APPIA ENERGY CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2020
(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 23rd day of February, 2021.

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	**December 31, 2020 $**	September 30, 2020 $
Assets		
Current		
Cash and cash equivalents (note 4)	**5,496,649**	1,764,921
Accounts receivable	**14,598**	71,229
Prepaid expenses	**52,607**	75,637
Total current assets	**5,563,854**	1,911,787
Non-current assets		
Acquisition cost of properties (note 5)	**814,415**	814,415
Exploration camp and equipment (note 6)	**111,669**	120,723
Total assets	**6,489,938**	2,846,925
Liabilities		
Current		
Accounts payable & accruals	**72,729**	331,256
Due to related parties (note 10)	**714,806**	805,555
Flow-through share premium (note 8)	**367,625**	165,000
Total liabilities	**1,155,160**	1,301,811
Nature of operations and going concern (note 1)		
Subsequent event (note 13)		
Shareholders' equity		
Share capital (note 7(a))	**17,847,896**	14,063,465
Warrants (note 7(c))	**687,112**	737,435
Contributed surplus (note 9)	**3,947,931**	3,676,415
Deficit	**(17,148,161)**	(16,932,201)
Total shareholders' equity	**5,334,778**	1,545,114
Total liabilities and shareholders' equity	**6,489,938**	2,846,925

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

APPROVED ON BEHALF OF THE BOARD on February 23, 2021.

"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, 2019	12,206,321	447,807	3,239,776	(15,136,216)	757,688
Flow-through units private placement, net	1,245,836	-	-	-	1,245,836
Working capital units private placement, net	6,525	-	-	-	6,525
Valuation of warrants issued	(292,294)	292,294	-	-	-
Share-based compensation	-	-	7,444	-	7,444
Adjustment for expired warrants	-	(12,673)	12,673	-	-
Net loss and comprehensive loss for the period	-	-	-	(197,055)	(197,055)
At December 31, 2019	13,166,388	727,428	3,259,893	(15,333,271)	1,820,438
Flow-through units private placement, net	796,907	-	-	-	796,907
Working capital units private placement	140,000	-	-	-	140,000
Valuation of warrants issued	(276,420)	276,420	-	-	-
Warrants exercised	482,380	(119,191)	119,191	-	482,380
Adjustment for expired warrants	-	(147,222)	147,222	-	-
Share-based compensation	-	-	150,109	-	150,109
Allocated to flow-through premium	(245,790)				(245,790)
Net loss and comprehensive loss for the period	-	-	-	(1,598,930)	(1,598,930)
At September 30, 2020	14,063,465	737,435	3,676,415	(16,932,201)	1,545,114
Flow-through units private placement, net	1,853,260	-	-	-	1,853,260
Working capital units private placement	629,000	-	-	-	629,000
Valuation of warrants issued	(206,306)	206,306	-	-	-
Warrants exercised	1,711,102	(256,629)	256,629	-	1,711,102
Share-based compensation	-	-	14,887	-	14,887
Allocated to flow-through premium	(202,625)	-	-	-	(202,625)
Net loss and comprehensive loss for the period	-	-	-	(215,960)	(215,960)
At December 31, 2020	17,847,896	687,112	3,947,931	(17,148,161)	5,334,778

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 December 31	
	2020	2019
	$	$
Expenses		
Operating activities		
Exploration expenses (note 5)	**71,642**	66,641
Depreciation (note 6)	**9,054**	17,141
General and administrative activities:		
Professional fees	**12,760**	15,882
Management fees and salaries	**48,099**	35,842
Office and general	**32,505**	15,654
Investor relations	**29,273**	39,221
Share-based compensation	**14,887**	7,444
General and administrative expenses	**137,524**	114,043
Loss for the period before the following	**(218,220)**	(197,825)
Interest income	**2,260**	770
Net loss and comprehensive loss for the period	**(215,960)**	(197,055)
Basic and diluted loss per share	**0.00**	0.00
Weighted average number of shares outstanding	**86,959,000**	66,221,000

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 three months ended December 31	
	2020	2019
	$	$
Operating activities		
Net loss for the period	**(215,960)**	(197,055)
Items not affecting cash:		
Share-based compensation	**14,887**	7,444
Depreciation (note 6)	**9,054**	17,141
	(192,019)	(172,470)
Net change in non-cash working capital		
Accounts receivable	**56,631**	71,700
Prepaid expenses	**23,030**	(24,468)
Accounts payable and accrued liabilities	**(258,527)**	(137,377)
Due to related parties	**(90,749)**	23,535
Net cash used in operating activities	**(461,634)**	(239,080)
Investing activities		
Exploration and evaluation assets acquisition costs (note 5)	**-**	(100)
Net cash used in investing activities	**-**	(100)
Financing activities		
Private placement of flow-through units	**2,021,000**	1,292,640
Private placement of working capital units	**629,000**	6,525
Warrants exercised	**1,711,102**	-
Share issue expense	**(167,740)**	(46,804)
Net cash from financing activities	**4,193,362**	1,252,361
Change in cash and cash equivalents	**3,731,728**	1,013,181
Cash and cash equivalents, beginning of the period	**1,764,921**	416,940
Cash and cash equivalents, end of the period	**5,496,649**	1,430,121

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 December 31, 2020 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 $4,408,694 as at December 31, 2020, after providing for $714,806 due to related parties, and has incurred losses since inception, including expenditures of $10,223,957 for exploration and evaluation of its mineral properties, resulting in an accumulated deficit of $17,148,161 as at December 31, 2020. 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, 2021.

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, 2020 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, 2020.

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, 2020 may not be indicative of the results that may be expected for the year ending September 30, 2021.

3. Summary of significant accounting policies

Readers should refer to the September 30, 2020 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, 2021 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, 2021.

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 period ended December 31, 2020, 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 had 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 had no effect on the financial statements.

IFRS 16, Leases

Leases (IFRS 16), Leases was issued by the IASB in January 2016 and is effective for accounting periods beginning on or after 1 January 2019. The new standard replaces IAS 17 'Leases' and eliminating the classification of leases as either operating leases or finance leases and, instead, introduces a single lessee accounting model. The Standard provides a single lessee accounting model, specifying how leases are recognized, measured, presented and disclosed. The Company adopted IFRS 16 in its financial statements for the annual period beginning on October 1, 2019 and has determined that the adoption had no effect on the financial statements as it is currently not subject to any leases.

Accounting pronouncements issued but not yet adopted

At the date of approval of these Financial Statements for the period ended December 31, 2020, there were no new accounting policies issued that were expected to have a material impact on the Company.

4. Cash and cash equivalents

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

On December 31, 2019 the Company closed a private placement of 8,079,000 flow-through units for gross proceeds of $1,292,640. These funds are committed to be expended on Canadian Exploration Expenditures ("CEE"). The bulk of these funds were expended by year end.

On September 30, 2020 the Company closed a private placement of 3,300,000 flow-through units for gross proceeds of $825,000. These funds are committed to be expended on Canadian Exploration Expenditures ("CEE") and therefore not available for current working capital purposes.

During the year ended September 30, 2020, the Company spent a total of $1,232,406 on exploration and evaluation activities, in Saskatchewan and Ontario leaving a balance of funds restricted to be spent on CEE of $885,234.

On December 31, 2020 the Company closed a private placement of 5,052,500 flow-through units for gross proceeds of $2,021,000. These funds are committed to be expended on Canadian Exploration Expenditures ("CEE").

5. Acquisition cost of properties

	Elliot Lake Ontario	Alces Lake Saskatchewan	Other Saskatchewan	Total
	$	$	$	$
Balance, September 30, 2019	602,593	180,108	26,482	809,183
Total additions for the period	100	1,946	9,970	12,016
Acquisition cost of properties abandoned	-	-	(6,784)	(6,784)
Balance, September 30, 2020 and December 31, 2020	602,693	182,054	29,668	814,415

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 12,545 hectares (31,000 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 December 31, 2020 the Company held a 100% interest in 65,601 hectares (162,104 acres).

Alces Lake Property is located 30 km northeast of Uranium city and comprises 17,577 hectares (43,434 acres), of high-grade REE mineralization, with multiple outcrops and boulders. The property is being actively explored and drilled in summer programs.

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 26,409 hectares (65,258 acres) on the east side of Wollaston Lake with two diamond drill programs completed in January 2017 and March 2019.

North Wollaston Property comprises 16,682 hectares (41,221 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.

	Elliot Lake Ontario	Alces Lake Saskatchewan	Other Saskatchewan	Total
	$	$	$	$
Balance, September 30, 2019	5,387,211	1,950,594	1,582,104	8,919,909
Total additions for the period	17,636	1,077,721	137,049	1,232,406
Balance, September 30, 2020	5,404,847	3,028,315	1,719,153	10,152,315
Total additions for the period	2,154	61,388	8,100	71,642
Balance, December 31, 2020	5,407,001	3,089,703	1,727,253	10,223,957

6. Exploration camp and equipment
Alces Lake

	Machinery and Equipment	Camp	Total
Cost	**$**	**$**	**$**
Balance as at September 30, 2018	251,943	94,735	346,678
Additions	65,190	-	65,190
Balance as at September 30, 2019 and 2020	317,133	94,735	411,868
Accumulated Depreciation			
Balance, September 30, 2019	(135,010)	(48,314)	(183,324)
Depreciation for the year	(93,895)	(13,926)	(107,821)
Balance, September 30, 2020	(228,905)	(62,240)	(291,145)
Depreciation for the period	(6,617)	(2,437)	(9,054)
Balance, December 31, 2020	(235,522)	(64,677)	(300,199)
Net balance, September 30, 2020	88,228	32,495	120,723
Net balance, December 31, 2020	**81,611**	**30,058**	**111,669**

Depreciation is charged at 30% per annum, on a 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, 2019	65,312,468	12,206,321
Working capital units private placement December 16, 2019	43,500	6,525
Flow-through units private placement December 16, 2019	5,087,500	814,000
Finder’s fee shares issued December 16, 2019	322,467	48,370
Flow-through units private placement December 31, 2019	2,991,500	478,640
Working capital units private placement September 14, 2020	500,000	100,000
Flow-through units private placement September 14, 2020	2,640,000	660,000
Working capital units private placement September 24, 2020	200,000	40,000
Flow-through units private placement September 24, 2020	660,000	165,000
Warrants exercised	1,919,283	482,380

Less: Value associated with warrants issued	-	(568,714)
Share issue costs	-	(123,267)
Allocated to flow-through premium (note 8)	-	(245,790)
Balance, September 30, 2020	79,676,718	14,063,465
Warrants exercised	5,716,730	1,711,102
Flow-through units private placement October 28, 2020	2,737,500	1,095,000
Working capital units private placement October 28, 2020	597,285	209,050
Flow-through units private placement November 18, 2020	1,315,000	526,000
Working capital units private placement November 18, 2020	57,000	19,950
Flow-through units private placement December 4, 2020	1,000,000	400,000
Working capital units private placement December 31, 2020	1,000,000	400,000
Less: Value associated with warrants issued	-	(206,306)
Allocated to flow-through premium (note 8)	-	(202,625)
Share issue costs	-	(167,740)
Balance, December 31, 2020	92,100,233	17,847,896

On December 16, 2019, the Company closed the first tranche of a non-brokered private placement with the sale of 5,087,500 flow-through units ("FT Units) at $0.16 per FT Unit for gross proceeds of $814,000 and 43,500 working capital units ("WC Units") at $0.15 per WC Unit for proceeds of $6,525, for an aggregate $820,525 of the total funds raised.

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 $0.25 for twelve months from Closing. 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 $0.25 for twelve months from Closing.

The Company paid cash finder's fees of $8,050, issued 322,467 common shares and issued 251,876 FT broker warrants. Each FT broker warrant entitles the holder to acquire one common share at a price of $0.16 for twelve months from Closing. An insider of the Company subscribed for 50,000 FT Units.

On December 31, 2019, the Company closed the final tranche of a non-brokered private placement with the sale of 2,991,500 FT Units for gross proceeds of $478,640.

Eligible finders were paid cash fees totalling $22,655 and issued 101,138 FT broker warrants. An insider of the Company subscribed directly and indirectly for 468,750 FT Units.

The Company raised total gross proceeds of $1,299,165 in the two private placements.

On September 14, 2020, the Company closed the first tranche of a non-brokered private placement with the sale of 2,640,000 flow-through units ("FT Units) at $0.25 per FT Unit for gross proceeds of $660,000 and 500,000 working capital units ("WC Units") at $0.20 per WC Unit for proceeds of $100,000, for an aggregate $760,000.

On September 24, 2020, the Company closed the second tranche of the non-brokered private placement with the sale of 660,000 flow-through units ("FT Units) at $0.25 per FT Unit for gross proceeds of $165,000 and 200,000 working capital units ("WC Units") at $0.20 per WC Unit for proceeds of $40,000, for an aggregate $205,000.

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 $0.35 for eighteen months from Closing. 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 for eighteen months from Closing.

Of the total funds raised in the year ended September 30, 2020 on FT offerings an amount of $245,790 (2019 - $nil) has been calculated as a FT share premium (Note 8).

In October, 2020, the Company closed non-brokered private placements with the sale of 2,737,500 FT Units at $0.40 per FT Unit for gross proceeds of $1,095,000 and 597,285 WC Units at $0.35 per WC Unit for proceeds of $209,050, for an aggregate $1,304,050.

In November, 2020, the Company closed a non-brokered private placement with the sale of 1,315,000 FT Units at $0.40 per FT Unit for gross proceeds of $526,000 and 57,000 WC Units at $0.35 per WC Unit for proceeds of $19,950, for an aggregate $1,850,000.

In December, 2020, the Company closed a non-brokered private placement with the sale of 1,000,000 FT Units at $0.40 per FT Unit for gross proceeds of $400,000 and 1,000,000 WC Units at $0.40 per FT Unit for gross proceeds of $400,000 for an aggregate $800,000.

Of the total funds raised in the three months, ended December 31, 2020 on FT offerings an amount of $202,625 (2019 - $nil) has been calculated as a FT share premium (Note 8).

(b) Common share purchase 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, 2020, 4,950,000 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, 2019	4,050,000	0.29
Expired	(300,000)	0.40
Granted	1,200,000	0.25
Outstanding at September 30, 2020 and December 31, 2020	4,950,000	0.27
Exercisable at September 30, 2020 and December 31, 2020	4,350,000	0.27

On May 15, 2019 the Company granted 300,000 options to purchase common shares exercisable at $0.40 per share for three years to one consultant. The options were subject to expiry after six months if the consulting agreement was not extended. The options expired, unexercised in January, 2020.

Number of stock options	**Number exercisable**	**Remaining contractual life**	**Exercise price per share**	**Expiry date**
500,000	500,000	3.5 months	$0.10	April 14, 2021
100,000	100,000	7.7 months	$0.30	August 22, 2021
2,950,000	2,950,000	13 months	$0.30	February 1, 2022
200,000	200,000	31 months	$0.30	August 1, 2023
1,200,000	600,000	55.1 months	$0.25	August 4, 2025
4,950,000	4,350,000			

The weighted average fair value of all the options Issued in the year was calculated as $0.20 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 0.30% expected dividend yield of nil expected volatility of 144.47 and expected life term of 60 months. Options that have been issued generally vest one-half immediately on the date of grant and one-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, 2019	15,742,364	447,807
Expired, unexercised	(7,078,243)	(159,895)
Private placement warrants issued	6,436,014	568,714
Warrants exercised	(1,919,283)	(119,191)
Balance September 30, 2020	13,180,852	737,435
Private placement warrants issued	3,640,042	206,306
Warrants exercised	(5,716,730)	(256,629)
Balance December 31, 2020	11,104,164	687,112

A summary of the outstanding warrants is as follows:

	Number of shares	Remaining contractual life	Exercise price per share	Expiry date
Warrants	184,122	0.5 months	$0.35	January 15, 2021
Warrants	4,875,000	12.7 months	$0.30	January 20, 2022
Warrants	405,000	13 months	$0.30	January 30, 2022
Warrants	1,320,000	14.5 months	$0.35	March 14, 2022
Warrants	250,000	14.5 months	$0.30	March 14, 2022
Warrants	330,000	14.8 months	$0.35	March 24, 2022
Warrants	100,000	14.8 months	$0.30	March 24, 2022
Warrants	1,368,750	15.9 months	$0.50	April 28, 2022
Warrants	144,750	15.9 months	$0.40	April 28, 2022
Warrants	298,642	15.9 months	$0.50	April 28, 2022
Warrants	3,000	15.9 months	$0.35	April 28, 2022
Warrants	657,500	16.6 months	$0.50	May 18, 2022
Warrants	78,900	16.6 months	$0.40	May 18, 2022
Warrants	28,500	16.6 months	$0.50	May 18, 2022
Warrants	500,000	17.1 months	$0.50	June 4, 2022
Warrants	60,000	17.1 months	$0.40	June 4, 2022
Warrants	500,000	18 months	$0.50	June 30, 2022
Balance, December 31, 2020	11,104,164			

The fair value of the warrants and broker warrants issued in December 2019 were estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 1.71%, expected dividend yield of nil, average expected volatility of 124.77-125.05% and expected life term of 12 months. Under this method of calculation, the Company recorded $292,294 as the value of the warrants and $8,529 as the value of the broker warrants issued under this offering.

The fair value of the warrants issued in September 2020 was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 0.23%, expected dividend yield of nil, average expected volatility of 143.15-143.71% and expected life term of 18 months. Under this method of calculation, the Company recorded $276,420 as the value of the warrants issued under this offering.

The fair value of the warrants issued for the three months ended December 31, 2020 was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 0.20-0.27%, expected dividend yield of nil, average expected volatility of 133.91-135.53% and expected life term of

18 months. Under this method of calculation, the Company recorded $206,306 as the value of the warrants issued under this offering.

The number of common shares outstanding on December 31, 2020 was 92,100,233. Taking into account outstanding share purchase options and warrants, the fully diluted number of common shares that could have been outstanding on December 31, 2020 was 108,154,397.

8. Flow-through share premium

Flow-through liabilities include the deferred premium portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through issuances.

	December 31, 2020, $	September 30, 2020, $
Balance at the beginning of the period	165,000	-
Liability incurred on flow-through shares issued	202,625	247,790
Settlement of liability settled through the expenditure of funds	-	(80,790)
Balance at the end of the period	367,625	165,000

9. Contributed surplus

A summary of changes in contributed surplus is:

	Amount $
Balance, September 30, 2019	3,239,776
Share-based payments	157,553
Warrants exercised	119,191
Warrants expired	159,895
Balance, September 30, 2020	3,676,415
Share-based payments	14,887
Warrants exercised	256,629
Balance, December 31, 2020	3,947,931

10. Related party transactions

During the three months ended December 31, 2020, the Company incurred related party expenses totaling $56,863 (2019 – $59,316). 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 December 31, 2020, $580,375 (2019 - $611,730) of accumulated related party expenditures was payable to Tom Drivas and $nil (2019 - $15,371) was payable to the other officers and Romios Gold Resources Inc.

Two insiders subscribed for 518,750 FT units in the December 2019 private placements. Three insiders subscribed for 660,000 FT units and 200,000 WC units in the September 2020 private placements.

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the period ended December 31, 2020 and 2019.

During the three months ended December 31, 2020, the Company incurred expenses of $4,000 (2019 - $4,000) for independent directors' fees. At December 31, 2020, $121,000 (2019 - $101,000) of accrued directors' fees was outstanding.

During the three months ended December 31, 2020, the Company incurred expenses of $51,656 (2019 - $22,061) for legal fees to a law firm related to a director of the Company, William R. Johnstone. At December 31, 2020 $13,431 (2019 – $18,192) was payable to this related party.

As disclosed in Note 5, the Elliot Lake exploration properties were acquired from a related party that holds a 1% Uranium Production Payment Royalty and a 1% NSR Royalty on any precious or base metals payable provided that the price of uranium is greater than US$130 per pound.

11. 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:

	December 31 2020 $	September 30 2020 $
FVTPL(1)	**5,496,649**	1,764,921
Receivables (2)	**14,598**	71,229
Financial liabilities (3)	**46,168**	312,642

(1) Includes cash, committed cash and demand deposits and money market funds of a Canadian Chartered Bank.
(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.

Pandemic COVID-19 risk

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 in 2020 included difficulty in accessing exploration sites and hiring personnel for exploration programs, as well as in raising additional equity financing. The timing of a return to normal and the impact on the Company's operations is difficult to project.

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.

12. 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.

13. Subsequent events

On January 15, 2020 133,289 warrants at $0.35 expired unexercised and in January and February 70,833 warrants at $0.35 were exercised.