APPIA ENERGY CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and six months ended March 31, 2014
(Unaudited)
(Expressed in Canadian $)

Appia Energy Corp.

Condensed Interim Statements of Financial Position

(Expressed in Cdn $)

Unaudited

As at	**March 31 2014 $**	September 30 2013 $
Assets		
Current		
Cash and cash equivalents (note 4)	**864,819**	1,062,894
Accounts receivable	**3,242**	8,165
Prepaid expenses	**8,553**	16,720
Total current assets	**876,614**	1,087,779
Exploration and evaluation assets		
Acquisition costs (note 5)	**770,889**	769,093
Deferred exploration expenditures (note 5)	**5,516,794**	5,395,054
Total assets	**7,164,297**	7,251,926
Liabilities		
Current		
Accounts payable & accruals	**448,730**	433,488
Total current liabilities	**448,730**	433,488
Deferred income tax	**556,336**	556,336
Total liabilities	**1,005,066**	989,824
Contingencies and commitments (note 11)		
Nature of operations and going concern (note 1)		
Shareholders' equity		
Share capital (note 6(a))	**7,835,123**	7,835,123
Contributed surplus (note 7)	**2,347,244**	2,290,188
Deficit	**(4,023,136)**	(3,863,209)
Total shareholders' equity	**6,159,231**	6,262,102
Total liabilities and shareholders' equity	**7,164,297**	7,251,926

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

APPROVED ON BEHALF OF THE BOARD ON May 27, 2014

"Signed"
Anastasios (Tom) Drivas

"Signed"
Nick Bontis

Appia Energy Corp.

Condensed Interim Statements of Changes in Equity

(Expressed in Cdn $)

Unaudited

	Share Capital $	Warrants $	Contributed Surplus $	Deficit $	Total $
At September 30, 2012	7,835,123	1,302	1,964,222	(3,401,021)	6,399,626
Net loss and comprehensive loss for the period	-	-	-	(203,835)	(203,835)
Flow-through warrants expired	-	(1,302)	1,302	-	-
Share-based compensation	-	-	124,966	-	124,966
At March 31, 2013	7,835,123	-	2,090,490	(3,604,856)	6,320,757
Net loss and comprehensive loss for the period	-	-	-	(258,353)	(258,353)
Share-based compensation	-	-	199,698	-	199,698
At September 30, 2013	7,835,123	-	2,290,188	(3,863,209)	6,262,102
Net loss and comprehensive loss for the period	-	-	-	(159,927)	(159,927)
Flow-through warrants expired	-	-	-	-	-
Share-based compensation	-	-	57,056	-	57,056
At March 31, 2014	7,835,123	-	2,347,244	(4,023,136)	6,159,231

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

Appia Energy Corp.

Condensed Interim Statements of Loss, and Comprehensive Loss

(Expressed in Cdn $)

Unaudited

	For the three months ended March 31		For the six months ended March 31	
	2014	2013	**2014**	2013
	$	$	**$**	$
Expenses				
Professional fees (note 9)	**14,091**	23,468	**28,585**	86,183
Management fees and salaries (note 9)	**25,575**	24,000	**52,875**	48,000
Office and general (note 9)	**7,145**	21,361	**19,562**	30,874
Shareholder communication	**3,653**	1,339	**8,014**	2,718
Share-based compensation	**28,528**	62,483	**57,056**	124,966
Loss for the period before the following	**(78,992)**	(132,651)	**(166,092)**	(292,741)
Interest income	**2,949**	3,722	**6,165**	10,090
Net loss for the period	**(76,043)**	**(128,929)**	**(159,927)**	**(282,651)**
Deferred income tax recovery	**-**	-	**-**	78,816
Net loss and comprehensive loss	**(76,043)**	**(128,929)**	**(159,927)**	**(203,835)**
Weighted average number of shares outstanding	**41,616,078**	41,616,078	**41,616,078**	41,616,078
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.00)

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

Appia Energy Corp.

Condensed Interim Statements of Cash Flows

(Expressed in Cdn $)

Unaudited

	For the six months ended March 31	
	2014	2013
	$	$
Operating activities		
Net loss for the period	**(159,927)**	(203,835)
Items not affecting cash:		
Deferred income tax recovery	**-**	(78,816)
Share-based compensation	**57,056**	124,966
	(102,871)	(157,685)
Net change in non-cash working capital		
Accounts receivable	**4,923**	(6,125)
Prepaid expenses	**8,167**	9,252
Accounts payable and accrued liabilities	**15,242**	(198,956)
Change from operating activities	**(74,539)**	(353,514)
Investing activities		
Mineral property acquisition costs	**(1,796)**	(59,421)
Deferred exploration expenditures	**(121,740)**	(755,143)
Change from investing activities	**(123,535)**	(814,564)
Financing activities		
Private placement of common shares	**-**	-
Share issue expense	**-**	-
Change from financing activities	**-**	-
Change in cash and cash equivalents	**(198,075)**	(1,168,078)
Cash and cash equivalents, beginning of period	**1,062,894**	2,360,025
Cash and cash equivalents, end of period	**864,819**	1,191,947

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

APPIA ENERGY CORP.
(the "Company")
NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these financial statements.

DATED this 27th day of May, 2014.

APPIA ENERGY CORP.

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

Per: *(signed) "Michael D'Amico"*
Name: Michael D'Amico
Title: Chief Financial Officer

1. Nature of operations and going concern

Appia Energy Corp. ("Appia" or "the Company") is an unlisted public reporting issuer incorporated in Canada, has interests in resource properties and is in the process of determining whether its properties contain resources that are economically recoverable. The registered office and location of corporate records is Suite 1220, 20 Toronto Street, Toronto, Ontario.

The accompanying unaudited condensed interim financial statements ("Financial Statements") of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these Financial Statements.

These Financial Statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at March 31, 2014 the Company had no sources of operating cash flows. The Company will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. The Company had working capital of $427,886 as at March 31, 2014, and has incurred losses since inception, resulting in an accumulated deficit of $4,023,136 as at March 31, 2014. The Company's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurance that the Company will be successful in this regard, and therefore, there is doubt regarding the Company's ability to continue as a going concern and the use of accounting principles applicable to a going concern. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption is not appropriate for these financial statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

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

2. Basis of preparation and statement of compliance with IAS 34

These Financial Statements form part of the period covered by the Company's International Financial Reporting Standards ("IFRS") annual consolidated financial statements. These Financial Statements have been prepared in accordance with IAS 34- *Interim Financial Reporting* and on the basis of IFRS standards and interpretations expected to be effective as at the Company's IFRS annual reporting date, September 30, 2014.

These Financial Statements may not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended September 30, 2013 prepared in accordance with International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") in effect as of September 30, 2013.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these Financial Statements. The interim results for the six months ended March 31, 2014, may not be indicative of the results for the year ending September 30, 2014.

3. Summary of significant accounting policies

The Company's first annual IFRS statements were dated September 30, 2012 and included all required disclosure for conversion to IFRS. Readers should refer to these annual financial statements for the accounting policies used in the preparation of these Financial Statements. The IASB continues to amend and add to current IFRS standards and interpretations with several projects underway. Accordingly, the accounting policies adopted by the Company for the Company's IFRS annual financial statements will be determined as at September 30, 2014. In the event that accounting policies adopted at September 30, 2014 differ materially from the accounting policies used in the preparation of these Financial Statements, these Financial Statements will be restated to retrospectively account for the application of those policies adopted at September 30, 2014.

The accounting policies have been applied consistently to all periods presented in these Financial Statements unless otherwise indicated.

4. Cash and cash equivalents

Cash and cash equivalents consists of cash and investments in Canadian Chartered Bank demand money market funds. During the six months ended March 31, 2014, the Company spent a total of $121,740 on exploration and evaluation activities.

5. Exploration and evaluation assets

Acquisition costs

	Ontario Elliot Lake $	**Saskatchewan** $	**Total** $
Balance, September 30, 2012	597,593	128,323	725,916
Total additions for the period	-	43,177	43,177
Balance, September 30, 2013	597,593	171,500	769,093
Total additions for the period	-	1,796	1,796
Balance, March 31, 2014	597,593	173,296	770,889

Deferred exploration expenditures

	Ontario Elliot Lake $	**Saskatchewan $**	**Total $**
Balance, September 30, 2012	4,517,661	-	4,517,661
Additions:			
Assaying	241,967	-	241,967
Drilling	268,450	-	268,450
Contract labour	25,997	127,504	153,501
Other	213,475	-	213,475
Total additions for the period	749,889	127,504	877,393
Balance, September 30, 2013	5,267,550	127,504	5,395,054
Additions:			
Contract labour	32,028	68,651	100,679
Other	8,082	12,979	21,061
Total additions for the period	40,110	81,630	121,740
Balance, March 31, 2014	5,307,660	209,134	5,516,794

Ontario, Elliot Lake

(a) On November 1, 2007, the Company acquired a 100% interest in 61 mining claims known as the Elliot Lake property located in Beange, Bolger, Bouck, Buckles, Gunterman and Joubin Townships, Sault Ste. Marie Mining Division in the Province of Ontario. As part of the acquisition agreement the Company issued 35 million common shares to Canada Enerco Corp. ("CEC"), a company controlled by the President, CEO and Director of the Company, at a stated value of $218,212. CEC retains the right to a 1% Uranium Production Payment Royalty and a 1% Net Smelter Returns Royalty on any precious or base metals payable provided uranium is greater than US$130 per pound.

The Company also entered into two (2) share option agreements with CEC whereby the Company had the option to buy back 1,000,000 of the common shares of the Company at the price of $1 per share, expiring August 31, 2008 and 9,000,000 common shares at the price of $2 per share, subject to adjustment downward, in tranches of 1,000,000 shares, expiring November 2, 2011. In the fiscal year ended September 30, 2008, the Company exercised the first option for the 1,000,000 common shares by payment to CEC of $1,000,000. These shares were cancelled in fiscal 2009. The second option expired unexercised on November 1, 2011.

Pursuant to an Assumption of Obligations Agreement dated November 2, 2007 among the Company, CEC, Quincy Gold Corp. and Energy Metals Corp. ("EMC"), the Company assumed certain obligations of CEC to Quincy and EMC giving the Company a 100% interest in the Elliot Lake property free and clear of all liens, charges and encumbrances in consideration for granting to EMC the right to purchase up to 9.9% of the equity of the Company (the "Participation Right") pursuant to an initial financing or an initial public offering or a going public transaction pursuant to a business combination at the same price and terms as other subscribers and a $250,000 credit (the "Credit") towards the Participation Right. Since the date of the agreement mentioned above, EMC has been acquired by Uranium One. In fiscal year 2008, 250,000 common shares of the Company were issued to EMC in consideration for the Credit.

(b) The Company transferred 2 of the claims acquired from CEC as disclosed in (a) above to Denison Mines Inc. in return for rights of access and use of infrastructure as well as a 3% Net Smelter Returns Royalty on any product produced from the claims. No gain or loss has been recognized on this transfer.

(c) On February 27, 2008, the Company entered into an agreement with Dan Patrie Exploration Ltd. ("DPE") to acquire an option to earn a 100% interest in 6 mineral claims comprising 50 claim units in the Buckles and Joubin Townships in Sault Saint Marie Mining Division in the Province of Ontario in consideration for the payment of $20,000 cash and the issuance of 50,000 common shares at a price of $1 per share. DPE retains the right to a 1% Uranium Production Payment Royalty ("Royalty") payable when the uranium is sold from the claims at a price of at least US$130 per pound. The Company has the right and option to purchase one-half (1/2) of the Royalty from DPE for $1,000,000. If DPE wishes to sell the remaining Royalty to a third party, it shall first offer the remaining Royalty to the Company on the same terms on which they have received the offer from a bona fide third party which they are prepared to accept.

(d) During fiscal 2010 the Company staked an additional 35 claims in the Elliot Lake area for additional cost of $35,950. All staked claims above are subject to the CEC royalty as outlined in paragraph (a) above.

Saskatchewan, Athabasca Basin

(e) During fiscal 2011, the Company participated in staking 26,657 hectares of uranium and rare earth prospects in Saskatchewan for total consideration and costs of $128,323.

(f) During fiscal 2013, the Company participated in staking 71,740 hectares of uranium and rare earth prospects in Saskatchewan for total consideration and costs of $43,177.

The Company now holds a 100% mineral rights interest in 67,976 hectares (165,889 acres) in the Athabasca Basin of Saskatchewan and a 75% to 90% mineral rights interest in 5,060 hectares (12,504 acres) and a 100% interest in 7,245 hectares (17,903 acres) in contiguous claims at Alces Lake, near Athabasca Lake in the Province of Saskatchewan.

6. Share capital

(a) Common shares

The Company is authorized to issue an unlimited number of no par value common shares. The number of common shares issued as at September 30, 2013 and March 31, 2014 is 41,616,078 with a share capital value of $7,835,123.

(b) Common share purchase options

The Company has created 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 March 31, 2014, 2,600,000 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**
	#	$
Balance September 30, 2012	2,200,000	1.25
Granted, fiscal year 2013	400,000	1.25
Outstanding at September 30, 2013 and March 31, 2014	2,600,000	1.25
Exercisable at September 30, 2013 and March 31, 2014	2,400,000	1.25

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
1,000,000	1,000,000	22.6 months	$1.25	February 17, 2016
400,000	400,000	27.5 months	$1.25	July 14, 2016
400,000	400,000	33.8 months	$1.25	January 23, 2017
400,000	400,000	34.0 months	$1.25	February 1, 2017
400,000	200,000	48.3 months	$1.25	April 9, 2018
2,600,000	2,400,000			

The weighted average fair value of all the options granted and outstanding is $0.71 per option, each contract fair value having been estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate is 1.63%, expected dividend yield of nil, expected volatility of 86%-141% and expected life term is 60 months. Under this method of calculation, the Company has recorded $57,056 as stock based compensation during the six months ended March 31, 2014, being the fair value of the options vested during the six months ended March 31, 2014. Options that have been issued and remain outstanding vest half immediately on the date of grant and half in twelve months from the date of grant.

(c) Warrants

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

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

	Number	
	#	$
Balance September 30, 2012	15,860	1,302
Warrants expired	(15,860)	(1,302)
Balance September 30, 2013 and March 31, 2014	Nil	Nil

7. Contributed surplus

A summary of changes in contributed surplus is as follows:

	Amount
	$
Balance, September 30, 2012	1,964,222
Share-based compensation	324,664
Value of expired warrants	1,302
Balance, September 30, 2013	2,290,188
Share-based compensation	57,056
Balance, March 31, 2014	2,347,244

The number of common shares outstanding on March 31, 2014 was 41,616,078. Taking into account outstanding share purchase options, the fully diluted number of common shares that could have been outstanding on March 31, 2014 was 44,216,078.

8. Related party transactions

During the three and six months ended March 31, 2014, the Company incurred related party expenses of $30,300 and $58,875 (2013 – $27,000 and $54,000). These expenses related to management fees paid or payable to key management personnel; Tom Drivas, Chief Executive Officer, Frank van de Water, Chief Operating Officer and Michael D'Amico, Chief Financial Officer, and office administration services paid to Romios Gold Resources Inc., a company with a number of common directors and officers. At March 31, 2014, $388,306 (2013 - $328,306) of accumulated related party expenditures is due and outstanding to Tom Drivas and is included under accounts payable and accrued liabilities and $6,540 (2013 - $ nil) is due and payable to other related parties. The amount charged for office administration services is included under office and general expenses.

Share-based compensation to key management and directors for the three and six months ended March 31, 2014 was $28,528 and $57,056 (2013 - $62,483 and $124,966) respectively.

During the three months ended March 31, 2014, the Company incurred expenses of $4,500 (2013 – $6,500) and $9,000 for the six months ended March 31, 2014 (2013 - $10,500) related to directors' fees to independent directors. At March 31, 2014, $4,129 (2013 - $10,500) was due and payable.

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the three and six months ended March 31, 2014 and 2013.

During the three and six months ended March 31, 2014, the Company incurred expenses of $2,116 and $3,801 (2013 - $15,316 and $48,991) for legal fees to a law firm related to a senior officer and director of the Company, William R. Johnstone. At March 31, 2014 $1,620 (2013 – $36,953) was due and payable to this related party.

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

9. Financial instruments and risk management

Categories of financial assets and liabilities

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

	March 31 2014 $	September 30 2013 $
FVTPL(1)	**864,819**	1,062,894
Receivables (2)	**3,243**	8,165
Other financial liabilities (3)	**407,452**	**433,488**

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

Financial Instruments

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

(i) Cash and cash equivalents and cash and cash equivalents held for future exploration are designated as FVTPL financial assets and are recorded at market value. The interest on deposits is insignificant.
(ii) HST receivable is designated as loans and receivables and is recorded at cost.
(iii) Accounts payable is designated as other financial liabilities and is recorded at cost.

Risks arising from financial instruments and risk management

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

The Company uses various methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks.

Carrying value of exploration and evaluation assets

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

(a) Market risk

(i) Price risk

Commodity price risk

Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company is exposed to commodity price risk arising from the fluctuation of the value of the metals for which it is exploring. The Company does not manage commodity price risk through the use of derivative instruments.

Sensitivity

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

(ii) Cash flow fair value interest rate risk

The Company does not have interest-bearing borrowings for which general rate fluctuations apply. The Company is exposed to interest rate risk to the extent of the balance of the bank accounts.

(b) Credit risk

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

The Company has no concentration of credit risk. The carrying amounts of financial assets recorded in the financial statements are adjusted for any impairment and represent the Company's maximum exposure to credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. The Company is currently assessing all options to address its liquidity issues. It is not possible to determine with any certainty the success and adequacy of these initiatives.

10. Capital disclosures

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The capital of the Company consists of capital stock, warrants and contributed surplus.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and intends to raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended March 31, 2014. The Company is not subject to externally imposed capital requirements.

11. Contingencies and commitments

In January 2013, the Company was served with a summons relating to a minor incident that occurred in July of 2012 during the Company's summer drill program at Elliot Lake. The Company has not received any further particulars of the alleged offence or the details relating thereto. The Company is of the view that it took all steps necessary at the time to alleviate the problem. It is not possible to determine the amount of any liability to the Company at this time.

12. Subsequent Events

On April 2, 2014 the Company announced the appointment of Douglas H. Underhill to its Board of Directors. On his appointment Dr. Underhill was granted 400,000 share purchase options exercisable at $1.25 per share for a period of five years.

On May 21, 2014 the Company received a copy of a letter from the City of Elliot Lake appealing to the Provincial Mining Recorder to intervene in the Company's refusal to sign any "Consent to the Disposition of Surface Rights" in respect of certain of its staked mining claims in Elliot Lake required to provide access to a proposed lakefront cottage lot development.

In June 2013 the Company met with the Cottage Lot Program planning body, Elliot Lake Retirement Living, and advised them in particular of the Company's concern that the cottage lots facing Quirke Lake and backing on to Teasdale Lake would be in close proximity to the Company's intended development site for mining its Teasdale Lake Zone mineral resources, and that the proposed creation of these lots should be reconsidered.

The Company intends to protect its rights under the Mining Act. At this time, any effect of the City's action is indeterminable.