APPIA ENERGY CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and six months ended March 31, 2019
(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 2nd day of May, 2019.

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

As at	**March 31, 2019 $**	September 30, 2018 $
Assets		
Current		
Cash and cash equivalents (note 4)	**1,615,342**	818,011
Accounts receivable	**54,657**	68,298
Prepaid expenses	**61,757**	76,571
Total current assets	**1,731,756**	962,880
Non-current assets		
Acquisition cost of properties (note 5)	**813,382**	813,082
Exploration camp and equipment (note 6)	**208,797**	242,675
Total assets	**2,753,935**	2,018.637
Liabilities		
Current		
Accounts payable & accruals	**211,011**	86,934
Due to related parties (note 9)	**721,806**	687,733
Total liabilities	**932,817**	774,667
Nature of operations and going concern (note 1)		
Shareholders' equity		
Share capital (note 7(a))	**11,737,687**	10,508,355
Warrants (note 7(c))	**561,647**	601,390
Contributed surplus (note 8)	**3,111,574**	2,965,260
Deficit	**(13,589,790)**	(12,831,035)
Total shareholders' equity	**1,821,118**	1,243,970
Total liabilities and shareholders' equity	**2,753,935**	2,018,637

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

APPROVED ON BEHALF OF THE BOARD on May 2, 2019

"Signed"
Anastasios (Tom) Drivas

"Signed"
Frank van de Water

APPIA ENERGY CORP.

Condensed Interim Statements of Changes in Equity

(Expressed in Cdn $)

Unaudited

	Share Capital $	Warrants $	Contributed Surplus $	Deficit $	Total $
At September 30, 2017	9,623,555	478,548	2,846,092	(11,456,844)	1,491,351
Share-based compensation	-	-	79,276	-	79,276
Adjustment of expired warrants	-	(14,580)	14,580	-	-
Net loss and comprehensive loss for the period	-	-	-	(381,039)	(381,039)
At March 31, 2018	9,623,555	463,968	2,939,948	(11,837,883)	1,189,588
Flow-through units private placement, net	162,532	-	-	-	162,532
Working capital units private placement, net	722,268	-	-	-	722,268
Share-based compensation	-	-	25,312	-	25,312
Valuation of warrants issued	-	137,422	-	-	137,422
Net loss and comprehensive loss for the period	-	-	-	(993,152)	(993,152)
At September 30, 2018	10,508,355	601,390	2,965,260	(12,831,035)	1,243,970
Flow-through units private placement, net	555,506	-	-	-	555,506
Working capital units private placement, net	673,826	-	-	-	673,826
Warrants exercised	-	(10,158)	-	-	(10,158)
Share-based compensation	-	-	12,708	-	12,708
Valuation of warrants issued	-	104,021	-	-	104,021
Adjustment for expired warrants		(133,606)	133,606		
Net loss and comprehensive loss for the period	-	-	-	(758,755)	(758,755)
At March 31, 2019	11,737,687	561,647	3,111,574	(13,589,790)	1,821,118

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	
	2019	2018	**2019**	2018
	$	$	**$**	$
Expenses				
Operating activities				
Exploration expenses	**344,426**	37,498	**467,273**	90,427
Depreciation	**15,676**	-	**33,878**	-
General and administrative activities:				
Professional fees	**27,609**	13,293	**41,660**	31,722
Management fees and salaries	**52,600**	32,350	**79,700**	64,888
Office and general	**20,948**	10,961	**29,642**	21,407
Investor relations	**59,381**	56,098	**98,326**	97,634
Share-based compensation	**3,203**	19,980	**12,708**	79,276
General and administrative expenses	**163,741**	132,682	**262,036**	294,927
Loss for the period before the following	**(523,843)**	(170,180)	**(763,188)**	(385,354)
Interest income	**3,311**	2,501	**4,432**	4,315
Net loss and comprehensive loss for the period	**(520,532)**	(167,679)	**(758,755)**	(381,039)
Basic and diluted loss per share	**0.00**	0.00	**0.01**	0.01
Weighted average number of shares outstanding	**64,048,000**	58,402,000	**61,225,000**	52,332,000

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	
	2019	2018
	$	$
Operating activities		
Net loss for the period	**(758,755)**	(381,039)
Items not affecting cash:		
Share-based compensation	**12,708**	79,276
Depreciation	**33,878**	-
	(712,169)	(301,763)
Net change in non-cash working capital		
Accounts receivable	**13,641**	(5,484)
Prepaid expenses	**14,814**	44,742
Accounts payable and accrued liabilities	**127,945**	(16,137)
Due to related parties	**30,205**	17,256
Net cash used in operating activities	**(525,564)**	(261,386)
Investing activities		
Exploration equipment	**-**	(48,825)
Exploration and evaluation assets acquisition costs	**(300)**	(6,784)
Net cash used in investing activities	**(300)**	(55,609)
Financing activities		
Private placement of flow-through units	**602,112**	-
Private placement of working capital units	**794,189**	-
Broker's warrants exercised	**32,611**	-
Share issue expense	**(105,717)**	-
Net cash from financing activities	**1,323,195**	-
Change in cash and cash equivalents	**797,331**	(316,995)
Cash and cash equivalents, beginning of period	**818,011**	1,223,390
Cash and cash equivalents, end of the period	**1,615,342**	906,395

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 incorporated under the Canada Business Corporations Act and is listed on the Canadian Securities Exchange (CSE: “API”) and in New York on the OTCQB platform as “APAAF”. The shares also trade on German exchanges. The Company is evaluating its mineral resource properties in Ontario and is actively exploring on its Saskatchewan properties to determine whether the properties will 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 ("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, 2019 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 $798,939 as at March 31, 2019, after providing for $721,806 due to related parties, and has incurred losses since inception, including expenditures of $7,682,855 for exploration and evaluation of its mineral properties, resulting in an accumulated deficit of $13,589,790 as at March 31, 2019. 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 is not appropriate. If the going concern assumption is not appropriate, 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 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, 2019.

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 financial statements for the year ended September 30, 2018 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, 2018.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these Financial Statements. Operating results for the six months ended March 31, 2019 may not be indicative of the results that may be expected for the year ending September 30, 2019.

3. Summary of significant accounting policies

Readers should refer to the September 30, 2018 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, 2019 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, 2019.

Presentation Currency

The Company's presentation currency and functional currency is the Canadian dollar ("$")

Accounting pronouncements adopted

At the date of approval of these Financial Statements for the six months ended March 31, 2019, the following standards which are applicable to the Corporation were adopted.

IFRS 9, Financial instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments – to replace IAS 39 Financial Instruments: Recognition and Measurement. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Corporation adopted this standard effective October 1, 2018 and has determined that it will have little or no impact on reported operations.

IFRS 2, Share-based payment

In June 2016, the IASB issued amendments to IFRS 2, Share-based Payment ("IFRS 2"), clarifying how to account for certain types of share-based payment transactions. The amendments apply for annual periods beginning on or after January 1, 2018 with prospective application. The Company adopted this standard effective October 1, 2018 and has determined that the adoption will have no effect on the financial statements.

4. Cash and cash equivalents

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

On December 31, 2018 the Company closed a private placement of 2,189,500 flow-through units for gross proceeds of $602,112. These funds are committed to be expended on Canadian Exploration Expenditures ("CEE") and therefore not available for current working capital purposes.

During the six months ended March 31, 2019, the Company spent a total of $467,173 on exploration and evaluation activities, in SK and ON.

5. Acquisition cost of properties

	Ontario Elliot Lake	Alces Lake Saskatchewan	Other Saskatchewan	Total
	$	$	$	$
Balance, September 30, 2017	602,593	102,504	94,404	799,501
Total additions for the year	-	77,604	6,784	84,388
Acquisition cost of properties abandoned	-	-	(70,807)	(70,807)
Balance, September 30, 2018	602,593	180,108	30,381	813,082
Total additions for the period	-	-	300	300
Balance, March 31, 2019	602,593	180,108	30,681	813,382

Ontario, Elliot Lake

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

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

Saskatchewan, Athabasca Basin Area

The Company commenced adding to its holdings by staking in Saskatchewan in 2011 and began significant acquisitions starting in 2016. At March 31, 2019 the Company held a 100% interest in 64,045 hectares (158,259 acres).

Alces Lake Property is located 30 km northeast of Uranium city and comprises 14,334 hectares (35,420 acres), acquiring 15 mineral claims contiguous to the original project area totalling 12,816 hectares (31,669 acres) in September 2018.

Eastside Property is located east of Cameco’s Rabbit Lake mill and the eastern edge of the Athabasca Basin and was acquired by staking in June 2017. The property comprises 4,933 hectares (12,191 acres).

Loranger Property comprises 33,407 hectares (82,549 acres) on the east side of Wollaston Lake and the first diamond drill program was completed in January 2017.

North Wollaston Property was acquired in December 2017 and comprises 11,371 hectares (28,098 acres) located 30 km northeast of Cameco’s Rabbit lake mill on the eastern edge of the Athabasca Basin.

Exploration and evaluation expenses

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

	Ontario Elliot Lake	Alces Lake Saskatchewan	Other Saskatchewan	Total
	$	$	$	$
Balance, September 30, 2017	5,358,514	36,268	1,133,761[(1)]	6,528,543
Total additions for the year	5,955	608,672	72,512	687,139
Balance, September 30, 2018	5,364,469	644,940	1,206,273	7,215,682
Total additions for the period	13,896	95,665	357,612	467,173
Balance, March 31, 2019	5,378,365	740,605	1,563,885	7,682,855

(1) Net of cumulative refunds totalling $17,029 received from the province of Saskatchewan.

6. Exploration camp and equipment
Alces Lake

	Machinery and Equipment	Camp	Total
	$	$	$
Cost			
Balance as at October 1, 2017	-	-	-
Additions	251,943	94,735	346,678
Balance before depreciation as at September 30, 2018 and March 31, 2019	251,943	94,735	346,678
Depreciation			
Balance as at October 1, 2017	-	-	-
Depreciation for the year	(75,583)	(28,420)	(104,003)
Balance as at September 30, 2018	176,360	66,315	242,675
Depreciation for the period	(24,303)	(9,575)	(33,878)
Balance, March 31, 2019	**152,057**	**56,740**	**208,797**

Depreciation is charged at 30% per annum, on the declining balance basis.

7. Share capital

(a) Common shares

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

	Number	Amount
	#	$
Balance, September 30, 2017	52,332,007	9,623,555
Flow-through units private placement July 24, 2018	910,000	172,900
Working capital units private placement July 24, 2018	5,160,000	877,200
Less: Value associated with warrants issued	-	(137,422)
Share issue costs	-	(27,878)
Balance, September 30, 2018	58,402,007	10,508,355
Flow-through units private placement December 31, 2018	2,189,500	602,112
Working capital units private placement December 31, 2018	1,425,000	342,000
Working capital units private placement January 16, 2019	1,884,121	452,189
Less: Value associated with warrants issued	-	(104,021)
Brokers warrants exercised	147,840	32,611
Share issue costs	-	(95,559)
Balance, March 31, 2019	64,048,468	11,737,687

On July 24, 2018, the Company closed a non-brokered private placement with the sale of 910,000 flow-through units (“FT Units) at $0.19 per FT Unit for gross proceeds of $172,900 and 5,160,000 working capital units (“WC Units”) at $0.17 per WC Unit for proceeds of $877,200, for the aggregate of $1,050,100.

Each FT Unit consists of one common share and one half of a share purchase warrant entitling the holder to purchase one common share for one full warrant at a price of $0.30 until January 24, 2020. Each WC Unit comprises one common share and one common share purchase warrant entitling the holder to purchase one common share at a price of $0.30 until January 24, 2020. The Company paid cash finder’s fees of $19,868.

On December 31, 2018 the Company closed a non-brokered private placement of 2,189,500 FT Units for gross proceeds of $602,112 and the first tranche of a non-brokered private placement of up to 4,000,000 WC Units (collectively the “Offering”) with the sale of 1,425,000 WC Units for gross proceeds of $342,000.

Each FT Unit was priced at $0.275 and consists of one common share and one-half of a share purchase warrant. Each full warrant (“Warrant”) entitles the holder to purchase one common share (a “FT Warrant Share”) at a price of $0.40 per FT Warrant Share for 12 months from closing. Broker warrants exercisable at $0.275 for 12 months from closing for 175,160 common shares were issued to finders.

Each WC Unit was priced at $0.24 and consists of one common share and one common share purchase warrant (a “WC Warrant”). Each WC Warrant entitles the holder to purchase one common share (a “WC Warrant Share”) at a price of $0.35 per WC Warrant Share for 24 months from closing.

In the event that the closing price of the Common Shares on either the CSE or the OTCQB is at least $0.45 per ten consecutive trading days after at least four months from the closing date, the final exercise date would be accelerated to 30 days after the ten consecutive closing prices are established.

On January 16, 2019 the Company closed the final tranche of the non-brokered private placement of 1,884,121 WC Units for aggregate gross proceeds of $482,159.

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

(b) Common share purchase options

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

As at March 31, 2019, 3,750,000 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, 2017	3,850,000	0.28
Expired	(300,000)	0.30
Granted	200,000	0.30
Outstanding at September 30, 2018 and March 31, 2019	3,750,000	0.28
Exercisable at March 31, 2019	3,750,000	

On June 30, 2018 300,000 options at $0.30 expired unexercised.

On August 1, 2018 the Company granted 200,000 options to purchase common shares exercisable at $0.30 per share for five years to one consultant.

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
500,000	500,000	24.5 months	$0.10	April 14, 2021
100,000	100,000	28.7 months	$0.30	August 22, 2021
2,950,000	2,950,000	34 months	$0.30	February 1, 2022
200,000	200,000	52 months	$0.30	August 1, 2023
3,750,000	3,750,000			

The weighted average fair value of all the options granted and outstanding is $0.28 per share option, each contract 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 0.65%-2.20%, expected dividend yield of nil, expected volatility of 84.97%-155% and expected life term from 22 to 60 months. Under this method of calculation, the Company has recorded $12,708 as stock-based compensation for the period ended March 31, 2019, being the fair value of the options vested during the period. Options that have been issued and remain outstanding vest half immediately on the date of grant and half twelve months from the date of grant.

(c) Warrants

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

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

	Number of shares	Value $
Balance September 30, 2017	9,140,009	478,548
Expired, unexercised broker warrants	(35,000)	(3,393)
Expired, unexercised	(375,000)	(11,187)
Private placement warrants issued	5,615,000	137,422
Balance September 30, 2018	14,345,009	601,390
Expired, unexercised broker warrants	(2,240)	(227)
Brokers warrants exercised	(97,840)	(9,931)
Expired, unexercised	(1,442,071)	(131,660)
Warrants exercised	(50,000)	(1,946)
Private placement warrants issued	4,712,364	104,021
Balance March 31, 2019	17,465,222	561,647

A summary of the outstanding warrants is as follows:

	Number of shares	Remaining contractual life	Exercise price per share	Expiry date
Warrants	392,858	0.2 months	$0.50	April 5, 2019
Warrants	1,315,000	2.9 months	$0.30	June 27, 2019
Warrants	75,000	5.3 months	$0.30	September 8, 2019
Warrants	5,615,000	9.8 months	$0.30	January 24, 2020
Warrants	4,950,000	33.7 months	$0.30	January 20, 2022
Warrants	405,000	34 months	$0.30	January 30, 2022

Warrants	1,425,000	21 months	$0.35	December 31, 2020
Warrants	1,094,750	9 months	$0.40	December 31, 2019
Warrants	175,160	9 months	$0.275	December 31, 2019
Warrants	133,333	9.5 months	$0.24	January 15, 2020
Warrants	1,884,121	9.5 months	$0.35	January 15, 2020
Balance, March 31, 2019	17,465,222			

The fair value of the warrants issued in July 2018 was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 2%, expected dividend yield of nil, average expected volatility of 110.39% and expected life term of 18 months. Under this method of calculation, the Company recorded $137,422 as the value of the warrants issued during the period ended September 30, 2018.

The fair value of the warrants issued in December 2018 was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 1.85%, expected dividend yield of nil, average expected volatility of 104.13% and expected life term of 12-24 months. Under this method of calculation, the Company recorded $50,264 as the value of the warrants issued during the period ended December 31, 2018.

The fair value of the warrants issued in January 2019 was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 1.89%, expected dividend yield of nil, average expected volatility of 104.98% and expected life term of 12 months. Under this method of calculation, the Company recorded $53,757 as the value of the warrants issued during the period ended March 31, 2019.

The number of common shares outstanding on March 31, 2019 was 64,048,468. Taking into account outstanding share purchase options and warrants, the fully diluted number of common shares that could have been outstanding on March 31, 2019 was 85,263,690.

8. Contributed surplus

A summary of changes in contributed surplus is:

	Amount $
Balance, September 30, 2017	2,846,092
Share-based compensation	104,588
Warrants expired	14,580
Balance, September 30, 2018	2,965,260
Stock-based compensation	12,708
Warrants expired	133,606
Balance, March 31, 2019	3,111,574

9. Related party transactions

During the three and six months ended March 31, 2019, the Company incurred related party expenses totaling $81,969 (2018 – $52,753) and $130,173 (2018 – 100,879). These expenses related to management fees paid or payable to key management personnel; Tom Drivas, Chief Executive Officer, Frank van de Water, Chief Financial Officer, James Sykes, Vice-President, Exploration and Development, 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. At March 31, 2019, $616,730 (2018 - $581,730) of accumulated related party expenditures was payable to Tom Drivas and $10,349 (2018 - $4,793) was payable to the other officers.

Share-based compensation to key management and directors for the year ended March 31, 2019 was $nil (2018 - $76,589).

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the period ended March 31, 2019 and 2018.

During the three and six months ended March 31, 2019, the Company incurred expenses of $5,500 (2018 – $4,000) and $9,500 (2018 – $9,500) for independent directors' fees. At March 31, 2019, $90,000 (2018 - $72,500) of accrued directors' fees was outstanding.

During the three and six months ended March 31, 2019, the Company incurred expenses of $16,250 (2018 - $5,989) and $28,669 (2018 - $8,442) for legal fees to a law firm related to a director of the Company, William R. Johnstone. At March 31, 2019 $4,727 (2018 – $2,275) was payable to this related party.

As disclosed in Note 5, the Elliot Lake exploration properties were acquired from a related party.

10. Financial instruments and risk management

Categories of financial assets and liabilities

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

	March 31 2019 $	September 30 2018 $
FVTPL(1)	**1,615,342**	818,011
Receivables (2)	**54,657**	68,298
Financial liabilities (3)	**184,290**	72,933

(1) Includes cash, committed cash and demand deposits and money market funds.
(2) Includes accounts receivable related to HST and PST tax refunds.
(3) Includes accounts payable.

Financial Instruments

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

Risks arising from financial instruments and risk management

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

Carrying value of exploration and evaluation assets

The Company regularly reviews the carrying value of its properties 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 subject to risks and uncertainties. Management has determined that there is no impairment of the carrying value of its exploration properties.

(a) Market risk

Commodity price risk

The market price of uranium and rare earth elements will have an impact on the economic value of 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 carrying value of the Company's exploration properties.

Cash flow fair value interest rate risk

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

(b) Credit risk

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

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

(c) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. The Company continues to assess all options to address its liquidity issues. It is not possible to determine with any certainty the success and adequacy of these initiatives**,** but the Company is successfully raising funds by marketing non-brokered private placement of common shares and warrants.

11. Capital disclosures

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

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

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

The Company is not subject to externally imposed capital requirements

12. Subsequent event

On April 5, 2019 the Company closed a non-brokered private placement of 1,000,000 flow-through shares (the "FT Shares") for gross proceeds of $400,000. Each flow-through share was priced at $0.40. Proceeds from the Offering are expected to be used for drilling and exploration on the Company's Alces Lake Property as well as other properties in Saskatchewan. An eligible finder was paid a cash fee of $24,000 and issued 60,000 FT broker warrants. Each FT broker warrant entitles the holder to acquire one common share at a price of $0.40 for twelve months from Closing. All securities issued are subject to a statutory four month hold period expiring on August 9, 2019.