 per WC Unit for gross proceeds of $1,000,000. Each WC Unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share at a price of $0.30 per WC Warrant Share until the earlier of: (i) January 20, 2022; and (ii) in the event that the closing price of the Common Shares on the Canadian Securities Exchange is at least $0.60 for twenty consecutive trading days, and the 20th trading day is at least four months from the closing date, the date which is thirty days from the final trading day. The Company paid a cash finder's fee of $57,500 to eligible finders on this tranche.

On January 27, 2017, the Company completed an additional tranche of the non-brokered private placement with the sale of 405,000 working capital units ("WC Units") at $0.20 per WC Unit for gross proceeds of $81,000. The terms of the units are the same as noted above for the January 23, 2017 closing. The Company paid a cash finder's fee of $5,000 to an eligible finder

On March 23, 2017, the Company completed the first tranche of a non-brokered private placement with the sale of 1,442,071 working capital units ("WC Units") at $0.35 per WC Unit for gross proceeds of $504,725. Each WC Unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share at a price of $0.50 per WC Warrant Share until March 24, 2019.

The Company paid a cash finder's fee of $5,373 to eligible finders.

On April 5, 2017, the Company completed the second tranche of the non-brokered private placement with the sale of 392,858 working capital units ("WC Units") at $0.35 per WC Unit for gross proceeds of $137,500.

All securities issued pursuant to the above referenced private placements are subject to a statutory four month hold period.

(b) Common share purchase options

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

As at September 30, 2017, 3,850,000 common shares were reserved for the exercise of stock options granted under the Company's stock option plan (the "Plan").

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

	Options	**Weighted-average exercise price**
	#	$
Outstanding at September 30, 2015	2,600,000	1.25
Expired, unexercised	(1,400,000)	1.25
Granted	900,000	0.19
Outstanding and exercisable at September 30, 2016	2,100,000	0.80
Surrendered	(1,200,000)	1.25
Granted	2,950,000	0.30
Outstanding at September 30, 2017	3,850,000	0.28
Exercisable at September 30, 2017	2,375,000	0.27

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

In August 2016 the Company engaged Palisade Global Investments Ltd as advisory consultants and made a grant of 300,000 share purchase options exercisable at $0.30 for a period of 22 months.

In August 2016 the Company issued 100,000 options to a Consultant of the Company exercisable at $0.30 for a period of five years.

On December 16, 2016 directors surrendered 1,200,000 options.

On February 1, 2017 the Company granted 2,950,000 options to purchase common shares exercisable at $0.30 per share for five years to six directors and three consultants.

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
500,000	500,000	42.5 months	$0.10	April 14, 2021
300,000	300,000	9.0 months	$0.30	June 30, 2018
100,000	100,000	46.7 months	$0.30	August 22, 2021
2,950,000	1,475,000	52 months	$0.30	February 1, 2022
3,850,000	2,375,000			

The weighted average fair value of all the options granted and outstanding is $0.28 per option, each contract fair value having been estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate of 0.65%-1.98%, expected dividend yield of nil, expected volatility of 84.97%-141% and expected life term from 22 to 60 months. Under this method of calculation, the Company has recorded $399,389 as stock based compensation for the year ended September 30, 2017, being the fair value of the options vested during the period. Options that have been issued and remain outstanding 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 outstanding common share purchase warrants:

	Number #	$
Balance September 30, 2015	-	-
Private placement warrants issued	1,765,000	104,295
Broker warrants issued	35,000	3,393
Balance September 30, 2016	1,800,000	107,688
Broker warrants issued	100,080	10,158
Private placement warrants issued	7,239,929	360,702
Balance September 30, 2017	9,140,009	478,548

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

	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
Warrants	35,000	2.9 months	$0.20	December 27, 2017
Warrants	375,000	5.3 months	$0.35	March 8, 2018
Warrants	100,080	15 months	$0.18	December 30, 2018
Warrants	1,442,071	17.8 months	$0.50	March 24, 2019
Warrants	392,858	18.2 months	$0.50	April 5, 2019
Warrants	1,315,000	20.9 months	$0.30	June 27, 2019
Warrants	75,000	23.3 months	$0.30	September 8, 2019
Warrants	5,000,000	51.7 months	$0.30	January 20, 2022
Warrants	405,000	52 months	$0.30	January 30, 2022
Balance, September 30, 2017	9,140,009			

The fair value of the warrants issued in the current year was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 1.12%-1.14%, expected dividend yield of nil, average expected volatility of 83.85%-97.56% and expected life term of 24 months. Under this method of calculation, the Company recorded $370,859 as the value of the warrants issued during the period ended September 30, 2017.

The number of common shares outstanding on September 30, 2017 was 52,332,007. Taking into account outstanding share purchase options and warrants, the fully diluted number of common shares that could have been outstanding on September 30, 2017 was 65,322,016.

7. Contributed surplus

A summary of changes in contributed surplus is as follows:

	Amount $
Balance, September 30, 2015	2,413,538
Share-based compensation	33,165
Balance, September 30, 2016	2,446,703
Share-based compensation	399,389
Balance, September 30, 2017	2,846,092

8. 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% (2016 - 26.25%) to the net loss for the year for reasons noted below:

	September 30 2017 $	September 30 2016 $
Income tax recovery based on statutory rate	**470,500**	81,400
Actual provision per financial statements	**-**	-
Non-deductible items for tax purposes	**364,000**	41,100
Items deductible for tax purposes	**280**	(715)
Valuation allowance	**(364,280)**	(40,385)
Net income tax recovery (expense)	**-**	-

The Company has incurred tax losses of $1,619,000 (2016 - $1,217,000) 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	402,000
	1,619,000

In addition to the above losses the Company has available approximately cumulative exploration expenditures of $1.7 million and cumulative development expenditures of $600,000 which can be used to offset future taxable income.

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

	September 30 2017 $	September 30 2016 $
Non-capital losses	**450,000**	320,000
Exploration and evaluation assets and other	**545,000**	75,000
Valuation allowance	**(995,000)**	(395,000)
Net deferred income tax liability	**-**	-

9. Related party transactions

During the year ended September 30, 2017, the Company incurred related party expenses totaling $178,965 (2016 – $101,438). These expenses related to management fees paid or payable to key management personnel; Tom Drivas, Chief Executive Officer, Frank van de Water, Secretary and Chief Financial Officer, Michael D'Amico, Chief Financial Officer until December 31, 2015, Vice-President, Exploration and Development, James Sykes, from March 2, 2017, 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. As at September 30, 2017 $3,617 (2016 - $nil) was due and payable to these related parties.

Included under due to related parties at September 30, 2017, is $577,426 (2016 - $538,306) of accumulated management fees payable to Tom Drivas..

Share-based compensation to key management and directors for the year ended September 30, 2017 was $378,198 (2016 - $1,207).

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the year ended September 30, 2017 and 2016.

During the year ended September 30, 2017, the Company incurred expenses of $18,000 (2016 – $18,000) related to directors' fees to independent directors. At September 30, 2017, $63,000 (2016 - $45,000) was of accrued director's fees outstanding.

During the year ended September 30, 2017, the Company incurred expenses of $48,072 (2016 - $16,412) for legal fees to a law firm related to a director of the Company, William R. Johnstone. At September 30, 2017 $nil (2016 – $4,726) was payable to this related party.

As disclosed in Note 5, one of the Company's major exploration property was acquired from a related party.

10. Financial instruments and risk management

Categories of financial assets and liabilities

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

	September 30 2017 $	September 30 2016 $
FVTPL(1)	**1,223,390**	661,751
Receivables (2)	**1,561**	5,280
Financial liabilities (3)	**18,148**	1,182

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

Financial Instruments

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

Risks arising from financial instruments and risk management

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

Carrying value of exploration and evaluation assets

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

(a) Market risk

Commodity price risk

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

Sensitivity price risk

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

(i) Cash flow fair value interest rate risk

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

(b) Credit risk

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

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

(c) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. The Company 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.

11. 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.