APPIA ENERGY CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2015
(unaudited)
(Expressed in Canadian $)

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 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 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 18th day of February, 2016.

APPIA ENERGY CORP.

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

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

Appia Energy Corp.

Condensed Interim Statements of Financial Position

(Expressed in Cdn $)

Unaudited

See Change in Accounting Policy Note 2

As at	December 31 2015 $	September 30 2015 $
Assets		
Current		
Cash and cash equivalents (note 4)	**648,300**	661,087
Accounts receivable	**3,463**	1,657
Prepaid expenses	**18,176**	6,589
Total current assets	**669,940**	669,333
Exploration and evaluation assets		
Acquisition costs (note 5)	**781,480**	781,480
Total assets	**1,451,420**	1,450,813
Liabilities		
Current		
Accounts payable & accruals	**57,671**	51,052
Due to related parties (note 8)	**531,082**	505,414
Total liabilities	**588,753**	556,466
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)	**2,413,538**	2,413,538
Deficit	**(9,385,994)**	(9,354,314)
Total shareholders' equity	**862,668**	894,347
Total liabilities and shareholders' equity	**1,451,420**	1,450,813
	-	-

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

APPROVED ON BEHALF OF THE BOARD ON "DATE"

"Signed"
Anastasios (Tom) Drivas

"Signed"
Nick Bontis

Appia Energy Corp.

Condensed Interim Statements of Changes in Equity

(Expressed in Cdn $)

Unaudited

See Change in Accounting Policy Note 2	Share Capital $	Contributed Surplus $	Deficit $	Total $
At September 30, 2014	7,835,123	2,404,433	(9,123,773)	1,115,783
Net loss and comprehensive loss for the period	-	-	(62,152)	(62,152)
Share-based compensation	-	4,759	-	4,759
At December 31, 2014	7,835,123	2,409,192	(9,185,925)	1,058,390
Net loss and comprehensive loss for the period	-	-	(168,389)	(168,389)
Share-based compensation	-	4,346	-	4,346
At September 30, 2015	7,835,123	2,413,538	(9,354,314)	894,347
Net loss and comprehensive loss for the period	-	-	(31,680)	(31,680)
At December 31, 2015	7,835,123	2,413,538	(9,385,994)	862,668

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

See Change in Accounting Policy Note 2	For the three months ended December 31	
	2015	2014
	$	$
Expenses		
Operating activities:		
Exploration expenditures	**6,346**	4,400
Less: refund re fees paid in lieu of work	**(21,209)**	-
Net exploration expenditures	**(14,863)**	4,400
General and administrative activities:		
Professional fees	**4,762**	9,302
Management fees and salaries	**28,688**	31,900
Office and general	**6,869**	7,009
Shareholder communication	**7,349**	7,163
Share-based compensation	**-**	4,759
Loss for the period before the following	**(32,804)**	(64,533)
Interest income	**1,123**	2,381
Net loss and comprehensive loss	**(31,680)**	(62,152)
Basic and diluted loss per share	**(0.00)**	(0.00)
Weighted average number of shares outstanding	**41,616,078**	41,616,078

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

See Change in Accounting Policy Note 2	For the three months ended December 31	
	2015	2014
	$	$
Operating activities		
Net loss for the period	**(31,680)**	(62,152)
Items not affecting cash:		
Share-based compensation	**-**	4,759
	(31,680)	(57,393)
Net change in non-cash working capital		
Accounts receivable	**(1,807)**	(2,445)
Prepaid expenses	**(11,588)**	(4,202)
Accounts payable and accrued liabilities	**32,287**	2,030
Net cash used in operating activities	**(12,787)**	(62,010)
Investing activities		
Exploration and evaluation assets acquisition costs	**-**	(5,000)
Net cash used in investing activities	**-**	(5,000)
Change in cash and cash equivalents	**(12,787)**	(67,010)
Cash and cash equivalents, beginning of period	**661,087**	814,270
Cash and cash equivalents, end of period	**648,300**	747,260
	-	-

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

1. Nature of operations and going concern

Appia Energy Corp. ("Appia" or "the Company") is a listed public Company 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 500, 2 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 December 31, 2015 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 $81,187 as at December 31, 2015, after providing for $531,082 due to related parties, and has incurred losses since inception, including expenditures of $5,512,022 for exploration and evaluation of its mineral properties, resulting in an accumulated deficit of $9,385,994 as at December 31, 2015. The Company's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurance that the Company will be successful in this regard, and therefore, there is doubt regarding the Company's ability to continue as a going concern and the use of accounting principles applicable to a going concern. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption is not appropriate for these financial statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

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

2. Basis of preparation and statement of compliance 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 and have been prepared in accordance with IAS 34 - *Interim Financial Reporting* on the basis of IFRS standards and interpretations expected to be effective as at the Company's fiscal year end, September 30, 2016.

These Financial Statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended September 30, 2015 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, 2015.

During the year ended September 30, 2015, the Company voluntarily changed its accounting policy for exploration and evaluation expenditures. Previously, the Company capitalized acquisition costs and deferred exploration and evaluation expenditures of mineral properties to the specific mineral properties, net of recoveries received.

Under the new policy, only the original acquisition costs of exploration and evaluation properties are capitalized and all expenditures incurred to explore prior to the establishment of technical feasibility and commercial viability of extracting mineral resources and prior to a decision to proceed with mine development, net of recoveries received are charged to operations as incurred.

In accordance with the requirements of IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the Company has retrospectively applied this change in accounting policy.

Management considers this accounting policy provides more reliable and relevant information and more clearly represents the Company's results and financial position.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these Financial Statements. Operating results for the three months ended December 31, 2015 may not be indicative of the results that may be expected for the year ending September 30, 2016.

3. Summary of significant accounting policies

Readers should refer to the September 30, 2015 annual consolidated financial statements for the accounting policies used in the preparation of these Financial Statements and the effect of the voluntary change in accounting policy. 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 consolidated financial statements will be determined as at September 30, 2016 and if a new policy differs 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, 2016.

4. Cash and cash equivalents

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

5. Exploration and evaluation assets

Acquisition costs

	Ontario Elliot Lake	**Saskatchewan**	**Total**
	$	$	$
Balance, September 30, 2014	597,593	173,296	770,889
Total additions for the period	5,000	5,591	10,591
Balance, September 30, 2015 and December 31, 2015	602,593	178,887	781,480

Ontario, Elliot Lake

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

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

Saskatchewan, Athabasca Basin

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

The Company now holds total of 37,614 hectares (92,606 acres) in Saskatchewan, including a 100% interest in 36,096 hectares (89,155 acres) as well as a 90% interest in 1,518 hectares (3,751 acres).

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

	Ontario Elliot Lake $	Saskatchewan $	Total $
Balance, September 30, 2014	5,315,688	166,629	5,482,317
Total additions for the period	24,126	20,442	44,568
Balance, September 30, 2015	5,339,814	187,071	5,526,885
Total additions for the period	6,346	-	6,346
Saskatchewan Refund	-	(21,209)	(21,209)
Balance, December 31, 2015	5,346,160	165,862	5,512,022

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 December 31, 2015 and September 30, 2015 is 41,616,078 with a share capital value of $7,835,123.

(b) Common share purchase options

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

As at December 31, 2015, 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 $
Outstanding at September 30, 2015 and December 31, 2015	2,600,000	1.25
Exercisable at September 30, 2015 and December 31, 2015	2,600,000	1.25

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
1,000,000	1,000,000	1.6 months	$1.25	February 17, 2016

400,000	400,000	3 months	$1.25	March 31, 2016
400,000	400,000	13.0 months	$1.25	February 1, 2017
400,000	400,000	27.3 months	$1.25	April 9, 2018
400,000	400,000	38.8 months	$1.25	March 25, 2019
2,600,000	2,600,000			

The weighted average fair value of all the options granted and outstanding is $0.70 per option, each contract fair value having been estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate of 1.63-1.98%, expected dividend yield of nil, expected volatility of 84.97%-141% and expected life term is 60 months. As all outstanding options were fully vested at March 31, 2015 there was no share-based compensation in the three month period ended December 31, 2015.

7. Contributed surplus

A summary of changes in contributed surplus is as follows:

	Amount $
Balance, September 30, 2014	2,404,433
Share-based compensation	9,105
Balance, September 30, 2015 and December 31, 2015	2,413,538

The number of common shares outstanding on December 31, 2015 was 41,616,078. Taking into account outstanding share purchase options, the fully diluted number of common shares that could have been outstanding on December 31, 2015 was 44,216,078.

8. Related party transactions

During the three months ended December 31, 2015, the Company incurred related party expenses of $25,688 (2014 – $29,400). 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. The amount charged for office administration services is included under office and general expenses. As at December 31, 2015, $3,489 (2014 - $nil) was due and payable to these related parties.

At December 31, 2015, $493,306 (2014 - $433,306) of accumulated related party expenditures is due and outstanding to Tom Drivas.

Share-based compensation to key management and directors for the three months ended December 31, 2015 was $nil (2014 - $4,759).

During the three months ended December 31, 2015, the Company incurred expenses of $6,000 (2014 – $5,500) related to directors' fees to independent directors. At December 31, 2015, $33,000 (2014 - $16,500) was outstanding.

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the three months ended December 31, 2015 and 2014.

During the three months ended December 31, 2015, the Company incurred expenses of $1,288 (2014 - $1,677) for legal fees to a law firm related to a director of the Company, William R. Johnstone. At December 31, 2015 $1,288 (2014 – $1,677) was due and payable to this related party.

As disclosed in Note 6, 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, AFS financial assets and other financial liabilities. The carrying values of the Company's financial instruments, including those held for sales are classified into the following categories:

	December 31 2015 $	September 30 2015 $
FVTPL(1)	**648,300**	661,087
Receivables (2)	**3,463**	1,657
Other financial liabilities (3)	**25,089**	1,393

(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.

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 the carrying value on its Ontario and Saskatchewan properties.

(a) Market risk

(i) Price risk
Commodity price risk

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

Sensitivity price risk

Anticipated changes in the price of uranium and rare earth elements would not, in management's opinion, change the recognized value of any of the Company's 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 Canadian Chartered Banks as well as credit exposures to outstanding receivables.

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

(c) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. The Company 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 will raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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

The Company is not subject to externally imposed capital requirements.

11. Subsequent event

On February 17, 2016, 1,000,000 options held by Directors at an exercise price of $1.25 per share expired, unexercised.