APPIA RARE EARTHS & URANIUM CORP.
(formerly "APPIA ENERGY CORP.")

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended December 31, 2024

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Appia Rare Earths & Uranium Corp. ("Appia" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended December 31, 2024. The MD&A was prepared as of March 3, 2025 and should be read in conjunction with the unaudited condensed interim financial statements for the three months ended December 31, 2024, the ("Financial Statements") and the audited financial statements for the year ended September 30, 2024, including the notes thereto. Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. These Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as described in Note 2 to the Financial Statements.

Appia is a publicly traded Canadian company in the rare earth element and uranium sectors. The Company is currently focusing on delineating high-grade critical rare earth elements and gallium on the Alces Lake property, as well as exploring for high-grade uranium in the prolific Athabasca Basin on its Otherside, Loranger, North Wollaston, and Eastside properties. The Company holds the surface rights to exploration for 96,988 hectares (239,662 acres) in Saskatchewan. The Company also has a 100% interest in 14,484 hectares (35,790 acres), in Saskatchewan. The Company also has a 100% interest in 14,484 hectares (35,790.74 acres), with rare earth element and uranium deposits over five mineralized zones in the Elliot Lake Camp, Ontario. The Company holds the right to acquire up to a 70% interest in the PCH Project which is 40,963.18 ha in size and is located within the Goiás State of Brazil.

2023 Brazilian Ionic Clay Rare Earths Element Project

On March 7, 2023, the Company announced that it had signed a Letter Agreement (the "Letter Agreement") with 3S LTDA ("3S") and Beko Invest Ltd. ("Beko") to acquire up to a 70% interest in the PCH Project (the "Transaction") located in the Tocantins Structural Province of the Brasília Fold Belt, Goiás State, Brazil (the "Target Property").

The Cachoeirinha Project (PCH Project) is located within the Tocantins Structural Province in the Brasília Fold Belt, more specifically, the Arenópolis Magmatic Arc. The PCH Project is 42,932 ha. in size and is located within the Goiás State of Brazil. It is classified as an alkaline intrusive rock occurrence with highly anomalous REE mineralization. This high grade mineralization is related to carbonatitic breccias within the alkaline lithologies of the Fazenda Buriti Plutonic Complex. The PCH also has the development of ionic adsorption clays associated with the Neoproterozoic granitic intrusion of the Iporá-granite geological unity associated with the presence of supergenic enrichment. The positive results of the recent geochemical exploration work carried out to date indicate the potential for REE within ionic adsorption clays in the regolith zones.

Appia will acquire incremental vested interests in the Target Property upon completion of specific expenditure requirements, provided Appia initially issues at least 1 million common shares to Beko and spends at least US$1 million on the Target Property (at which time it will have earned a 10% legal and beneficial ownership interest in the Target Property).

On December 4, 2023, the Company announced that it would be issuing 500,000 common shares and as it had spent more than $1 million US on the Property it earned the initial 10% interest in the Property.

On February 20, 2024, the Company reported completing over 300 combined auger, reverse circulation and diamond drill holes to date, and that SGS Canada had been commissioned to complete a NI 43-101 Technical Report on the Project including a Mineral Resource Estimate.

On March 1, 2024 the Company announced the receipt of an independent maiden Mineral Resource Estimate (MRE) for its ionic adsorption clay (IAC) project known as the PCH Project prepared by SGS Canada. The maiden MRE estimated 6.6 million tonnes (Mt) indicated resource with a grade of 2513 parts per million (ppm) of total rare earth oxide (TREO) and 46 mt inferred resource with a grade of 2,888 ppm TREO. The deposit is reported to contain the REE used in the production of permanent magnets. The NI43-101 Technical Report was filed on April 15 with an effective date of February 1, 2024.

On May 6 the Company announced the confirmation of the presence of ionic adsorption clay (IAC) REE at the PCH project. The desorbable MREO and HREO recoveries were consistent with the expected profile of an IAC ore.

On May 14 the Company announced encouraging results from the newly identified Taygeta and Merope targets at the PCH project, 15 km from Target IV and the Buriti targets. TREO, HREO and MREO are high grade.

On May 22 Appia announced the results from two newly identified exploration targets at the PCH project, Electra and Maia. Samples from 25 auger drill holes were assayed by SGS and confirm the regolith developed over the Ipora Granite presented significant enrichment of HREO indicative of IAC REE deposits. The desorption analysis is in process. The Company indicated it was moving to the next phase of definition drilling and the commissioning of a PEA including the MRE to support the next phase of project development.

Electra is NNE 5 km from Target IV and Maia is 7 km ENE of Target IV. The four new targets equal an area approximately 2400 hectares.

On July 17,2024, the Company announced desorption test results for rare earth elements (REE) from the Target IV Ionic Adsorption Clay (IAC) deposit at the PCH project in Goias, Brazil. A total of 182 samples from 17 Reverse Circulation (RC) drillholes were sent to ALS Laboratories in Lima, Peru (ALS) and the results consistently confirmed the REE IAC mineralization style on the majority of Target IV developed over the Ipora Granite and representing improved recoveries of Magnet Rare Earth Oxides (MREO) and Heavy Rare Earth Oxides (HREO) as expected.

On August 20, 2024, the Company announced initial desorption test results from the Ionic Adsorption Clay (IAC) rare earth elements (REE) targets Maia, Electra, Taygeta and Merope at the PCH project. A total of 89 samples from 13 auger drillholes were sent to ALS Laboratories in Lima, Peru (ALS), and the results consistently confirmed the REE IAC mineralization style on all targets developed over the Ipora Granite. The results show very good recoveries of Magnet Rare Earth Oxides (MREO) and Heavy Rare Earth Oxides (HREO).

On November 14, 2024, the Company announced that it secured one (1) additional mining claim on the Eastern border adjacent to its existing mineral claims at the PCH project through a public bidding process conducted by the Brazilian National Mining Agency ("Agencia Nacional de Mineração" or "ANM").

The new mining claim increased the total project area by an additional 1,969.06 hectares to the existing mineral rights which now covers 42,932.24 hectares.

On November 26, 2024, the Company announced that it has joined the SENAI MAGBRAS initiative which will develop the first rare earth permanent magnet facility in Latin America. The pilot facility is located in Lagoa Santa, Minas Gerais State – Brazil.

On January 22, 2025, the Company announced geochemical assay results of its diamond drilling program on the high grade carbonatitic breccia located on the PCH project in the State of Goias, Brazil. The three drillholes (see Map 1) intercepted substantial Total Rare Earth Oxide (TREO), Niobium Oxide (Nb_2O_5) and Phosphate Oxide (P_2O_5) from the brecciated carbonatite intrusion identified in the Southwest Extension Zone of Target IV.

ALCES LAKE

On July 26, 2022, the Company announced the completion of its 2022 drilling and exploration program at the 100%-owned Alces Lake rare earth elements (REE) and gallium property in the Athabasca Basin area, northern Saskatchewan. A total of 37 diamond drill holes (DDH) were completed, focusing on delineating high-grade REE mineralization at the WRCB Zone and testing new targets, including the Danny and Wilson/Wilson North zones. The program extended the WRCB Zone's mineralization by 120 meters along strike for a total of 280 meters, with the zone remaining open to the northwest and southeast. Drilling at the newly identified Magnet Ridge Zone, located 1.5 kilometers south-southeast of WRCB, intersected thick near-surface REE mineralization (e.g., 19.85m @ 0.317 wt.% TREO in hole 22-AUG-031) over 85 meters depth, with grades increasing >50% to the south-southeast.

On July 5, 2023, the Company announced the completion of the first phase of its 2023 drilling program at Magnet Ridge, comprising 11 drill holes (1,223 meters) to test the southern extension of mineralization. Five holes intercepted significant REE intersections up to 19.00 meters in core width, though mineralization was truncated by an east-northeast cross-fault.

On August 24, 2023, the Company concluded its 2023 diamond drilling program, reporting promising results from the newly identified Alces Lake Fold and Jesse Zones, as well as extensions of the WRCB Wilson subzone and Magnet Ridge Zone. At the Alces Lake Fold Zone (1.1 km west of WRCB), four drill holes confirmed REE-bearing pegmatite extending 17.6 meters below surface, supported by grab samples grading up to 17.13 wt.% TREO and channel samples of 15.45 wt.% TREO over 0.50 meters. The Jesse Zone (6.8 km south-southeast of WRCB) returned surface radioactivity up to 10,000 cps, with five of nine drill holes confirming shear-hosted mineralization, including a drill intercept of 2.51 wt.% TREO over 0.16 meters. At WRCB, the Wilson subzone's surface mineralization was extended by 50 meters (total 174 meters), while the Ivan subzone returned intercepts of 31.55 wt.% TREO over 0.40 meters.

In June 2024, the Company launched a high-resolution Falcon Airborne Gravity Gradiometer (AGG) and Magnetic survey over 1,053 line kilometers at Alces Lake, targeting subsurface structures and dense mineral hosts (e.g., biotite pegmatites) to depths of 1,000 meters.

By December 2024, results from the Falcon survey identified multiple high-priority drilling targets exhibiting geophysical signatures similar to the high-grade WRCB Zone. These targets, situated along the Alces Lake regional fold and NW-SE shear corridor, were prioritized for follow-up diamond drilling in 2025.

In Spring/Summer 2025, the Company plans to commence a diamond drilling program to test the depth and continuity of mineralization at the Alces Lake Fold, Jesse, and Magnet Ridge Zones, as well as newly identified geophysical targets. Camp setup is underway, with the program designed to expand known mineralization and evaluate the property's district-scale potential.

ALCES LAKE SUMMARY

The Alces Lake project encompasses low to very high grade and critical* REEs and gallium mineralization, hosted within a number of surface and near-surface monazite occurrences that remain open at depth and along strike.

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

The Alces Lake project is located in northern Saskatchewan, the same provincial jurisdiction that is developing a "first-of-its-kind" rare earth processing facility in Canada, currently under construction by the Saskatchewan Research Council, with the Monazite Processing Unit fully operational by the end of 2024 and the Solvent Extraction Unit expected to become operational in early 2025.

In February 2023, the Company announced the acquisition of additional new mineral claims in the Alces Lake area.

The Alces Lake claim block now totals 38,522.43 contiguous hectares (95,191 acres); located approximately 50 kilometres east of Uranium City. The claims were staked on the basis of similar geological and geophysical signatures to the Company's current Alces Lake property. Appia also holds a total of 57,719.45 hectares (142,627.87 acres) of land on four uranium claim blocks (Loranger, North Wollaston, Eastside, and Otherside). Recent exploration activities of the Eastside and Loranger properties are highlighted below.

LORANGER

On June 13th, 2024, Appia announced the commencement of diamond drilling on the 100%-owned Loranger uranium-bearing property, Athabasca Basin area, northern Saskatchewan, which concluded on July 3rd, 2024. During this 2024 drilling program, a total of three holes were drilled into strategically targeted NE-SW electromagnetic conductors using results from the VTEM Plus geophysical survey conducted in 2021 by Geotech Airborne Geophysical Surveys Ltd to test the potential for uranium-linked conductor indicators of mineralization and the presence of rare earth elements. Of the three drill holes, two intersected significant graphitic faults that may be linked to uranium mineralization and multiple pegmatitic bodies that show REE-bearing minerals (e.g. monazite).

Uranium Mineralization:

- **Drill Core 24-LOR-003:** 0.10 m of 409.11 ppm (0.04 wt%)U3O8 from 171.31 m to 171.41 m, confirming the presence of uranium alongside rare earth elements within the same 2.2 km electromagnetic conductor / Tabbernor Fault intersection.

Rare Earth Element Mineralization:

- **Drill Core 24-LOR-003:** 0.18 m of 0.56 wt.% TREO from 154.02 m to 154.10 m, including a 0.10 m interval of 0.80 wt.% TREO, confirming the presence of rare earth elements between the northeast trending 2.2 km EM conductor and N-S trending Tabbernor Fault (Figure 1).

- **Drill Core 24-LOR-003:** 0.10 m of0.36 wt.% TREO from 171.31 m to 171.41 m.

Additionally, 20 more samples within hole 24-LOR-003 returned REE values greater than 0.10 wt.% TREO, signifying sporadic rare earth element mineralization within this area.

Encouraged by the positive results, Appia plans to initiate a follow-up program at Loranger to investigate these findings further and expand its work efforts within the proximate area, specifically southwest along strike of the 2.2 km electromagnetic conductor, and within the proximate conjunction between it and the local Tabbernor Fault. This subsequent work will focus on delineating the extent of both uranium and rare earth element mineralization and evaluating the potential for additional discoveries.

EASTSIDE

From May 25th to June 1st, 2024, Appia had completed a ground reconnaissance exploration program on the 100%-owned Eastside uranium and rare earth element property, Athabasca Basin area, northern Saskatchewan. A total of 65 samples were collected from across the property and specifically from two (2) new radioactive zones of interest, "Highcount Hilltop" and "Prospector's Peninsula". Assay analysis conducted by the Saskatchewan Resource Council confirmed the presence of uranium (U3O8) and rare earth elements scattered across multiple grab and channel samples in and around the newly discovered zones within an approximate 2 km radius.

Highlights from the Eastside Exploration Program are as follows:

- **Uranium Mineralization:**
    - Grab Sample 181213: U3O8 = 2,523.06 ppm (0.25 wt.%), a uranium hotspot discovered between "Prospector's Peninsula" and "Highcount Hilltop".
    - Grab Sample 181255: U3O8 = 673.21 ppm (0.07 wt.%), indicating a uranium hotspot east of "Highcount Hilltop".
    - Grab Sample 181212: U3O8 = 644.91 ppm (0.06 wt.%), discovered between "Prospector's Peninsula" and "Highcount Hilltop" further indicating uranium.

Additionally, a total of 20 samples collected from the southwestern portion of the Eastside property exhibited uranium mineralization between 0.01 wt.% and 0.25 wt.%.

- **Rare Earth Element (REE) Mineralization:**
    - Channel Sample 181244: 1.00 meters of TREO = 0.14 wt.%, located in the "Prospector's Peninsula" zone, demonstrating rare earth element (REE) mineralization.

OTHERSIDE

In October 2024, Appia Rare Earths & Uranium Corp. announced the initiation of an Airborne Gravity Gradiometer (AGG) and Magnetic survey at its Otherside Property, located within the prolific uranium-bearing Athabasca Basin. This survey, conducted by Xcalibur Smart Mapping, utilized state-of-the-art Falcon AGG technology to explore potential uranium deposits. The results from this survey, which identified multiple high-priority drill targets, look highly promising. These targets show geophysical signatures similar to significant high-grade uranium deposits in the region, Such as NexGen Energy's "Arrow" deposit. Based on these findings, Appia is preparing to refine these targets further with advanced 3D processing and potential ground geophysical surveying, leading to precise drill targeting in 2025. The exploration team aims to use this data to lead the discovery of high-grade uranium deposits in the less explored north-central regions of the Athabasca Basin.
With on-site exploration anticipated to commence as early as spring of 2025, Appia plans to either stage operations from Fond du Lac, Saskatchewan, in partnership with the Athabasca First Nations, or use their nearby Alces Lake all-season camp to accommodate crew members.

Uranium and Rare Earth Elements Outlook

REE - The trade war between the USA (the West) and China is jeopardizing the availability of critical REEs.

A shortage of critical REEs has developed, largely as a result of the increase in electric vehicle production. China continues to control the pricing of REEs. Some of the REE concentrates is imported, processed in China to final form and re-exported.

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

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

Since January 1, 2024, however, supply has expanded at a faster rate than demand, resulting in downward pressure on current spot prices (IAEA Global Critical Minerals Outlook 2024) Uranium - Cameco has reactivated its mining operations at the McArthur River uranium mine and associated Key Lake processing facilities. Operations at Cigar Lake, the world's largest single uranium mine are also increasing. Cameco is expected to continue purchasing on the spot market this year in order to satisfy its contractual delivery requirements including replacing Russian shipments to Ukraine.

The uranium demand forecast shows an increase from China, and in 2021 known supply sources were projected to be unable to match demand. Industry opinion is that long term contract prices of US$60 per pound are needed before any new mining project advances. The spot price has reached US$100 per pound by January, 2024; now currently $80 USD per pound. The World Nuclear Association recently projected an annual production shortfall of 50 million pounds in the near future, but there is idle production capacity available at this time.

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

Ontario Properties

Appia holds over 14,484 hectares (35,790.74 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 360Mlbs. of U_3O_8 from 13 underground mines between 1955 and 1996 and is the only mining camp in Canada that had significant historical commercial REE production.

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

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

Results of Operations

The Company spent $699,392 on deferred evaluation expenditures at Alces Lake and in Brazil during three months ended December 31, 2024 (2023 - $479,561).

In addition to the above the Company spent $139,619 (2023 - $314,826) on deferred exploration on its newly acquired Brazilian property. These costs form part of the required US$1 million to be spent to earn in the first 10% interest in the Project.

Total general and administrative expenses for the three months ended December 31, 2024, were $291,547 compared to $536,609 in 2023, lower due to decrease in investor relations to $27,491 (2023 - $154,027), management fees and salaries to $88,900 (2023 – $103,950) and share-based compensation to $24,975 (2023 - $177,698).

The Company's net loss and comprehensive loss for the three months ended December 31, 2024, was $480,657 (2023 – $536,609).
A summary of selected financial information for the three months ended December 31 is as follows:

	2024	2023	2022
Net loss for the period	(192,714)	(480,657)	(642,039)
Total assets	29,496,696	29,181,914	28,738,137
Cash flow from/(used) in operations	(393,584)	(324,885)	(164,454)
Cash flow used in exploration activity	(699,392)	(479,561)	(345,138)
Loss per share (basic and diluted)	(0.00)	(0.00)	(0.00)

Selected Quarterly Information

2024	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024
	$	$	$	$
Net and comprehensive loss	(465,827)	(437,055)	(140,713)	(473,631)
Net (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	29,496,696	28,417,747	28,787,305	28,775,803

2023	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
	$	$	$	$
Net and comprehensive loss	(480,657)	(632,485)	(250,088)	(620,643)
Net (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	29,181,914	27,889,980	28,512,588	28,375,802

Capital Resources and Liquidity

At December 31, 2024, the Company had working capital of $479,067 compared to a working capital deficiency of $39,126 as at September 30, 2024 and had working capital of $$2,746,771 at February 28, 2025.

On December 27, 2023, the Company closed its non-brokered private placement of 4,873,667 flow-through shares at $0.30 per share for gross proceeds of $1,462,100.

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

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

Common Share Data

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

	Number **#**	**Amount** **$**
Balance, September 30, 2023	130,523,563	33,049,066
Flow-through shares private placement December 27, 2023	4,873,667	1,462,100
Allocated to flow-through premium	-	(292,420)
Share issue costs	-	(103,758)
Stock options exercised	436,364	120,000
Reclassification of stock options exercised	-	68,327
First and second tranche of shares for the Brazil Project	1,000,000	187,500
Balance, September 30, 2024	136,833,594	34,490,815
Flow-through shares private placement October 29, 2024	3,075,000	307,500
Working capital units private placement October 29, 2024	9,531,250	762,500
Flow-through shares private placement December 31, 2024	3,541,667	425,000
Less: Value associated with warrants issued	-	(568,958)
Less: Value associated with broker warrants issued	-	(11,575)
Share issue costs	-	(3,660)
Allocated to flow-through premium	-	(106,250)
Balance, December 31, 2024	**152,981,511**	**35,295,372**

Common share purchase stock options

The Company has a stock option plan (the "Plan") for the benefit of directors, officers and consultants. The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding common shares. As at December 31, 2024, 7,460,000 common shares were reserved for the exercise of stock options granted under the Plan.

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

	Options	**Weighted-average exercise price** **$**
Outstanding at September 30, 2023	7,110,000	0.47
Exercisable at September 30, 2023	3,985,000	0.47

Granted	1,486,364	0.26
Exercised	(436,364)	0.28
Outstanding at September 30, 2024	8,160,000	0.45
Exercisable at September 30, 2024	8,160,000	0.45
Cancelled	(450,000)	0.28
Outstanding at December 31, 2024	7,710,000	0.45
Exercisable at December 31, 2024	**7,460,000**	**0.45**

A summary of the outstanding stock options as at December 31, 2024 is as follows:

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
510,000	510,000	0.59 years	$0.25	August 4, 2025
150,000	150,000	1.42 years	$0.91	June 3, 2026
5,050,000	5,050,000	2.72 years	$0.50	September 21, 2027
200,000	200,000	2.80 years	$0.60	October 18, 2027
1,000,000	1,000,000	3.01 years	$0.35	January 3, 2028
300,000	150,000	4.11 years	$0.28	February 8, 2029
500,000	250,000	4.31 years	$0.15	April 22, 2029
7,710,000	7,460,000			

The weighted average fair value of the options issued on November 6, 2023, was calculated as $0.235 per share option. The fair value was estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate of 4.3%, expected dividend yield of nil, expected volatility of 112.71 and expected life term of 36 months.

The weighted average fair value of the options issued on November 6, 2023, was calculated as $0.235 per share option. The fair value was estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate of 4.3%, expected dividend yield of nil, expected volatility of 112.71 and expected life term of 36 months.

The weighted average fair value of the options issued on February 8, 2024, was calculated as $0.229 per share option. The fair value was estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate of 3.69%, expected dividend yield of nil, expected volatility of 120.62% and expected life term of 60 months.

The weighted average fair value of the options issued on April 22, 2024, was calculated as $0.100 per share option. The fair value was estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate of 3.86%, expected dividend yield of nil, expected volatility of 131.48% and expected life term of 60 months.

Warrants

On certain issuances of common shares, the units include warrants entitling the holder to acquire additional common shares of the Company, and the Company also grants warrants as consideration for services associated with the private placement of such issues. The following table provides the details of changes in the number of outstanding common share purchase warrants:

	Number of shares	**Value $**
Balance September 30, 2023	5,692,395	1,912,692
Warrants expired	(5,692,395)	(1,912,692)
Balance September 30, 2024	-	-
Private placement warrants issued	6,616,667	568,958
Broker warrants issued	220,750	11,575
Balance December 31, 2024	**6,837,417**	**580,533**

The number of common shares outstanding on December 31, 2024, was 152,981,511. Taking into account outstanding share purchase options and warrants, the fully diluted number of common shares that could have been outstanding on December 31, 2024, was 177,060,178.

Related Party Transactions

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

During the three months ended December 31, 2024, $15,000 (2023 - $15,000) was paid or accrued to the CEO for management fees.

During the three months ended December 31, 2024, $18,000 (2023 - $nil) was paid to a company controlled by the CFO for accounting and management services.

During the three months ended December 31, 2024, $nil (2023 - $18,263) was paid to the former CFO for accounting and management services.

During the three months ended December 31, 2024, $5,400 (2023 - $20,188) was paid to the VP Exploration for exploration related services.

During the three months ended December 31, 2024, $39,072 (2023 - $34,141) was paid or accrued for legal fees to a law firm related to a Director of the Company, William R. Johnstone.

During the three months ended December 31, 2024, the Company incurred expenses of $4,000 (2023 - $4,000) for independent directors' fees. At December 31, 2024, $59,000 (2023 - $32,500) of accrued directors' fees was outstanding.

Accounts payable and accrued liabilities include $143,605 (September 30, 2024 - $33,715) due to officers and directors of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Carrying value of exploration and evaluation assets

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

Off-Balance Sheet Arrangements

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

Financial Instruments and risk management

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

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

Risk Factors

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

Financial Capability and Additional Financing

The Company had a cash position of $ $268,178 and working capital of $2,746,771 at February 28, 2025 , has no source of operating income and has no assurance that additional funding will be available to it for further exploration and development of its projects. Although the Company has been successful in the past in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to continue as a going concern.

Pandemic COVID-19 risk

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

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

Land access

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

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

Nature of Mineral Exploration and Mining

At the present time, the Company does not hold any interest in a mining property in production. The Company's viability and potential success lie in its ability to discover, develop, exploit and generate revenue out of mineral deposits. The exploration and development of mineral deposits involves significant financial risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mine may result in substantial rewards, few properties, which are explored, are ultimately developed into producing mines. Major expenses may be required to establish mineral resources and/or reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on exploration properties in which the Company has an interest will result in a profitable commercial mining operation.

The operations of the Company are subject to all of the hazards and risks normally coincident with exploration and development of mineral properties, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. The activities of the Company may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which the Company has interests. Hazards, such as an unusual or unexpected rock formation, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs, which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations, may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Company and, potentially, its financial position.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Fluctuating Prices

Factors beyond the control of the Company may affect the marketability of any copper, nickel, gold, silver, platinum, palladium, lithium or any other minerals discovered. Metal prices often fluctuate widely and are affected by numerous factors beyond the Company's control. The effect of these factors cannot accurately be predicted.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and acquisition of attractive mineral properties. The ability of the Company to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

Financing Risks

The Company has limited financial resources and no current revenues. There is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Company with the possible dilution or loss of such interests.

Permits and Licenses

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes that it presently holds all necessary licenses and permits required to carry on with activities, which it is currently conducting under applicable laws and regulations, and the Company believes it is presently complying in all material respects with the terms of such laws and regulations, however, such laws and regulations are subject to change. There can be no assurance that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations at its projects.

No Assurance of Titles

The acquisition of title to mineral projects is a very detailed and time-consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Company where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interest of the Company in any of its properties may not be challenged or impugned.

Environmental Regulations

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploration and mining operations, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers, and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Conflicts of Interest

The directors and officers of the Company may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interest of the Company. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director is required by the Business Corporations Act (Ontario) to disclose the conflict of interest and to abstain from voting on the matter.

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Dependence on Key Personnel

The Company is dependent on a relatively small number of key people, the loss of any of whom could have an adverse effect on its operations. Any key person insurance, which the Company may have on these individuals may not adequately compensate for the loss of the value of their services.

On March 11, 2020, the World Health Organization declared the COVID -19 infectious virus a global pandemic, with resulting travel bans, physical distancing, closing of social, cultural and educational facilities and non-essential businesses. Global financial equity markets have declined considerably and remain volatile. The effect on the Company included difficulty in accessing its exploration sites and hiring personnel for exploration programs, as well as in raising additional equity financing. The global shutdown and vaccination of people is showing progress in the decline of the rate of infection, but the timing to return to normal and the impact on the Company's operations is difficult to project.

Special Note Regarding Forward-Looking Statements

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

Additional Information

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