

APPIA ENERGY CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended September 30, 2017

APPRIA ENERGY CORP.

Management's Discussion and Analysis – September 30, 2017 As of December 6, 2017

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Appria Energy Corp. ("Appria" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended September 30, 2017. The MD&A was prepared as of December 6, 2017 and should be read in conjunction with the audited financial statements ("Financial Statements") for the year ended September 30, 2017, including the notes thereto. Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. These Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as described in Note 2 to the Financial Statements.

Executive Summary

Corporate Summary

Appria is a Canadian mineral exploration company listed on the Canadian Securities Exchange under the trading symbol "API", in New York on the OTC: APAAF.US and in Germany, WKN: A2DLD6, A0I.F, A0I.MU and A0I.BE. Appria has a primary focus on finding high-grade, close to surface Uranium and Rare Earth Elements deposits.

During the fiscal year ended September 30, 2017, the Company raised \$1,957,405 through the non-brokered private placement of 1,301,000 flow-through shares and 7,239,929 working capital units comprising shares and warrants, as set out in detail on page 12 of this report, with the proceeds designated for exploration and working capital purposes.

In recognition of an increasing shareholder base in the United States, an application has been made to have the Company's common shares designated as trading on the OTCQB marketplace in New York, an up-grade from its existing listing. As an international company already listed on a "Qualified Foreign Exchange" and in good standing on that exchange, it is eligible to rely on the exemption from registration in the United States. On acceptance of the application process, shareholders residents outside Canada will be able to trade their shares through the facility of the OTCQB.

James Sykes became Vice-President, Exploration and Development of the Company in March of this year. James has had direct and indirect involvement with the discovery of over 350 million pounds of U_3O_8 in five deposits in the Athabasca Basin. The Company currently holds an interest in 61,726 hectares (152,529 acres), in the Athabasca Basin area of Saskatchewan.

In Ontario, Appria controls 13,008 hectares (32,143 acres) encompassing five mineralized zones in the Elliot Lake area of northern Ontario, including National Instrument 43-101 ("NI 43-101") reported resources at Teasdale Lake and Banana Lake. 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.

Exploration this year included the winter exploration and drilling of the Loranger property, as well as a summer prospecting program, the ground prospecting and radiometric surveying program at Alces Lake, and the airborne geophysical survey flown over the Eastside property.

The exceptional geochemical assay results from the 2017 ground prospecting and radiometric program on the Alces Lake property included Rare Earth Oxides ("REO") as high as 49.64 weight % Total REO reported from 5 zones on the Property. An overburden stripping program is planned to start in May or June 2018 and will be followed by diamond drilling priority targets.

At Loranger, the first seven holes of the diamond drilling program this past winter resulted in six of the seven holes returning assays equal or greater than 0.01 weight % U_3O_8 . Further drilling is planned this winter.

Saskatchewan Summary

Athabasca Basin

The Loranger and Otherside groups of mineral claims in the Athabasca Basin were acquired by staking in March 2016 and have similar geological and signatures to known high-grade, high-tonnage uranium deposits in the Basin such as Fission Uranium Corp.'s Triple R deposit, NexGen Energy's Arrow deposits, and others.

The Loranger property is located 28 km southeast of Cameco's Rabbit Lake mill and comprises 30,725 hectares (75,923 acres), centred on 4 individual conductors with an aggregate length of 96 km of which 94 km is untested. The property is hosted within the basement rocks of the Wollaston Domain, near the deposit rich eastern margin of the Basin.

On April 12, 2017 the Company reported the completion of the first seven holes of the diamond drilling program and on May 24 the geochemical assay results were reported (news release May 24, 2017). Six of the seven holes returned assays equal or greater than 0.01 weight% U_3O_8 . Further drilling is planned under winter conditions.

In June, a 117 km ground prospecting and radiometric surveying program was completed, identifying far more radioactive occurrences than expected from historical records. Further ground work is planned

In June the Eastside property comprising 4,933 hectares (12,191 acres) was acquired by staking and is located 50 km east of the Loranger property, and 85 km east of Cameco's Rabbit Lake mill. A detailed airborne radiometric, magnetic and VLF-EM survey comprising 1178 line-kilometres was flown over the Eastside property in September with the final data having been received, analysed and interpreted by the Company in November. The survey identified new radiometric anomalies that were not discovered in historic prospecting; mineralization is situated within a regional bend, correlates with individual magnetic gradients, and breaks within magnetic features close to mineralization are interpreted fault zones. All of the above are similar geophysical characteristics to a number of Athabasca Basin high-grade uranium deposits. Follow-up ground prospecting will prioritize exploration on trend with high-uranium content outcrops and continue to explore the up-ice directions of uraniferous boulders in the search for other surface uranium showings.

Alces Lake

In September 2013, the Company discovered a new area of REE mineralization, plus uranium and thorium south of Alces Lake. The zone is designated as the "Ivan Zone" and is located 125 metres northeast of the historical REE trenches. Outcrop and boulder samples recorded radioactivity levels in excess of 56,000 cps. Geochemical analytical results of 12 samples from the outcrops and boulders have returned ranges from 1.1% to 35.7% Total REE by weight. Details of the laboratory analyses for individual elements were reported in the Company's news release on the Ivan Zone on May 22, 2014.

Geotech Ltd.'s 154 line-kilometre helicopter-borne geophysical and radiometric surveys flown in June 2016 over the Alces Lake Property has outlined extensive radioactive anomalous areas similar to those with known areas of uranium and REE mineralization, providing input for geological interpretations of the Property.

On October 31, the Company announced "exceptional geochemical assay results from the 2017 ground prospecting and radiometric program on the high-grade rare earth element ("REE") plus uranium Alces Lake property." Rare Earth Oxides ("REO") as high as 49.64 weight % Total REO were reported from 5 zones on the Property.

Mineralization in the zones were reported to have uniformly high concentrations of critical REEs which are in scarce supply and high demand. Neodymium and Praseodymium account for 20% and 5% of the Total REEs respectively. Prices for these REEs increased by 81% and 89% in 2017 to September 8.

Uranium and Thorium Oxides of up to 0.20 weight % and 5.51 weight % were also reported.

Based on the average grades of all the samples, which are rich in critical REEs, (Dy, Nd/Pr, Tb and La), Alces Lake has the potential to be a high value prospect.

An overburden stripping program is planned to start in May or June 2018, depending on weather conditions, and will be followed by diamond drilling priority targets.

Ontario Summary

The National Instrument 43-101 (“NI 43-101”) report on the Elliot Lake properties completed in 2013 incorporated a new concept of simultaneously mining a nine metre high underground zone, including the Upper Reef, the Rare Earth Elements (“REEs”) in the Intermediate Quartzite Zone and the Lower Reef. With the REE content by weight being over six times the uranium content, the economic value of the mineralized zone has been greatly enhanced. A significant portion of the previously categorized Inferred Resources was upgraded to Indicated Resources, and additional resources were defined.

More work to expand the Resources at Teasdale and the preparation of a Preliminary Economic Analysis of the project will be contingent on an improved price for uranium and a clearer picture of supply and demand for REEs.

Exploration and Evaluation Assets

Saskatchewan Properties:

Beginning in fiscal 2011, the Company participated in staking properties in Saskatchewan, with significant additions of the Loranger and Otherside properties in 2016 and the Eastside property in June 2017.

The Company currently holds a total of 61,726 hectares (152,529 acres) in Saskatchewan.

Athabasca Basin

The “Loranger” and the “Otherside” properties were staked in March 2016, and have similar geology and signatures to known high-grade, high-tonnage uranium deposits in the Basin such as Fission Uranium Corp.’s Triple R deposit, NexGen Energy’s Arrow deposits, and others.

Loranger Property

The Loranger property is located 28 km southeast of Cameco’s Rabbit Lake mill and comprises 30,725 hectares (75,923 acres), centred on 4 individual conductors with an aggregate length of 96 km of which 94 km is untested. The property is hosted within the basement rocks of the Wollaston Domain, near the deposit rich eastern margin of the Basin. Included in the Loranger property is an additional 5,969 hectares (14,750 acres) immediately contiguous to the area originally staked, covering a 20 km aeromagnetic and electromagnetic trend extending to the southwest and hosting 12 km of sub-parallel conductors identified in an earlier airborne survey.

In October 2016 Geotech Ltd. flew a 715 line-kilometre VTEM™ Max Time-Domain electromagnetic (“EM”) and magnetic survey over the Loranger property to better define the conductive zones that were identified in a 1978 Barringer/Questor airborne Mark VI Input EM survey.

The survey identified 94 km of primary northeast-southwest oriented structural corridors, occurring over a 33 km strike length of the Property, sharing similar geophysical characteristics with a number of Athabasca Basin high-grade uranium deposits.

Conductive zones account for 68 km of the primary structural corridors (>0.1 milliseconds), and 28 km of those conductive zones are considered very conductive (i.e. > 1.0 milliseconds).

The airborne survey also outlined a series of north-south oriented structures, known as the Tabbernor fault system. A major Tabbernor fault offsets the property geology along both sides of the fault by 6 to 8 km. Many other uranium deposits have associations with the Tabbernor fault system, most notably UEX's Raven-Horseshoe and Cameco's Collins Bay deposits.

On February 23, 2017 the Company reported the completion of ground gravity surveys covering 45.2 km of priority exploration areas on the Loranger property identified by gravity lows coincident with previously defined conductive structural corridors and cross-cutting North-South oriented Tabbernor faults. The combination of gravity lows, conductor jogs and/or breaks, and cross-cutting faults are features associated with Athabasca uranium deposits.

On April 12, the Company reported the completion of the first seven drill holes totalling 1,461 metres, before work stopped as the ice-road accessing the property was declared unsafe.

Geochemical assay results from drill hole LOR-17-004 returned a total composite down-hole thickness of 72.9 m grading 0.012 wt% U₃O₈. Drill hole LOR-17-005 was drilled 150 m down-dip of LOR-17-004 and returned 26.4 m composite down-hole thickness grading 0.014 wt% U₃O₈. Drill holes LOR-17-006 and LOR-17-007 were drilled 600 m and 1025 m SW along strike of LOR-17-004, respectively. LOR-17-006 intersected 56.85 m composite down-hole thickness grading 0.012 wt% U₃O₈ and LOR-17-007 intersected 10.3 m composite down-hole thickness grading 0.016 wt% U₃O₈.

Drill holes LOR-17-004 to LOR-17-007 were drilled in the historical Royal Canadian Ventures Grid No. 2 drilling area ("RCV area"). The RCV area has multiple lenses of uranium-bearing pegmatites extending from surface down to current vertical depth limit of 260 m and extending over 2,200 m along strike. The RCV area pegmatites remain open in all directions. See the news release dated May 24 on the Company's website www.appiaenergy.ca for drill hole locations and cross-section interpretation of drill holes LOR-17-004 and LOR-17-005.

The first three drill holes of the Program (LOR-17-001 to LOR-17-003) were drilled in a gravity low target area represented by intense brittle faulting and associated hydrothermal alteration. Drill hole LOR-17-001 intersected 0.011 wt% U₃O₈ over 0.25 m at 211.0 m drill hole depth in unaltered pegmatite and LOR-17-003 intersected 0.010 wt % U₃O₈ over 1.3 m at 98.6 m drill hole depth in clay altered semipelitic gneiss. In addition to U₃O₈, all gravity low target drill holes contain elevated boron (up to 404 ppm in LOR-17-002) throughout the faulted and altered zones. Elevated levels of boron (>100 ppm) are associated with some high-grade uranium Athabasca deposits and can be considered a critical element for Athabasca uranium exploration.

In June 2017 a 117 km ground prospecting and radiometric surveying program was completed on the property. Four priority drill target areas and the down-ice trends of those areas were investigated for radioactivity, alteration and structure within boulders and outcrops. Background radioactivity ranged from 50 counts-per-second ("cps") to 300 cps. Elevated radioactivity occurrences (2x to 10x background, i.e. >500 cps) in 154 individual boulders and outcrops with a range from 500 cps to 4,000 cps (producing an average of 1,000 cps), and one isolated occurrence up to 8,500 cps were identified. Historic exploration results had only indicated 2 radiometric occurrences outside of the drill area; each was a boulder measuring 400 cps so that far more radioactive occurrences were identified than expected based on historic prospecting programs. The alterations and structure styles observed in some boulders and the discoveries of radioactive outcrops, are in conjunction with current drill target areas, and others present new exploration models.

Alteration was only noted in boulders, not in outcrop, and accounted for less than 0.1% of all boulders observed in the field. The most common alteration styles were i) limonite and hematite stains (seven boulders produced radioactivity between 500 cps and 3,400 cps), ii) dark green pervasive alteration (not radioactive), and iii) quartz network breccia veining (a common alteration and structure observed as the most peripheral system to high-grade uranium deposits, not radioactive).

Also identified were radioactive outcrops (500 – 4,000 cps) near 2 of the current drill target areas, and a 650 m long by 150 m wide radioactive boulder train (500 – 2,400 cps) northeast of a third drill target area. The boulders in the train are geologically similar to a radioactive outcrop identified 350 m northeast of the boulder train.

The June program covered only a small fraction of the property, but has helped refine and improve the geologic understanding of the property, as well as outlining the potential for more radioactive discoveries with additional prospecting on the Loranger property.

The Company plans to wait for winter freeze-up and snow cover to provide ground accessibility for a winter drill program of the drill target areas. The Company remains well-funded to continue exploration on the property. The drill is onsite and will be ready for a quick re-start as soon as winter ground conditions are favourable.

Otherside Property

The Otherside property comprises 21,868 hectares (54,307 acres), straddles a 40 km-long corridor hosting multiple discrete conductors with associated magnetic gradients and gravity lows, within the north central Athabasca Basin.

Appia plans to carry out ground geophysical surveys and resistivity surveys over the primary target areas on the Property, but this work is not currently scheduled.

Eastside Property

The property was acquired in June, 2017 by staking and is located 50 km east of the Loranger property, 85 km east of Cameco's Rabbit Lake mill.

Historic airborne and ground exploration was conducted on the property and surrounding area between 1968 and 1980. A 1975 airborne survey identified a 4-km wide radiometric anomaly on the Property. Follow-up ground prospecting programs located outcrops and boulders containing elevated concentrations of uranium within and peripheral to the radiometric anomaly. A total of 161 outcrop and boulder samples returned a range of 2 to 7,575 ppm uranium, producing an average grade of 360 ppm uranium. Twelve samples contained greater than 1,000 ppm uranium. Three outcrop samples along a 1.7 km geological strike returned 2,538 ppm, 6,650 ppm and 7,575 ppm uranium. Five boulders of similar lithological provenance to the outcrops, and located down-ice from the outcrops, returned greater than 1,000 ppm uranium.

The Property complies with the Company's objective of exploring for near-surface high-grade uranium deposits in the Athabasca Basin area. Uranium orebodies have been discovered by tracing radioactive boulders back up to their source. The potential for a major discovery on the Property exists when one considers the length of a similar system that exists on the Loranger property (i.e. the RCV uranium mineralized trend extending for 2.2 km along strike and open in both directions).

A detailed airborne radiometric, magnetic and VLF-EM survey comprising 1178 line-kilometres was flown over the Eastside property in September with the final data having been received, analysed and interpreted by the Company in November. The survey confirmed the presence of the historic radiometric anomaly associated with discovered boulders and outcrops, but also identified four new radiometric anomalies; three of which occur up-glacial-ice trend and the highest radioactive signal occurring within the broadest anomaly is northwest from the currently known mineralization.

The magnetics portion of the airborne survey shows the mineralized area(s) occur along a regional "bend", and individual uraniferous outcrops occur along magnetic gradients. A number of magnetic features are apparently offset which have been interpreted as fault zones. The regional "bend", correlation with magnetic gradients and interpreted fault zones are similar geophysical characteristic to a number of Athabasca Basin high-grade uranium deposits. Follow-up ground prospecting will prioritize exploration on trend with high-uranium content outcrops and continue to explore the up-ice directions of uraniferous boulders in the search for additional surface uranium showings.

Alces Lake Property

In 2010, the Saskatchewan Geological Survey visited the Alces Lake area where a trenching program had been carried out at an earlier date, with 13 rock sample assays showing a significant presence of REEs, reaching as high as 29.8% total REEs and anomalous levels of uranium and thorium.

In 2011, the Company visited the 1,518 hectare (3,751 acres) site and recorded radioactivity levels over 15 boulder and outcrop samples in a range of 5,500 cps to 53,500 cps, with thorium levels off scale for the spectrometer. Assays on five samples reflected favourably on the 2010 REE findings.

In September 2013, the Company discovered a new area of REE mineralization, plus uranium and thorium south of Alces Lake. The zone is designated as the "Ivan Zone" and is located 125 metres northeast of the historical trenches. Outcrop and boulder samples recorded radioactivity levels in excess of 56,000 cps. Geochemical analytical results of 12 samples from the outcrops and boulders have returned ranges from 1.1% to 35.7% Total REE by weight. Details of the laboratory analyses for individual elements were reported in the Company's news release on the Ivan Zone on May 22, 2014.

Geotech Ltd.'s 154 line-kilometre helicopter-borne geophysical and radiometric surveys flown in June 2016 over the Alces Lake Property outlined extensive radioactive anomalous areas similar to those with known areas of uranium and REE mineralization, providing input for geological interpretations of the Property. The magnetic survey delineated a large magnetic high area which includes the trenches worked in 2010 and the Ivan Zone outcrops sampled in 2013. A positive correlation between the magnetic data and numerous radiometric anomalies suggest that the uranium and REE mineralization host-rock is widespread beneath the overburden cover. These survey results will prioritize future surface mapping and sampling programs as well as defining the sub-surface extent of the uranium and REE mineralization observed at surface.

On October 31, the Company announced "exceptional geochemical assay results from the 2017 ground prospecting and radiometric program on the high-grade rare earth element ("REE") plus uranium Alces Lake property." Rare Earth Oxides ("REO") of as high as 49.64 weight % Total REO were reported from 5 zones on the Property.

Mineralization in the zones were reported to have uniformly high concentrations of critical REEs which are in scarce supply and high demand. Neodymium and Praseodymium account for 20% and 5% of the Total REEs respectively. Prices for these REEs in September 8 had increased by 81% and 89% in 2017.

Uranium and Thorium Oxides of up to 0.20 weight % and 5.51 weight % were also reported.

Assay results were provided by Saskatchewan Research Council's ("SRC") Geoanalytical Laboratory. SRC has developed the individual REE separation technology over the past three years at its in-house pilot plant, and projects that there may be an opportunity for one central facility that would handle REE separation for mining companies in Saskatchewan, to avoid the necessity to build a plant at each site. This concept of shared separation facilities has been successfully implemented in Europe.

Based on the average grades of all the samples, which are rich in critical REEs, (Dy, Nd/Pr, Tb and La), Alces Lake has the potential to be a high value prospect.

An overburden stripping program is planned to start in May or June 2018, depending on weather conditions, and will be followed by diamond drilling priority targets.

Ontario Properties:

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

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

No work was carried out during the year to September 30, 2017 as the current market for Uranium Oxide and REEs does not warrant additional work at this time

Teasdale Lake Zone

The following two tables set out the resources reported in the NI 43-101 report entitled "Update Report on the Appia Energy Corp. Uranium-Rare Earth Property, Elliot Lake District, North-Central Ontario, Canada," by Watts Griffis and McQuat ("WGM") dated July 30, 2013 which has been filed on SEDAR (www.sedar.com). It should be noted that the contents for the rare earth components are for rare earth metals, whereas it has become more common to report the contents as equivalent rare earth oxides, which results in an average increase of approximately 46% for the oxides versus the metallic form.

Table 1
Summary of Teasdale Zone Uranium and Rare Earth Mineral Resource Estimate

Zone	Tonnes ('000)	Tons ('000)	TREE (lbs/ton)	U ₃ O ₈ (lbs/ton)	Average Thickness (m)	Contained TREE ('000 lbs)	Contained U ₃ O ₈ ('000 lbs)
INDICATED RESOURCES							
UR	6,733	7,422	4.20	0.484	4.61	31,199	3,593
IQ	3,006	3,314	1.98	0.259	2.27	6,578	0.857
LR	3,355	3,699	2.68	0.958	2.60	9,912	3,544
Total	13,095	14,435	3.30	0.554	9.48	47,689	7,995
INFERRED RESOURCES							
UR	18,326	20,201	3.87	0.421	4.33	78,080	8,498
IQ	10,209	11,254	1.64	0.184	2.78	18,464	2,070
LR	9,972	10,992	3.33	0.869	2.71	36,631	9,564
Total	38,507	42,447	3.14	0.474	9.82	133,175	20,115

- Note:
1. Mineral Resources effective 30 July, 2013
 2. Mineral Resources are estimated at a cut-off value of \$100 per tonne, using a uranium price of US\$70/lb U₃O₈, a TREE price of \$78/kg, and a C\$:US\$ exchange rate of 1:0.9. TREE includes all the REE elements from lanthanum to lutetium plus yttrium.
 3. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. There are no known specific problems at this date.
 4. The quantity and grade of reported Inferred Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.
 5. The Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005.
 6. Specific Gravity of 2.85 tonnes/m³ (or 3.14 tons/m³) was used.
 7. Indicated amounts may not precisely sum due to rounding.

Table 2
Individual REE Resource Grade Composition Summary

Zone	Light REE (grams/tonne)						Heavy REE (grams/tonne)									
	La	Ce	Pr	Nd	Sm	Eu	Gd	Tb	Dy	Ho	Er	Tm	Yb	Lu	Hf	Y
INDICATED RESOURCES																
UR	540	951	93.9	313	51.7	1.9	32.8	3.9	17.2	2.7	7.0	0.9	5.5	0.8	6.8	72.9
IQ	256	452	44.9	148	24.4	1.0	14.7	1.8	7.7	1.2	3.1	0.4	2.5	0.4	3.6	30.6
LR	332	596	59.4	201	35.1	1.7	23.2	3.0	14.2	2.3	5.9	0.8	4.5	0.6	3.3	58.1
Average	422	745	73.8	247	41.1	1.7	26.2	3.2	14.3	2.3	5.8	0.8	4.6	0.7	5.2	59.4
INFERRED RESOURCES																
UR	498	876	85.9	285	47.2	1.8	29.3	3.5	15.9	2.5	6.5	0.9	5.3	0.8	6.8	67.9
IQ	213	374	37.0	122	20.0	0.8	12.3	1.4	6.4	1.0	2.6	0.4	2.2	0.3	3.3	26.5
LR	417	747	73.9	249	43.4	1.9	28.5	3.6	16.4	2.6	6.6	0.9	5.2	0.7	4.5	66.4
Average	401	709	69.9	232	39.0	1.6	24.6	3.0	13.5	2.1	5.5	0.7	4.4	0.6	5.3	56.5

Historical Estimates

Table 3
1979 Historical U₃O₈ Estimates on Appia's Elliot Lake Properties

<u>Zone</u>	<u>Quantity</u> (tons)	<u>Grade</u> (lbs U ₃ O ₈ /ton)	<u>Contained U₃O₈</u> (lbs)
Teasdale Lake Zone	17,458,200	1.206	20,787,200
Buckles Zone (Gemico Block #3)	42,800,000	0.38	16,264,000
Bouck Zone (Gemico Block #10)	20,700,000	0.75	15,525,000
Banana Lake Zone	175,800,000	0.76	133,608,000
Canuc Zone	<u>7,000,000</u>	<u>1.86</u>	<u>13,020,000</u>
Total	263,758,200	0.76	199,204,200

The foregoing historical resources were not estimated in accordance with definitions and practices established for the estimation of Mineral Resources and Mineral Reserves by the Canadian Institute of Mining and Metallurgy. As such, the historical resources are not compliant with Canada's security rule NI 43-101, and are unreliable for investment decisions. Neither Appia nor its Qualified Persons have done sufficient work to classify the historical resources as mineral resources under current mineral resource terminology and are not treating the historical resources as current mineral resources. Nevertheless, most of the historical resources were estimated by mining companies active in the Elliot Lake camp using assumptions, methods and practices that were accepted at the time, and based on corroborative mining experience.

Banana Lake Zone

Based on drilling by Appia during 2007, a subsequent Mineral Resource estimate for the Banana Lake Zone was prepared in 2011 by WGM in accordance with the provisions of NI 43-101. Some of Appia's drilling included holes that were wedged from historical drill holes that Appia re-entered. This resource, first reported in Workman and Breede (2011), is summarized in Table 4. A single hole drilled in 2012 to 1,647 metres did not encounter the typical geological formation with assays returning no significant values of U₃O₈, thorium or REEs. WGM, however, is of the belief that this hole did not materially impact the potential for additional resources in the Banana Lake Zone.

. Table 4
Summary of Banana Lake Zone Mineral Resource Estimate

Category	Tons (‘000)	Specific Gravity (tons/m ³)	lbs. U ₃ O ₈ /ton	Total lbs U ₃ O ₈ (‘000)
Inferred Resources	30,315	3.14	0.912	27,638

Notes: 1. Effective, 1 April, 2011

2. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
3. The quantity and grade of reported Inferred Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.
4. The Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005.
5. A cut-off grade of 0.6 lb. U₃O₈ was used
6. Specific Gravity of 2.85 tonnes/m³ (or 3.14 tons/m³) was used.
7. Indicated amounts may not precisely sum due to rounding.

Summary:

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

- new mine infrastructure development would be in brownfield areas already disturbed by industrial and mining activity;
- water, electrical, transportation and communications infrastructure is in place or close at hand;
- the recovery of uranium from Elliot Lake ore is well known. Based on Teasdale Lake test results, the recovery of REEs appears to face no significant technical uncertainties;
- Appia is not responsible in any manner for potential future environmental impacts arising out of historical mining operations or waste disposal; and,
- The Cameco uranium refinery is located approximately 50 km away, near Blind River.

Outlook

Seven diamond drill holes on the Loranger property were completed this past winter, with further drilling expected to resume in the winter of 2017-2018 when ice and ground conditions permit. Ground prospecting and radiometric surveying during the 2017summer identified priority drill targets.

With the excellent results from the 2017 ground prospecting on the Alces Lake property, an overburden stripping program is planned to start in May or June 2018, depending on weather conditions, in order to better understand the extent of REE mineralization and to provide priority targets for a diamond drilling program.

The 2012 drilling at the Teasdale Zone of Elliot Lake and the change in the proposed mine plan resulted in very significant quantities of REEs being reported, with a large increase in the Indicated category and an overall increase in the Indicated and Inferred Resources. The preliminary metallurgical test recovery of 90% for uranium and 80% to 90% for most REEs is very encouraging. There have been significant developments in the separation of individual REEs from the composite ore which suggests that these test results can be improved upon.

More work to expand the Resources at Teasdale and the preparation of a Preliminary Economic Analysis of the project will be contingent on an improved price for uranium and a clearer picture of supply and demand for REEs.

The tsunami in Japan resulted in the shut-down of all of its 48 nuclear reactors, resulting in a severe drop in uranium prices. 36 reactors in all are expected to be restarted, but progress is slow. Five reactors are currently operating, with an additional seven being prepared for restart.

China has 20 new nuclear units under construction as part of the plan to reduce the use of coal for generating electricity.

There are currently 64 reactors reported to be under construction around the world. A reactor start-up requires twice as much uranium in its first year of operation, and normal industry practice is to build up a stockpile to ensure a seven year supply, but with the spot price of uranium currently at US\$25 per pound, operators have adopted a wait-and-see attitude on pricing, are not rebuilding their stockpiles to "normal" levels, and are not actively seeking to sign long-term delivery contracts.

Kazatomprom, Kazakhstan's largest uranium producer, cut its 2017 production by 10%, which removed 5.2 million pounds from the 2017 previously estimated production surplus of 11.5 million pounds. Increased production cuts of 20% for three years starting in 2018 were announced in December. As Kazatomprom's production has largely been sold at the spot price; the reduction of production should have a beneficial effect on the currently depressed spot price. Cameco also reduced production in 2017.

The US Government Accountability Office, ("GAO") released a report in 2016 indicating that the Department of Defense has not addressed defining which of the REEs are critical regarding supply, although at various times 15 of the REEs have been identified as critical for weapon-related applications by the military. The Department of Defense has agreed with the GAO to identify which rare earths are critical, and work toward a department-wide strategy for securing its REE supply chain.

China controls most of the world supply of REEs, but is not expected to be able to supply its own requirements in the foreseeable future. Current mine production is less than consumption. Demand is expected to increase by 58% by 2020, with known supply sources not able to meet this demand.

Appia's successful recent financings will fund the proposed exploration work for the next year in Saskatchewan, and will monitor market conditions for completing additional financing and/or seek a joint venture partner in order to further advance the exploration and development activities on its Saskatchewan and Elliot Lake properties.

Selected Annual Information (2015 restated to reflect the new accounting policy)

	2017	2016	2015
	\$	\$	\$
Net income/(loss)	(1,792,459)	(310,071)	(230,541)
Net loss per share – basic and diluted	(0.04)	(0.01)	(0.01)
Total assets	2,167,541	1,672,908	1,450,813

Results of Operations

Exploration expenses incurred during the year ended September 30, 2017 were \$955,797, nearly all in the Athabasca Basin area of Saskatchewan, compared to \$84,099 for the same period in 2016 including Ontario. A refund of \$17,029 from Saskatchewan received in 2017 was for 2016 exploration costs (2016 - \$21,209 for 2015 exploration costs). In addition to exploration costs, \$5,162 was spent staking additional groups of claims in Saskatchewan in 2017.

Total general and administrative expenses for the year were \$839,625 compared to \$251,372 in 2016. The increase was largely in non-cash share-based compensation to \$399,389 from \$33,165 in 2016 and in shareholder

communication and investor relations to \$226,202 (2016 - \$46,341). Increased exploration activity and the financings completed during the year incurred management time and professional fees.

The Company's net loss and comprehensive loss for the year ended September 30, 2017 (including all exploration costs) was \$1,792,459 compared with \$310,071 in 2016.

Fourth Quarter

The Company's net loss and comprehensive loss for the three months ended September 30, 2017 was \$242,544 compared to \$120,217 in the prior year. The change in the fourth quarter of 2017 compared to 2016 was due to the increase in exploration expenditures to \$103,987 (2016 - \$6,580) and an increase in non-cash share-based compensation to \$60,551 (2016 - \$32,166).

Selected Quarterly Information

2016-2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016
	\$	\$	\$	\$
Net loss and comprehensive loss	(242,544)	(342,766)	(950,473)	(256,676)
Net loss per share – basic and diluted	(0.01)	(0.01)	(0.02)	(0.01)
Total assets	2,167,541	2,330,792	2,812,152	1,701,108
2015-2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015
	\$	\$	\$	\$
Net loss and comprehensive loss	(120,217)	(99,722)	(58,452)	(31,680)
Net loss per share – basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	1,672,908	1,574,725	1,406,464	1,451,420

Capital Resources and Liquidity

At September 30, 2017, the Company had working capital of \$691,850 (after providing for \$644,043 owing to related parties) compared to working capital of \$226,999 as at September 30, 2016 and approximately \$620,000 at December 6, 2017. The Company has no operating revenue and has historically been funded with equity based private placements. The Company's future exploration plans are contingent on raising capital resources. The Company has sufficient financial resources to continue operation through the next twelve months. Cash operating costs, excluding exploration costs or amounts due to related parties, are currently approximately \$15,000 per month.

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

Common Share Data

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

	Number	Amount
	#	\$
Balance, September 30, 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	-	(113,020)
Balance, September 30, 2017	52,332,007	9,623,555

Common share purchase stock 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 (currently Vice-President, Exploration and Development) and granted 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			

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:

	<i>Number</i>	
	#	\$
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 number of common shares outstanding on September 30, 2017 and December 6, 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 and December 6, 2017 was 65,322,016.

Related Party Transactions

During the year ended September 30, 2017, the Company incurred related party expenses of \$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, 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.

At September 30, 2017, \$577,426 (2016 - \$538,306) of accumulated related party expenditures was payable to Tom Drivas. Canada Enerco Corp., a company controlled by Tom Drivas was owed \$29,658, which was paid in April 2017.

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, a total of \$63,000 (2016 - \$45,000) was 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 to the financial statements, the Company’s Elliot Lake exploration property was acquired from a related party.

Carrying value of exploration and evaluation assets

The Company regularly reviews the carrying value of its exploration and evaluation assets for impairment to determine whether the acquisition cost of these properties will be recoverable from future cash flows or from their disposition. Assumptions underlying the cash flow estimates include the forecasted prices for uranium and rare earth elements, production levels, and operating, capital, exploration and reclamation costs, which are subject to risks and uncertainties. Management has determined that as at September 30, 2017 and December 6, 2017, there was no impairment of the carrying value of its Ontario and Saskatchewan properties.

Off-Balance Sheet Arrangements

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

Financial Instruments and Other Instruments

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

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

Risk Factors

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

Exploration Risk

Mineral exploration and development involve a high degree of risk. A very low percentage of exploration projects ultimately evolve into producing mines. There is no assurance that the Company's exploration and development activities will result in the definition of a commercial ore body. The viability of an ore body depends on a number of factors which include, but are not limited to, location, size, grade, geometry of ore body, availability of experienced labourers, proximity to existing infrastructure, metal prices and government regulations, including environmental restrictions.

Financial Capability and Additional Financing

The Company had a cash balance of approximately \$1,133,000 and working capital of approximately \$620,000 at December 6, 2017, (after providing for \$644,000 owing to related parties), has no source of operating income and has no assurance that additional funding will be available to it for further exploration and development of its projects. Although the Company has been successful in the past in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to continue as a going concern.

Fluctuating Prices

The prices of uranium and rare earth elements have fluctuated widely in recent years and are affected by factors beyond the control of the Company. The market price of individual rare earth elements are largely determined by China, which controls as much as 90% of the current world supply. International economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends are some of the factors that could impact on the viability of the Company's exploration projects that are impossible to predict with certainty.

Environment

Both the exploration and production phases of the Company's operations are subject to environmental protection regulations in the jurisdictions in which it operates. Globally, environmental legislation is evolving towards stricter standards and enforcement, more stringent environmental impact assessments of new mining projects and increasing liability exposure for companies and their directors and officers. There is no assurance that future environmental regulations will not adversely affect the Company's operations.

Title Matters

The Ontario mining claims in which the Company has an interest have not been surveyed and, accordingly, the precise location of the boundaries of the claims which convey the ownership of mineral rights on specific tracts of land is uncertain, although the boundaries are clearly shown on Ontario government maps. Such claims have not been converted to lease and tenure, and as a result, are subject to annual compliance with assessment work requirements. Other parties may dispute the Company's title to its mining properties. While the Company has diligently investigated title to all mineral claims and, to the best of its knowledge, title to all properties is in good standing; this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers or land claims, including First Nations land claims, and title may be affected by undetected defects. There is no guarantee that title to the Company's properties or its rights to earn an interest in its properties

will not be challenged or impugned. In many countries, including Canada, claims have been made and new claims are being made by aboriginal peoples that call into question the rights granted by the governments of those countries in respect of resource properties.

Uncertainty in the Estimation of Mineral Resources

The Mineral Resource quantities contained in this MD&A are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that Mineral Resources could be mined or processed profitably. Such estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation.

Fluctuation in REE and uranium prices, results of drilling, metallurgical testing and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of Mineral Resources, or of the Company's ability to extract these Mineral Resources, could have a material adverse effect on the value of the resources.

Land access

As of April 1, 2013, under the modified Mining Act (Ontario), the Company is required to obtain permits to conduct exploration and evaluation activities on its Ontario properties. The Ontario Government is required to consult with the First Nations in order to reach agreement to permit activity in areas considered to have been historically inhabited. The impact of any possible delays on the Company's intended activity is unknown.

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.

Special Note Regarding Forward-Looking Statements

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

assume any obligation to update these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

Additional Information

- (1) Additional information may be found on the Company's website at www.appiaenergy.ca and on SEDAR.
- (2) The technical information included in this MD&A regarding Saskatchewan was reviewed and approved by Thomas Skimming, P.Eng, a Director of Appia, a Qualified Person as defined by National Instrument 43-101, and the technical information regarding the Elliot Lake properties has been reviewed and approved by Al Workman, P.Geo. Senior Geologist, Watts, Griffis and McOuat Ltd., a Qualified Person in accordance with the Canadian regulatory requirements as set out in NI 43-101.