APPIA RARE EARTHS & URANIUM CORP.
(formerly "APPIA ENERGY CORP.")

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the six months ended March 31, 2022

Management's Discussion and Analysis – March 31, 2022
As of May 30, 2022

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Appia Rare Earths & Uranium Corp. ("Appia" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and six months ended March 31, 2022. The MD&A was prepared as of May 30, 2022 and should be read in conjunction with the unaudited condensed interim financial statements for the three and six months ended March 31, 2022, the ("Financial Statements") and the audited financial statements for the year ended September 30, 2021, including the notes thereto. Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. These Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as described in Note 2 to the Financial Statements.

Appia is a Canadian mineral exploration company listed on the Canadian Securities Exchange under the trading symbol "API", and in the USA the shares trade on the OTCQB platform as "APAAF". In Germany the shares trade under the symbols A0I.F, A0I.MU and A0I.BE. Appia is focused on the rare earth element ("REE") deposits at Alces Lake, particularly high priced "critical REE's", and on exploring high-grade, near-surface uranium deposits in the Athabasca Basin area.

ALCES LAKE HIGH-GRADE REE PROJECT

To the middle of May, 24 holes have been drilled at Alces Lake totalling 4,889 metres. For comparison, a total of 100 holes were drilled in 2021 at Alces Lake totalling 8,076 metres. Appia expects that the 2022 program will exceed 12,000 metres., funded by cash on hand.

Augier Discovery- early positive indications

The Augier discovery was made in 2021 and was channel sampled. The assay results returned 7 metres of 0.57wtTREO. This discovery is approximately 1500 metres directly southeast of the WRCB area and is along a well-defined kilometres-scale structural corridor.

The very first hole drilled into the discovery in 2022 intersected 51.2 metres of anomalous radioactivity beginning at the top of the hole. The drilled width of this near surface anomaly is unprecedented when compared to previous drilling campaigns at Alces Lake the core has been sampled and submitted for assay.

The second hole undercut the first and confirmed the result, also intersecting 70.1 metres of anomalous radioactivity from the top of the hole. The third hole explored the strike extent of this trend and intersected 58 metres, starting at a depth of 23 metres. This is the same anomalous radioactive unit as the first two holes and is on strike 150 metres southeast of hole number 2.

Continued Delineation of the WRCB Discovery

Appia continues to delineate the magnitude of the rare earth elements discovery at WRCB with longer and deeper holes to build on the 2021 information. The results are encouraging.

Of the 2022 holes, 19 have been drilled at WRCB and all holes in the WRCB complex have intersected intervals of anomalous radioactivity over drilled widths ranging up to 11 metres, some with visible monazite. The WRCB area of interest has expanded with identified intervals of anomalous radioactivity up to 120 metres further along strike to the southeast increasing the overall length of the trend from 160 metres to 280 metres of strike length, and the drill program is ongoing. The WRCB area is still open along strike in both the northwest and southeast directions

Bulk Sample Extraction

As part of a metallurgical collaboration with CanmetMINING focused on beneficiation testwork for the Alces Lake Rare Earth Project, the Company in May 2022 extracted a bulk sample from the Alces Lake discovery. The primary focus for the test program will be to optimize and enhance the development of an Alces Lake Project flowsheet and to confirm other material testwork that has been previously conducted by other parties on the Alces Lake monazite.

Federal R&D assistance is provided through a collaboration agreement with CanmetMINING, under their Critical Minerals Research, Development and Demonstration program. This program targets research and development for upstream critical minerals processing and aims to stimulate the development of battery and permanent magnet value chains in Canada.

The test work is anticipated to include grinding, flotation, magnetic separation, ore sorting, and dense medium separation (DMS). CanmetMINING scientists will work closely with the Company and its consultants for mineral processing. The objective is to design and execute a comprehensive and optimal testing approach that will produce a high-grade rare earth mineral concentrate from the Alces Lake mineralized material.

A total of 0.9 tonnes of mineralized material was extracted from the Alces Lake Deposit and 0.6 tonnes shipped to SGS Canada's Lakefield facility in Ontario for crushing and sizing ahead of test work. The remainder of the sample will be shipped at a later date. Upon completion of the preparatory work, the sample will be shipped to CanmetMINING for the test programs.

CanmetMINING is a science and technology branch of the Lands and Metals sector of Natural Resources Canada, is a world-class leader in the development and deployment of green mining innovation technologies. Much of its research is undertaken in partnership with industry, provincial governments, other federal departments, universities and international agencies.

CanmetMINING's $47.7M Critical Minerals RD&D Program was funded through the Federal Budget 2021 to develop domestic critical raw materials value chains, and position Canada as a global supplier of choice for critical mineral products. R&D is focused on 3 key priority research areas: battery minerals, the Mining Value from Waste Program (MVfW), and rare earth elements and other critical minerals. This collaboration with Appia under the REE and other critical minerals area seeks to advance the production of permanent magnet raw materials in Canada.

Initial Metallurgical Test Results On Composite Sample

On February 1, 2022 the company provided a progress report on bench-scale monazite processing and metallurgical testing on representative channel sample materials from Appia's high-grade rare earth element and gallium Alces Lake property.

- Laboratory heavy liquid separation tests recovered 95% of the total rare earth oxide ("**TREO**") in 45% of the mass of a deslimed feed sample
- Preliminary locked-cycle flotation tests yielded a concentrate containing 48% TREO at 73% recovery
- Two preliminary caustic cracking/acid leach tests on a 45% TREO flotation concentrate extracted 87% and 78% TREO.
- Appia will be conducting further laboratory testwork and expects improved flotation performance and in excess of 90% REE extraction from concentrates.
- Preliminary data results show that the gallium concentration follows the rare earths through the beneficiation process and reports to the concentrate.

The testwork was performed by the Saskatchewan Research Council in Saskatoon on a 50 kg representative composite of mineralized material from the WRCB zone of the Property with a grade of approximately 9 % TREO. Prior studies have shown that the Alces Lake REEs are hosted exclusively in monazite.

ALCES LAKE SUMMARY

Appia's 2021 exploration program included drilling a total of 100 core holes with approximately 8,075 metres of diamond drill core. Initial assay results from the Wilson North and Richards drill holes were announced on November 29, 2021 and confirmed some of the highest recorded rare earth grades discovered to date on the Alces Lake property. In addition, high-grade REE mineralization has now been identified throughout an area covering approximately 27 km^2 of the Alces Lake block. The Company has now received all assay results from the 2021 program and is analysing and evaluating the information.

The Alces Lake project encompasses some of the highest-grade total and critical* REEs and gallium mineralization in the world, hosted within a number of surface and near-surface monazite occurrences that remain open at depth and along strike.

* Critical rare earth elements are defined here as those that are in short-supply and high-demand for use in permanent magnets and modern electronic applications such as electric vehicles and wind turbines (i.e: neodymium (Nd), praseodymium (Pr), dysprosium (Dy) and terbium (Tb)).

The Alces Lake project is located in northern Saskatchewan, the same provincial jurisdiction that is developing a “first-of-its-kind” rare earth processing facility in Canada (currently under construction by the Saskatchewan Research Council, with the Monazite Processing Unit scheduled to become operational in 2023). The Alces Lake project area is 35,682 hectares (88,173 acres) in size and is 100% owned by Appia.

Athabasca Basin Uranium Properties

In January 2022 Appia announced the acquisition of contiguous new mineral claims in the Athabasca Basin area, northwest Saskatchewan. Portions of the newly acquired Otherside claims block were previously held by Appia.

The Otherside claim block is 27,291 contiguous hectares (67,437 acres) located approximately 50 kilometres south of Fond du Lac. The claims were staked on the basis of similar geological and geophysical signatures to the Company’s Loranger property as well as other known high-grade, large-tonnage uranium deposits in the Athabasca Basin including Fission Uranium Corp’s Triple R deposit, NexGen Energy’s Arrow deposits and others. Otherside straddles a 40 km long corridor hosting multiple discrete conductors with associated magnetic gradients and gravity lows, within the north central Athabasca Basin.

Appia now holds a total of 69,344 hectares (171,351 acres) of land on four uranium claims (Otherside, Eastside, North Wollaston and Loranger) as shown in Figure 1 below. Appia recently completed 925 line kilometres of airborne radiometric survey over North Wollaston and an additional 379 line kilometres of airborne radiometrics over Loranger to supplement the existing database on these properties. Additional VTEM™ (Versatile Time Domain Electromagnetic) surveys over both the North Wollaston and Loranger properties were commenced late in 2021 but have not yet been completed.

Health and safety

The declaration by the World Health Organization that the COVID-19 infectious virus is a global pandemic has delayed parts of the exploration programs. Although Saskatchewan has not experienced the dire results in other Provinces, there are government-imposed restrictions on access to the properties and regulation of proposed activity.

To ensure safe work conditions are met for the workforce, the Company developed exploration guidelines that comply with the Saskatchewan Public Health Order and the specific Northern Saskatchewan Administration District Order in order to maintain social distancing and help prevent the transmission of the COVID-19 infectious virus.

Uranium and REEs Outlook

The trade war between the USA and China is jeopardizing the availability of critical REEs. The Company’s Alces Lake project contains some of the highest-grade total critical REE mineralization in the world.

A shortage of critical REEs has developed, largely a result of the increase in electric vehicle production. China continues to control the pricing of REEs, but its share of the world’s REE production has dropped from 80% to 60% and China has lost some of its pricing power. Some of the REE concentrates is imported, processed in China to final form and re-exported.

Since the coup in Myanmar in February 2021 the Chinese are illegally mining across the border in areas controlled by a junta-sponsored militia. Myanmar is China’s largest rare earth source. In 2020 Myanmar accounted for 35,500 tons of concentrates, 74% of Chinese imports of rare earths for refining, processing and sale around the world. Around ten rare earth mines have opened illegally across an uncontrolled border in Myanmar, with considerable environmental damage and pollution of the rivers. In mid 2021 the border was closed for six months, so there was a build up of mined material at the start of 2022, but prices have not dropped.

For the supply of critical REEs required by the defence industry and for electronics, Washington is working on plans to reduce the dependence on China for the supply of critical REEs. There is a growing cooperation between Canada and USA in finding and producing REEs in North America, a long-term objective. A bipartisan bill was introduced in the American Senate which would force the US defence contractors to avoid use of China-sourced rare earth metals; it would also seek to create a strategic stockpile in the US.

Cameco intends to reactivate the shut down McArthur River uranium mine over a period of time. Operations at Cigar Lake, the world's largest single largest uranium mine remain suspended. Cameco is using its inventory of mined uranium and is expected to continue purchasing 5 million pounds on the spot market this year in order to satisfy its contractual delivery requirements.

The uranium demand forecast shows an increase from China, and in 2021 known supply sources are projected to be unable to match demand. Industry opinion is that long term contract prices of US$60 per pound is needed before any new mining project advances. The spot price has climbed to over U$60 per pound. The World Nuclear Association recently projected an annual production shortfall of 50 million pounds in the near future, but there is idle production capacity available at this time.

The political stability of countries supplying the US with uranium and REEs has caused concern in the United States, as it relies on imports of uranium for reactors and for the supply of REEs required by the defence industry, for electronics and high strength magnets needed in the electric vehicle and wind farm applications.

Ontario Properties

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. The Elliot Lake area produced some 360 M lbs. of U_3O_8 from 13 underground mines between 1955 and 1996 and is the only mining camp in Canada that had significant historical commercial REE production.

No work has been carried out in recent years, as the current market price for uranium oxide does not warrant additional work at this time.

The Company is considering the next stage of the Teasdale exploration and evaluation. The longer-term outlook for uranium prices is positive and the successful recovery of the REEs, particularly the critical elements of the total rare earths encountered, is very encouraging. Factors favourable for the project include the following:

- new mine infrastructure development would be in brownfield areas already disturbed by industrial and mining activity;
- water, electrical, transportation and communications infrastructure are in place or close at hand;
- the recovery of uranium from Elliot Lake ore is well known. Based on Teasdale Lake test results, the recovery of REEs appears to face no significant technical uncertainties;
- Appia is not responsible in any manner for potential future environmental impacts arising out of historical mining operations or waste disposal; and,
- The Cameco uranium refinery is located approximately 60 km away, near Blind River.

Results of Operations

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 2022 quarterly financial statements are presented with exploration and evaluation costs shown as deferred assets. The 2020 financial statements were restated to retrospectively reflect the change in policy adopted for 2021. The effect of this voluntary change in accounting policy is more fully described in note 3 to the consolidated financial statements.

The Company spent $4,368,216 on deferred evaluation expenditures for the six months ended March 31, 2022 (2021 - $79,220). The very large increase reflects the extension of the 2021 drilling program to December 2021, as well as an early start of the 2022 drill program in March 2022.

Total general and administrative expenses for the three months ended March 31, 2022 were $340,549 compared to $540,038 in 2021, lower due to a decrease in non-cash share-based compensation to $114,644 (2021 - $388,917), offset by the increase in professional fees to $68,015 (2021 - $24,801), investor relations to $61,928 (2021 - $40,328), and office and general to $49,946 (2021 - $29,904).

Total general and administrative expenses for the six months ended March 31, 2022 were $668,636 compared to $677,561 in 2021 lower due to decrease in non-cash share-based compensation to $258,927 (2021 - $403,804), offset by the increase in professional fees to $109,856 (2021 - $37,561) and investor relations to $130,389 (2021 - $69,601).

The Company's net income/(loss) and comprehensive income/(loss) for the three and six months ended March 31, 2022 was income $718,662 (2021 – loss ($534,354)), and income $396,124 compared to the six months period loss of $669,616 in fiscal 2021.

Selected Quarterly Information

2021 - 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
	$	$	$	$
Net income/(loss) and comprehensive income/(loss) (restated	718,662	(322,538)	(212,043)	(396,699)
Net income/(loss) per share – basic and diluted	0.01	(0.00)	(0.00)	(0.01)
Total assets	25,514,178	25,662,712	17,800,420	16,763,110

2020 - 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020
	$	$	$	$
Net loss and comprehensive loss (restated)	(534,354)	(135,264)	(177,142)	(77,438)
Net loss per share – basic and diluted	(0.01)	(0.00)	(0.00)	(0.00)
Total assets	11,162,336	9,861,455	6,137,746	6,815,029

Capital Resources and Liquidity

At March 31, 2022, the Company had working capital of $10,014,978 (after providing $35,565 owing to related parties) compared to a working capital of $5,616,025 as at September 30, 2021 and had working capital of $10,003,000 at May 30, 2022. 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.

In November, 2021, the Company closed non-brokered private placements with the sale of 2,222,222 FT Units at $0.90 per FT Unit for gross proceeds of $2,000,000 and 6,500,000 FT Units at $1.00 per FT Unit for proceeds of $6,500,000, for an aggregate $8,500,000.

The Company has no operating revenue and has historically funded its operations with equity based private placements. The Company's future exploration plans are contingent on raising capital but has financial resources to fund its planned exploration program and administration costs for the next twelve months.

The Company's ability to meet its obligations and continue as a going concern is dependent on the ability to identify and complete future financings. While the Company has been successful in raising financings, there can be no assurance that it will be able to do so in the future.

Common Share Data

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	-	(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	2,380,000	920,500
Stock options exercised	2,215,000	652,000
Less: Value associated with warrants issued	-	(370,628)
Less: Value associated with broker warrants issued	-	(93,387)
Allocated to flow-through premium	-	(1,260,556)
Share issue costs	-	(711,467)
Balance, March 31, 2022	121,484,621	30,530,118
Warrants exercised	1,459,642	728,359
Stock options exercised	190,000	47,500
Balance May 30, 2022	123,134,263	31,305,977

Common share purchase stock 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 March 31, 2022, 2,800,000 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	(2,215,000)	0.30
Expired	(185,000)	0.30
Outstanding at March 31, 2022	2,800,000	0.53
Exercised	(190,000)	0.25
Outstanding at May 30, 2022	2,610,000	0.55
Exercisable at May 30, 2022	2,076,667	0.52

A summary of the outstanding stock options as at May 30, 2022 is as follows:

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
200,000	200,000	14 months	$0.30	August 1, 2023
950,000	950,000	38.1 months	$0.25	August 4, 2025
200,000	200,000	43.3 months	$0.68	February 10, 2026
1,000,000	666,667	45.2 months	$0.65	March 5, 2026
150,000	150,000	48.1 months	$0.91	June 3, 2026
300,000	100,000	51 months	$0.84	September 1, 2026
2,610,000	2,076,667			

The weighted average fair value of all the options Issued in the year was calculated as $0.45 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 0.490-0.86% expected dividend yield of nil expected volatility of 126.72-180.31% 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.

Warrants

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

The following table provides the details of changes in the number 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	(2,380,000)	(262,137)
Balance March 31, 2022	17,931,116	2,555,028
Warrants exercised	(1,459,642)	(89,989)
Warrants expired	(394,400)	(17,299)
Balance May 30, 2022	16,077,074	2,447,740

A summary of the outstanding warrants is as follows:

	Number of shares	Remaining contractual life	Exercise price per share	Expiry date
Warrants	500,000	1 months	$0.50	June 30, 2022
Warrants	9,040,333	11.6 months	$0.75	May 19, 2023
Warrants	632,823	11.6 months	$0.75	May 19, 2023
Warrants	632,823	11.6 months	$0.60	May 19, 2023
Warrants	4,361,111	17.6 months	$1.10	November 17, 2023
Warrants	606,656	17.6 months	$0.60	November 17, 2023
Warrants	303,328	17.6 months	$0.60	November 17, 2023
Balance, May 30, 2022	16,077,074			

The number of common shares outstanding on May 30, 2022 was 123,134,263. Taking into account outstanding share purchase options and warrants, the fully diluted number of common shares that could have been outstanding on May 30, 2022 was 141,821,337.

Related Party Transactions

During the three and six months ended March 31, 2022, the Company incurred related party expenses totaling $62,813 (2021 – $60,250) and $146,025 (2021 - $124,178). 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, 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, 2022, $nil (2021 - $580,375) of accumulated related party expenditures was payable to Tom Drivas and $16,478 (2021 - $17,109) 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.

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.

In the quarter ended March 31, 2022, 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

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the period ended March 31, 2022 and 2021.

During the three and six months ended March 31, 2022, the Company incurred expenses of $4,000 (2021 - $8,000) and $6,000 (2021 - $12,000) for independent directors' fees. At March 31, 2022, $6,000 (2021 - $68,500) of accrued directors' fees was outstanding.

During the three and six months ended March 31, 2022, the Company incurred expenses of $12,224 (2021 - $21,937) and $78,596 (2021 - $73,593) for legal fees to a law firm related to a director of the Company, William R. Johnstone. At March 31, 2022 $3,368 (2021 – $13,441) was payable to this related party.

As disclosed in Note 5 to the financial statements, 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.

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

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Financial Instruments and risk management

The Company is required to disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet dates, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The Company's financial instruments recognized in the balance sheet consist of cash and cash equivalents, HST/GST receivable and current liabilities. The fair value of these financial instruments approximates their carrying value due to the short maturity or current market rate associated with these instruments.

Risk Factors

There are a number of risks that could affect Appia's business prospects. They include the speculative nature and the ability to finance the exploration and development of the Company's mineral properties, operating hazards, environmental and other government regulations, competition in the marketplace, markets for the Company's securities and the demand for uranium and rare earth elements. The Company's viability will depend on defining recoverable and economic resources and establishing positive comprehensive feasibility studies leading to production decisions. After completion of positive feasibility studies, the Company's success is dependent on maintaining the title and beneficial interest in the properties, obtaining the necessary governmental approvals and the successful financing, construction and operation of a facility to profitably extract the contained metals.

Financial Capability and Additional Financing

The Company had a cash position of $9,500,000 and working capital of $10,003,000 at May 30, 2022, has no source of operating income and has no assurance that additional funding will be available to it for further exploration and development of its projects. Although the Company has been successful in the past in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to continue as a going concern.

Pandemic COVID-19 risk

The declaration by the World Health Organization that the COVID-19 infectious virus is a global pandemic delayed the start of the 2021 exploration program in the calendar year. Although Saskatchewan has not experienced the dire results in other Provinces, there are government-imposed restrictions on access to the properties and regulation of proposed activity. It is uncertain what restrictions may be applied in the summer of 2022.

To ensure safe work conditions are met for the workforce, the Company developed exploration guidelines that comply with the Saskatchewan Public Health Order and the specific Northern Saskatchewan Administration District Order, in order to maintain social distancing and help prevent the transmission of the COVID-19 infectious virus.

Land access

Under the modified Mining Act (Ontario), the Company is required to obtain permits to conduct exploration and evaluation activities on its Ontario properties. The Ontario Government is required to consult with the First Nations in order to reach agreement to permit activity in areas considered to have been historically inhabited.

Similar restrictions have been enacted in Saskatchewan, requiring the Company to obtain permission to occupy the camp at Alces Lake. Necessary Permits are in place.

Special Note Regarding Forward-Looking Statements

Certain statements in this MD&A may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially from the statements made. When used in this report, the words "estimate", "believe", "anticipate", "intend", "expect", "plan", "may", "should", and "will", are intended to identify forward-looking statements, and reflect the current expectations of the management of the Company with respect to future events, and are subject to risks and uncertainties, such as reduced funding and general economic and market factors. New risk factors may arise from time to time and it is not possible for management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those expressed or implied in such forward-looking statements. Investors should not place undue reliance on forward-looking statements as a prediction of actual results. The Company does not undertake or assume any obligation to update these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

Additional Information

Additional information may be found on the Company's website at www.appiaenergy.ca and on SEDAR.

The technical information included in this MD&A regarding Saskatchewan operations was reviewed and approved by Dr. Irvine Annesley, P.Geo, and the metallurgical test results by Mr. John Goode, P.Eng. Both parties are advisors to the Board of Directors of Appia, and Qualified Persons as defined by National Instrument 43-101.