APPIA RARE EARTHS & URANIUM CORP.
(formerly “APPIA ENERGY CORP.”)

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended December 31, 2021
(unaudited)
(Expressed in Canadian $)

APPIA RARE EARTHS & URANIUM 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 2022.

APPIA RARE EARTH & URANIUM 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 RARE EARTHS & URANIUM CORP.
Condensed Interim Statements of Financial Position
(Expressed in Cdn $)
Unaudited

As at	**December 31, 2021 $**	September 30, 2021 $
Assets		
Current		
Cash and cash equivalents (note 4)	**12,510,899**	7,844,422
Accounts receivable	**427,591**	249,562
Prepaid expenses	**63,218**	32,570
Total current assets	**13,001,708**	8,126,554
Non-current assets		
Acquisition cost of properties (note 5)	**842,062**	825,687
Deferred exploration expenditures (notes 3 and 5)	**10,878,329**	7,857,131
Exploration camp and equipment (note 6)	**940,613**	991,047
Total assets	**25,662,712**	17,800,419
Liabilities		
Current		
Accounts payable & accruals	**1,055,886**	1,136,862
Due to related parties (note 10)	**670,733**	680,242
Flow-through share premium (note 8)	**693,425**	693,425
Total liabilities	**2,420,044**	2,510,529
Nature of operations and going concern (note 1)		
Subsequent events (note 13)		
Shareholders' equity		
Share capital (note 7(a))	**30,560,674**	22,893,656
Warrants (note 7(c))	**2,796,263**	2,353,150
Contributed surplus (note 9)	**5,128,008**	4,962,823
Deficit	**(15,242,277)**	(14,919,739)
Total shareholders' equity	**23,242,668**	15,289,890
Total liabilities and shareholders' equity	**25,662,712**	17,800,419

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

APPROVED ON BEHALF OF THE BOARD on February 23, 2022.

"Signed"
Anastasios (Tom) Drivas

"Signed"
Frank van de Water

APPIA RARE EARTHS & URANIUM CORP.
Condensed Interim Statements of Changes in Equity
(Expressed in Cdn $)
Unaudited

	Share Capital $	Warrants $	Contributed Surplus $	Deficit (Restated) $	Total (Restated) $
At September 30, 2020	14,063,465	737,435	3,676,415	(13,641,380)	4,835,935
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	-	-	-	(135,264)	(135,264)
At December 31, 2020	17,847,896	687,112	3,947,931	(13,776,644)	8,706,295
Flow-through units private placement, net	2,092,973	-	-	-	2,092,973
Working capital units private placement	3,118,112	-	-	-	3,118,112
Valuation of warrants issued	(1,956,317)	1,956,317	-	-	-
Warrants exercised	1,796,792	(264,986)	264,986	-	1,796,792
Adjustment for expired warrants	-	(25,293)	25,293	-	-
Stock options exercised	320,000	-	-	-	320,000
Share-based compensation	-	-	724,613	-	724,613
Allocated to flow-through premium	(325,800)	-	-	-	(325,800)
Net loss and comprehensive loss for the period	-	-	-	(1,143,095)	(1,143,095)
At September 30, 2021	22,893,656	2,353,150	4,962,823	(14,919,739)	15,289,890
Flow-through units private placement, net	7,788,533	-	-	-	7,788,533
Valuation of warrants issued	(464,015)	464,015	-	-	-
Stock options exercised	30,000	-	-	-	30,000
Adjustment for valuation warrants issued	-	13,808	(13,808)	-	-
Warrants exercised	312,500	(34,710)	34,710	-	312,500
Share-based compensation	-	-	144,283	-	144,283
Net loss and comprehensive loss for the period	-	-	-	(322,538)	(322,538)
At December 31, 2021	30,560,674	2,796,263	5,128,008	(15,242,277)	23,242,668

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

APPIA RARE EARTHS & URANIUM CORP.
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Cdn $)
Unaudited

	For the three months ended December 31	
	2021	Restated 2020
	$	$
Expenses		
General and administrative activities:		
Professional fees	**41,841**	12,760
Management fees and salaries	**44,541**	48,099
Office and general	**28,961**	32,505
Investor relations	**68,461**	29,273
Share-based compensation	**144,283**	14,887
General and administrative expenses	**328,087**	137,524
Loss for the period before the following	**(328,087)**	(137,524)
Interest income, sundry	**5,549**	2,260
Net loss and comprehensive loss for the period	**(322,538)**	(135,264)
Basic and diluted loss per share	**0.00**	0.00
Weighted average number of shares outstanding	**112,891,000**	86,959,000

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

APPIA RARE EARTHS & URANIUM CORP.

Condensed Interim Statements of Cash Flows

(Expressed in Cdn $)

Unaudited

	For the three months ended December 31	
	2021	2020
	$	$
Operating activities		
Net loss for the period	**(322,538)**	(135,264)
Items not affecting cash:		
Share-based compensation	**144,283**	14,887
	(178,255)	(120,377)
Net change in non-cash working capital		
Accounts receivable	**(178,029)**	56,631
Prepaid expenses	**(30,647)**	23,030
Accounts payable and accrued liabilities	**(80,978)**	(258,527)
Due to related parties	**(9,509)**	(90,749)
Net cash used in operating activities	**(477,418)**	(389,992)
Investing activities		
Exploration and evaluation assets acquisition costs (note 5)	**(16,375)**	-
Exploration equipment (note 6)	**(25,832)**	-
Deferred exploration expenditures	**(2,944,931)**	(71,642)
Net cash used in investing activities	**(2,987,138)**	(71,642)
Financing activities		
Private placement of flow-through units	**8,500,000**	2,021,000
Private placement of working capital units	**-**	629,000
Stock options exercised	**30,000**	-
Warrants exercised	**312,500**	1,711,102
Share issue expense	**(711,467)**	(167,740)
Net cash from financing activities	**8,131,033**	4,193,362
Change in cash and cash equivalents	**4,666,477**	3,731,728
Cash and cash equivalents, beginning of the period	**7,844,422**	1,764,921
Cash and cash equivalents, end of the period	**12,510,899**	5,496,649

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

1. Nature of operations and going concern

Appia Rare Earths & Uranium 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 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, 2021 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 $10,581,664 as at December 31, 2021, after providing for $670,733 due to related parties, and has incurred losses since inception, resulting in an accumulated deficit of $15,242,277 as at December 31, 2021. 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, 2022.

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, 2021 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, 2021.

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, 2021 may not be indicative of the results that may be expected for the year ending September 30, 2022.

3. Summary of significant accounting policies

Readers should refer to the September 30, 2021 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, 2022 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, 2022.

Presentation Currency

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

Exploration and Evaluation Assets

Voluntary Change in Accounting Policy

At the end of the fiscal year 2020 the Company reviewed its accounting policy of expensing its exploration and evaluation expenditures and determined that the financial statements would be more relevant to the economic decision-making needs of users if the expenditures for the properties that the Company has an ongoing interest in would be capitalized as deferred expenditures until the projects reach a pre-development decision stage. Properties that have been abandoned or are not in the Company's near-term plans remained expensed.

Fiscal year 2021 financial statements were presented with exploration and evaluation costs as assets. The 2020 financial statements were restated to retrospectively reflect the change in policy adopted for 2021.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a preliminary economic feasibility study, exploration and evaluation assets attributable to that area of interest are first tested for impairment and would then be reclassified to mining property and development assets.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

It is management's judgment that none of the Company's exploration and evaluation assets have reached the development stage and as a result are all considered to be exploration and evaluation assets. It is the Company's opinion that the value of the exploration projects has not been impaired.

The financial statement impact of the change in accounting policy for the year ended September 20, 2020 is as noted below:

Statements of Financial Position	Under previous accounting policy $	Effect of change $	As restated $
Deferred exploration assets	-	3,290,821	3,290,821
Total non-current assets	935,138	3,290,821	4,225,959
Total assets	2,846,925	3,290,821	6,137,746
Deficit	(16,932,201)	3,290,821	(13,641,380)
Total shareholders' equity	1,545,114	3,290,821	4,835,935
Total liabilities and shareholders' equity	2,846,925	3,290,821	6,137,746

Statements of loss and comprehensive loss	Under previous accounting policy $	Effect of change $	As restated $
Exploration expenses (including depreciation)	1,340,227	(1,340,227)	-
Net loss and comprehensive loss for the year	(1,795,985)	1,340,227	(455,758)
Basic and diluted loss per share	(0.03)	0.02	(0.01)

Statements of cash flows	Under previous accounting policy $	Effect of change $	As restated $
Net loss and comprehensive loss for the year	(1,795,985)	1,340,227	(455,758)
Cash flows used in operating activities	(1,311,652)	1,232,406	(79,246)
Deferred exploration expenditures	-	(1,232,406)	(1,232,406)
Cash flows used in investing activities	(12,016)	(1,232,406)	(1,244,422)

The financial statement impact of the change in accounting policy for the three months ended December 31, 2020 is as noted below:

Statements of Financial Position	Under previous accounting policy $	Effect of change $	As restated $
Deferred exploration assets	-	3,371,517	3,371,517
Total non-current assets	923,084	3,371,517	4,494,601
Total assets	6,489,938	3,371,517	9,861,455
Deficit	(17,148,161)	3,371,517	(13,776,644)
Total shareholders' equity	5,334,778	3,371,517	8,706,295
Total liabilities and shareholders' equity	6,489,938	3,371,517	9,861,455

Statements of loss and comprehensive loss	Under previous accounting policy	Effect of change	As restated
	$	$	$
Exploration expenses (including depreciation)	80,696	(80,696)	-
Net loss and comprehensive loss for the period	(215,960)	80,696	(135,264)
Basic and diluted loss per share	(0.00)	0.00	(0.00)

Statements of cash flows	Under previous accounting policy	Effect of change	As restated
	$	$	$
Net loss and comprehensive loss for the period	(215,960)	80,696	(135,264)
Cash flows used in operating activities	(461,634)	71,642	(389,992)
Deferred exploration expenditures	-	(80,696)	(80,696)
Cash flows used in investing activities	-	(71,642)	(71,642)

Accounting pronouncements issued but not yet adopted

At the date of approval of these Financial Statements for the period ended December 31, 2021, 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 November 17, 2021 the Company closed a private placement of 8,722,222 flow-through units for gross proceeds of $8,500,000. These funds are committed to be expended on Canadian Exploration Expenditures ("CEE").

5. Exploration and evaluation

Property acquisition costs and related direct exploration costs less recoveries are deferred until such time as the properties are either placed into commercial production, sold, determined not to be economically viable, or abandoned.

Acquisition cost of properties:

	Elliot Lake Ontario	Alces Lake Saskatchewan	Other Saskatchewan	Total
	$	$	$	$
Balance, September 30, 2020	602,693	182,054	29,668	814,415
Total additions for the year	-	11,272	-	11,272
Balance, September 30, 2021	602,693	193,326	29,668	825,687
Total additions for the year	-	16,375	-	16,375
Balance, December 31, 2021	602,693	209,701	29,668	842,062

Deferred exploration and evaluation expenditures:

As set out in Note 3, exploration expenditures are being deferred.

	Alces Lake, Saskatchewan	
	$	Restated, $
Year ended September 30	2021	2020
Opening balance October 1	3,290,821	1,950,594
Additions:		
Assaying	128,498	89,875
Geophysics	308,711	-
Contract flying	1,144,038	395,280
Helicopter fuel	239,952	-
Drilling	958,246	274,242
Contract labour	725,222	148,510
Subcontract labour	29,519	78,200
Personnel travel costs	186,877	-
Field communications	43,969	2,609
Camp operating costs	377,379	47,979
Shipping	264,967	-
Depreciation	130,652	107,821
Other	28,280	195,711
Total additions for the year	4,566,310	1,340,227
Balance, September 30	7,857,131	3,290,821
Additions:		
Assaying	183,086	29,868
Geophysics	110,465	-
Contract flying	721,472	-
Helicopter fuel	183,763	-
Drilling	924,652	-
Contract labour	270,606	12,591
Subcontract labour	-	15,089
Personnel travel costs	71,404	-
Field communications	25,111	1,888
Camp operating costs	215,877	-
Shipping	98,136	-
Depreciation	76,266	9,054
Other	140,360	12,206
Total additions for the period	3,021,198	80,696
Balance December 31	10,878,329	3,371,517

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, 2021 the Company held a 100% interest in 83,706 hectares (206,842 acres).

Alces Lake Property is located 30 km northeast of Uranium city and at September 30, 2021 comprised 35,682 hectares (88,172 acres), of high-grade REE mineralization, with multiple outcrops and boulders. In August 2021 18,105 hectares (44,738 acres) of land contiguous to the existing claim block were staked. The property is being actively explored and drilled in summer programs, extended to December in 2021.

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.

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 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.

In prior years the Company had spent over $5 million exploring this property and had some promising results. However, with the current low Uranium prices, the explorations costs have been written off. The Company continues to own these claims.

6. Exploration camp and equipment
Alces Lake

	Machinery and Equipment	**Camp**	**Total**
Cost	**$**	**$**	**$**
Balance as at September 30, 2019 and September 30, 2020	317,133	94,735	411,868
Additions	280,609	720,367	1,000,976
Balance as at September 30, 2021	597,742	815,102	1,412,844
Additions	-	25,832	25,832
Balance as at December 31, 2021	597,742	840,934	1,438,676
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 year	(66,260)	(64,392)	(130,652)
Balance, September 30, 2021	(295,165)	(126,632)	(421,797)
Depreciation for the period	(22,693)	(53,573)	(76,266)
Balance, December 31, 2021	(317,858)	(180,205)	(498,063)
Net balance, September 30, 2021	302,577	688,470	991,047
Net balance, December 31, 2021	**279,884**	**660,729**	**940,613**

Depreciation is charged at 30% per annum, on a declining balance basis and is added to deferred exploration costs.

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, 2020	79,676,718	14,063,465
Warrants exercised	11,343,563	3,507,894
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
Flow-through units private placement May 19, 2021	3,258,000	2,280,600
Working capital units private placement May 19, 2021	5,782,333	3,469,400
Stock options exercised	1,400,000	320,000
Less: Value associated with warrants issued	-	(1,896,974)
Less: Value associated with broker warrants issued	-	(265,649)
Allocated to flow-through premium (note 8)	-	(528,425)
Share issue costs	-	(706,655)
Balance, September 30, 2021	108,167,399	22,893,656
Flow-through units private placement November 17, 2021	2,222,222	2,000,000
Flow-through units private placement November 17, 2021	6,500,000	6,500,000
Warrants exercised	625,000	312,500
Stock options exercised	100,000	30,000
Less: Value associated with warrants issued	-	(370,628)
Less: Value associated with broker warrants issued	-	(93,387)
Share issue costs	-	(711,467)
Balance, December 31, 2021	117,614,621	30,560,674

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).

On May 19, 2021 a “bought deal” private placement closed with gross proceeds of $5,750,000. 5,782,333 units were issued at $0.60 and 3,258,000 flow-through units were issued at $0.70. Each unit included one common share and a warrant entitling the holder to acquire one common share at an exercise price of $0.75 for a period of 24 months. The Underwriter received a cash fee of 7% of the gross proceeds and 632,823 compensation warrants exercisable at $0.60 entitling the holder to purchase one common share plus a warrant for an additional share at $0.75 for a period of 24 months.

On November 17, 2021 the Company announced the closing of its bought deal private placement for gross proceeds of $8,500,000, which included the proceeds from the full exercise of the underwriters' over-allotment option. Due to significant demand, the Offering was upsized from the original gross proceeds of $6.0 million. Under the Offering, the Company sold 2,222,222 flow-through units of the Company (each, a "FT Unit") at a price of $0.90 per FT Unit and 6,500,000 FT Units that were sold to charitable purchasers (each, a "Charity FT Unit") at a price of $1.00 per Charity FT Unit.

Red Cloud Securities Inc. was the lead underwriter and sole bookrunner, with Research Capital Corp. also acting as an underwriter (the "Underwriters") for the Offering.

Each FT Unit and Charity FT Unit consists of one common share of the Company issued as a "flowthrough share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one half of one common share purchase warrant. Each whole Warrant shall entitle the holder to purchase one Warrant Share at a price of $1.10 at any time on or before November 17, 2023.

Proceeds from the sale of FT Shares will be used to incur "Canadian exploration expenses" as defined in subsection 66.1(6) of the Income Tax Act and "flow through mining expenditures" as defined in subsection 127(9) of the Income Tax Act ("Qualifying Expenditures"). Such proceeds will be renounced to the subscribers with an effective date not later than December 31, 2021, in the aggregate amount of not less than the total amount of gross proceeds raised from the issue of FT Shares.

The FT Shares and Warrant Shares will have a hold period ending on March 18, 2022. Under the Offering, the Company paid to the Underwriters total cash commissions of $591,491 and issued to the Underwriters 606,656 warrants of the Company (the "Compensation Warrants"). Each Compensation Warrant is exercisable to acquire one unit of the Company (each, a "Compensation Unit") at a price of $0.90 at any time on or before November 17, 2023. Each Compensation Unit shall consist of one common share of the Company and one half of one Warrant.

An insider of the Company subscribed for 17,000 FT Units for $15,300 of the Offering.

(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, 2021, 5,100,000 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, 2020	4,950,000	0.27
Granted	1,650,000	0.71
Exercised	(1,400,000)	0.23
Outstanding at September 30, 2021	5,200,000	0.42
Exercised	(100,000)	0.30
Outstanding at December 31, 2021	5,100,000	0.43
Exercisable at December 31, 2021	3,533,333	0.37

On February 10, 2021 the Company granted 200,000 options to purchase common shares exercisable at $0.68 per share for five years to a consultant of the Company.

On March 5, 2021 the Company granted 1,000,000 options to purchase common shares exercisable at $0.65 per share for five years to the President of the Company.

On June 4, 2021 the Company granted 150,000 options to purchase common shares exercisable at $0.91 per share for five years to one consultant.

On September 1, 2021 the Company granted 300,000 options to purchase common shares exercisable at $0.84 per share for five years to the Vice-President, Exploration of the Company.

Number of stock options	**Number exercisable**	**Remaining contractual life**	**Exercise price per share**	**Expiry date**
2,050,000	2,050,000	1 month	$0.30	February 1, 2022
200,000	200,000	19 months	$0.30	August 1, 2023
1,200,000	600,000	43.1 months	$0.25	August 4, 2025
200,000	200,000	49.3 months	$0.68	February 10, 2026
1,000,000	333,333	50.2 months	$0.65	March 5, 2026
150,000	150,000	53.1 months	$0.91	June 3, 2026
300,000	-	56 months	$0.84	September 1, 2026
5,100,000	3,533,333			

The weighted average fair value of all the options issued in the period ended March 31, 2021 was calculated as $0.65 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 0.49-0.90%, expected dividend yield of nil, expected volatility of 180.81 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. The 200,000 options issued on February 10, 2021 vested on issue and 1,000,000 options issued on March 5, 2021 vested one-third on issue and one-third on the next two anniversary dates.

The value of the options issued on June 4, 2021 was calculated as $0.79 per share. 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 0.86%, expected dividend yield of nil, expected volatility of 132.63 and expected life term of 60 months. The options vested immediately on the date of grant.

The value of the options issued on September 1, 2021 was calculated as $0.71 per share. 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 0.79%, expected dividend yield of nil, expected volatility of 126.72 and expected life term of 60 months. The options vested immediately on 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, 2020	13,180,852	737,435
Private placement warrants issued	13,946,021	2,162,623
Warrants exercised	(11,343,563)	(521,615)
Warrants expired	(743,289)	(25,293)
Balance September 30, 2021	15,040,021	2,353,150
Private placement warrants issued	5,271,095	464,015
Warrants exercised	(625,000)	(20,902)
Balance December 31, 2021	19,686,116	2,796,263

A summary of the outstanding warrants is as follows:

	Number of shares	Remaining contractual life	Exercise price per share	Expiry date
Warrants	1,300,000	2.5 months	$0.35	March 14, 2022
Warrants	125,000	2.5 months	$0.30	March 14, 2022
Warrants	330,000	2.8 months	$0.35	March 24, 2022
Warrants	743,750	3.9 months	$0.50	April 28, 2022
Warrants	9,750	3.9 months	$0.40	April 28, 2022
Warrants	248,642	3.9 months	$0.50	April 28, 2022
Warrants	3,000	3.9 months	$0.35	April 28, 2022
Warrants	345,000	4.6 months	$0.50	May 18, 2022
Warrants	3,900	4.6 months	$0.40	May 18, 2022
Warrants	500,000	5.1 months	$0.50	June 4, 2022
Warrants	500,000	6 months	$0.50	June 30, 2022
Warrants	9,040,333	16.6 months	$0.75	May 19, 2023
Warrants	632,823	16.6 months	$0.75	May 19, 2023
Warrants	632,823	16.6 months	$0.60	May 19, 2023
Warrants	4,361,111	22.6 months	$1.10	November 17, 2023
Warrants	606,656	22.6 months	$0.60	November 17, 2023
Warrants	303,328	22.6 months	$0.60	November 17, 2023
Balance, December 31, 2021	19,686,116			

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 fair value of the warrants issued for the three months ended June 30, 2021 was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 0.33%, expected dividend yield of nil, average expected volatility of 131.95% and expected life term of 24 months. Under this method of calculation, the Company recorded $1,956,317 as the value of the warrants issued under this offering.

The number of common shares outstanding on December 31, 2021 was 117,614,621. Taking into account outstanding share purchase options and warrants, the fully diluted number of common shares that could have been outstanding on December 31, 2021 was 142,400,737.

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, 2021, $	September 30, 2021, $
Balance at the beginning of the year	693,425	165,000
Liability incurred on flow-through shares issued	-	528,425
Settlement of liability settled through the expenditure of funds	-	-
Balance at the end of the period	693,425	693,425

9. Contributed surplus

A summary of changes in contributed surplus is:

	Amount $
Balance, September 30, 2020	3,676,415
Share-based payments	739,500
Warrants exercised	521,615
Warrants expired	25,293
Balance, September 30, 2021	4,962,823
Share-based payments	144,283
Warrants exercised	34,710
Adjustment of valuation warrants issued	(13,808)
Balance, December, 2021	5,128,008

10. Related party transactions

During the three months ended December 31, 2021, the Company incurred related party expenses totaling $96,113 (2020 – $56,863). These expenses related to management fees paid or payable to key management personnel; Tom Drivas, Chief Executive Officer, Frederick Kozak, President from March 8, 2021, Frank van de Water, Chief Financial Officer, James Sykes, former 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, 2021, $570,375 (2020 - $580,375) of accumulated related party expenditures was payable to Tom Drivas and $15,876 (2020 - $nil) 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.

One insider of the Company subscribed for 17,000 FT Units for $15,300 in the November 2021 private placement.

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the period ended December 31, 2021 and 2020.

During the three months ended December 31, 2021, the Company incurred expenses of $4,000 (2020 - $4,000) for independent directors' fees. At December 31, 2021, $80,500 (2020 - $121,000) of accrued directors' fees was outstanding.

During the year ended September 30, 2021, the Company incurred expenses of $66,372 (2020 - $51,656) for legal fees to a law firm related to a director of the Company, William R. Johnstone. At December 31, 2021 $3,982 (2020 – $13,431) 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 2021 $	September 30 2021 $
FVTPL[1]	**12,510,899**	7,844,432
Receivables [2]	**427,591**	249,562
Financial liabilities [3]	**1,028,724**	1,136,862

(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 included difficulty in accessing exploration sites and hiring personnel for exploration programs, as well as in raising additional equity financing. Vaccines have proven effective against the virus but new variants of the virus have recently appeared that may make the vaccines less effective and may pose a challenge in the future. 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 10, 2022 the Company announced the re-staking of the previously held “Otherside” claims in the Athabasca Basin as well as staking contiguous mineral claims to hold 27,291 hectares (67,437 acres) located approximately 50 kilometres south of Fond du Lac.

Subsequent to the three months ended December 31, 2021, Directors exercised 1,915,000 share purchase options at the exercise price of $0.30 per share and 200,000 share purchase options at the exercise price of $0.25 per share

In January 2022 the Company paid the accumulated related party amount owing to the Chief Executive Officer of $570,375 and the accrued fees owing to the independent directors of $80,500.