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

MANAGEMENT’S DISCUSSION AND ANALYSIS

For the year ended September 30, 2023

Management's Discussion and Analysis – September 30, 2023
As of January 24, 2024

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 year ended September 30, 2023, as compared to the year ended September 30, 2022. The MD&A was prepared as of January 24, 2024, and should be read in conjunction with the audited financial statements for the year ended September 30, 2023, the ("Financial Statements"), 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 publicly traded Canadian company in the rare earth element and uranium sectors. The Company is currently focusing on delineating high-grade critical rare earth elements and gallium on the Alces Lake property, as well as exploring for high-grade uranium in the prolific Athabasca Basin on its Otherside, Loranger, North Wollaston, and Eastside properties. The Company holds the surface rights to exploration for 113,837.15 hectares (281,297.72 acres) in Saskatchewan. The Company also has a 100% interest in 12,545 hectares (31,000 acres), with rare earth element and uranium deposits over five mineralized zones in the Elliot Lake Camp, Ontario. The Company holds the right to acquire up to a 70% interest in the PCH Project (See June 9th, 2023 Press Release - Click Here) which is 40,963.18 ha in size and is located within the Goiás State of Brazil.

Commencing in March 2023, Appia entered into an agreement to earn up to a 70% interest in a Brazilian Ionic Clay Rare Earths Elements Project, as set out in detail below.

ALCES LAKE HIGH-GRADE REE PROJECT

On July 26, 2022, Appia announced that the Company had completed the 2022 drilling / exploration program on the 100%-owned Alces Lake rare earth elements and gallium property, Athabasca Basin area, northern Saskatchewan.

In the 2022 drilling program, a total of 37 holes were drilled into WRCB to continue delineation of the high-grade REE mineralization and also delineate previously undrilled targets in Danny (adjacent to WRCB) as well as additional drilling into the Wilson/Wilson North zone. New WRCB drilling also extended the trend of the REE mineralization by approximately 120 metres along strike to a total of 280 metres of strike-length mineralization. The WRCB accumulation remains open in both the northwest and southeast directions.

The most significant new drilling area in 2022 was at Magnet Ridge, located approximately 1.5 kilometres south-southeast of WRCB on a well defined regional geologic corridor. A total of 34 holes (5,318 metres) were drilled into the primary Magnet Ridge target that outcrops on surface. A nearby (and possibly geologically related) prospect on Magnet Ridge West saw another 10 holes (2,025.9 metres) drilled. The mineralization in the two prospects appears to be geologically similar to the 2021 discovery AMP zone at WRCB, which also outcrops on surface.
Highlights from the Magnet Ridge drilling program are listed as follows:

- Drilling intersected thick sequences of REES from surface to 85 metres depth.
- The mineralized intervals are similar to, and larger in size when compared to the AMP Zone at WRCB.
- Total rare earths oxide (TREO) assays of up to 0.65 wt.% (6500 ppm) TREO were returned, with thickness and grades increasing by >50% to the south-southeast; all within 85 metres of surface.
- 19.85m @ 0.317 wt.% TREO including 8.94m @ 0.467 wt.% TREO in hole 22-AUG-031
- 18.67m @ 0.245 wt.% TREO including 9.02m @ 0.344 wt.% TREO in hole 22-AUG-030
- 26.70m @ 0.246 wt.% TREO including 6.08m @ 0.305 wt.% TREO in hole 22-AUG-013
- 28.19m @ 0.190 wt.% TREO including 3.07m @ 0.506 wt.% TREO in hole 22-AUG-026
- Follow-up drilling is planned.

REE mineralization was intersected in 27 of 34 DDHs near surface over significant strike length and drilled lengths exceeding 28 metres.

On July 5, 2023 the Company announced that it had completed the first phase of its 2023 drill program at the Magnet Ridge Zone to further test the extent of the mineralization to the south south-east (SSE).

Highlights:

- Drilling at the southern extension of Magnet Ridge included 11 drill holes completed for a total of 1,223 metres. Five of the drill holes hit significant mineralization intersections up to 19.00 m core intersection width, with two of these drill holes hitting multiple intersections, similar to nearby drill holes from the 2022 program. The mineralization ends abruptly due to a east-northeast cross-structure (i.e., a fault that is interpreted from geophysics/DDH observations to offset the mineralization vertically down dip).
- Split core samples were shipped to the SRC Geo-Analytical Lab in Saskatoon for geochemical assaying. Results are pending.

ALCES LAKE SUMMARY

The Alces Lake project encompasses some high grade and critical* REEs and gallium mineralization, 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 operational in 2023 and the Solvent Extraction Unit expected to become operational in 2024.

In February 2023, the Company announced the acquisition of additional new mineral claims in the Alces Lake area.

The Alces Lake claim block now totals 38,522.43 contiguous hectares (95,191 acres); located approximately 50 kilometres east of Uranium City. The claims were staked on the basis of similar geological and geophysical signatures to the Company’s current Alces Lake property.

Appia also holds a total of 75,314.72 hectares (186,106.72 acres) of land on four uranium claim blocks (Loranger, North Wollaston, Eastside, and Otherside). Exploration plans for these properties will be announced once permits are in hand.

2023 Brazilian Ionic Clay Rare Earths Element Project

On March 7, 2023, the Company announced that it had signed a Letter Agreement (the “Letter Agreement”) with 3S LTDA (“3S”) and Beko Invest Ltd. (“Beko”) to acquire up to a 70% interest in the PCH Project (the “Transaction”) located in the Tocantins Structural Province of the Brasília Fold Belt, Goiás State, Brazil (the “Target Property”).

The Cachoeirinha Project (PCH Project) is located within the Tocantins Structural Province in the Brasília Fold Belt, more specifically, the Arenópolis Magmatic Arc. The PCH Project is 17,551.07 ha. in size and located within the Goiás State of Brazil. It is classified as an alkaline intrusive rock occurrence with highly anomalous REE and niobium mineralization. This mineralization is related to alkaline lithologies of the Fazenda Buriti Plutonic Complex and the hydrothermal and surface alteration products of this complex by supergene enrichment in a tropical climate. The positive results of the recent geochemical exploration work carried out to date indicates the potential for REE and Niobium within lateritic ionic adsorption clays.

Highlights:

- Appia entered into the Letter Agreement to secure this high potential property in Brazil. The target is Heavy REEs enriched in ionic clays and should Appia be successful in delineating a substantial deposit, it would make Appia one of the few known critical REE companies in the world to have both light and heavy REE assets.

- Appia formed a Project team of professional consultants with direct ionic clay REE deposit expertise for this specialized project.
- Appia completed its due diligence on the properties in June 2023 prior to finalizing this option agreement.

Ionic adsorption REE clay deposits are the main source of the critical rare earth permanent magnet metals, dysprosium and terbium. Today China controls essentially all of the production of these metals, originally through the exploitation of its own domestic extensive fields of ionic clay REE deposits and through the control of the same deposit types in Myanmar. The production and use of dysprosium and terbium to modify rare earth permanent magnets so that they can withstand extreme temperature cycling without significant loss of magnetic strength is thus currently under Chinese control.

Ionic clay REE deposits typically represent relatively simple metallurgy compared to other types of rare earth deposits; low associated radioactivity; minimal drilling, blasting and crushing operations in mining; and reduced tailings management requirements. The reduced mining, milling, processing and environmental considerations combined with high levels of the more valuable rare earth elements used in magnet applications can render even low-grade ionic clay deposits attractive for development.

Letter Agreement Terms and Conditions

Appia has the option to earn a 60% interest in the Target Property by issuing an aggregate of 2.5 million common shares of Appia to Beko and spending US$10 million on the Target Property over a period of five years. If Appia earns its 60% interest, it will then be obligated, within 90 days of earning its 60% interest, to issue a further US$1,250,000 of common shares of Appia to Beko to earn a further 10% interest. Upon earning a 70% interest, Appia will grant to Beko a 1% net smelter returns royalty (the “1% NSR”) in the Target Property. Appia will have a right of first refusal to acquire the 1% NSR. Thereafter, Appia and Beko will enter into a joint venture with respect to the further exploration and development of the Target Property (the “Joint Venture”) with Appia holding a 70% interest and Beko holding a 30% interest in the Joint Venture. Upon the formation of the Joint Venture, Beko will have 90 days within which to elect to either (a) participate in the Joint Venture and contribute its pro rata share of expenditures or be diluted; (b) sell all of its 30% interest in the Joint Venture, subject to a right of first refusal in favour of Appia; or (c) elect to have Appia fund its pro rata share of expenditures pursuant to the Joint Venture subject to the right of Appia to be reimbursed for 150% of the expenditures made by Appia on behalf of Beko.

The execution of the Letter Agreement on June 9, 2023 was followed by the good faith negotiation of formal documentation, including a definitive agreement (the “Definitive Agreement”) between the parties, setting forth the detailed terms of the Transaction, including the terms set out in the Letter Agreement and such other terms and conditions as are customary for transactions of the nature and magnitude contemplated herein. The final structure of the Transaction will be determined after each of Appia and 3S / Beko have had the opportunity to consider all legal, tax and securities elements of the Transaction in order to ensure the most efficient structure for each of the parties and their respective security holders. It is anticipated that on the closing of the Transaction, (the “Closing”), the Target Property will be transferred by 3S to and held by a newly incorporated Brazilian company (“NewCo”) with Appia eventually holding a 70% interest in NewCo and Beko holding a 30% interest in NewCo subject to Appia earning its 70% interest as provided herein. The Joint Venture will be governed by the terms of a unanimous shareholders agreement between Appia and Beko which will govern the relationship of the parties to the Joint Venture.

Appia will acquire incremental vested interests in the Target Property upon completion of specific expenditure requirements, provided Appia initially issues at least 1 million common shares to Beko and spends at least US$1 million on the Target Property (at which time it will have earned a 10% legal and beneficial ownership interest in the Target Property), Appia can elect to cease funding the PCH Project and will have earned an interest in NewCo based upon the expenditures made to the date of the election (the “Earned Interest”) and the interest of Beko in NewCo will be adjusted to 100% minus the Earned Interest. The parties will then determine how they wish to proceed with their respective interests in NewCo.

The Transaction is subject to the fulfillment of certain conditions precedent as are customary for transactions of this nature including compliance with the rules of the Canadian Securities Exchange.

On April 26, 2023 the Company announced that it had completed its onsite due diligence program at The Cachoeirinha Project (the "PCH Project").

As part of the due diligence process, 15 auger holes were drilled twinning a representative mix of trenches, drill and auger holes across the western portion of the property which were sampled at ½ metre intervals. In addition, two diamond drill holes originally completed by the Vendor's team, but not previously assayed, were sampled and included as part of the total sample package delivered for assaying.

On July 18, 2023 the Company announced that after the successful completion of its evaluation of historic and due diligence work, that it had commenced an aggressive auger and reverse circulation (RC) drill campaign to delineate a potential resource estimate on Target #4 on its ionic clay PCH project.

- All data from diamond and auger drilling, trenching, stream sediment sampling, and various geophysical testing methods covering Target #4 on the extensive 17,551 ha PCH project have been analyzed and plotted.
- The results revealed significant exploration potential with impressive values that often surpass known ionic clay deposits in Brazil, particularly for the highly valuable heavy rare earths Terbium and Dysprosium.
- Notably, the Company's evaluation of the data identified an average concentration of Total Rare Earth Elements (TREE), as determined by auger sampling, of 1,291 ppm with the highest recorded concentration reaching 16,648 ppm.
- Historic work by the Vendors indicates that the magnetic REEs represent +/- 25% of the TREEs found within the project area.
- A Lidar topographic survey covering approximately 1,700 ha, encompassing the southern, western, and northwestern extensions of Target #4, was completed.
- Auger and reverse circulation (RC) drilling campaigns over approximately 300 holes were completed across the Target #4 area in the calendar year 2023.

As previously reported, the PCH REE project minerology has very similar characteristics to the Serra Verde project demonstrating the classic model of ionic clay REE structures. Based on assays obtained from the vendor, REE grades appear to be similar to those reported at the Serra Verde project. Serra Verde Mining is a Brazilian company bringing its ionic clay REE deposit into production in northern Goias State, Brazil.

Like Serra Verde, Appia's PCH Project is an ionic-clay REEs deposit and one of the relatively few deposits of this type found outside of China. Ionic clays can be mined with low-cost open pit mining techniques and processed using simple technologies. The PCH Project is a classical, highly weathered alkaline granitic complex showing ionic clay development with elevated REE values immediately below surface and extending down to a depth of over 15 metres, and is located in close proximity to a very large ultra mafic complex currently being evaluated by its owner Vale S.A.

The PCH Project is 17,551.07 ha. in size and is a circular structure originating from significant depth and brings with it a series of REEs. Early indications are that the primary minerology is bastnaestite and monazite with clays that are preferentially enriched in the valuable magnetic rare earth elements. Historic work by the Vendors indicates that the magnetic REEs praseodymium (Pr), neodymium (Nd), dysprosium (Dy) and terbium (Tb) represent +/- 25% of the total REEs found within the project area.

Uranium and Rare Earth Elements Outlook

REE - The trade war between the USA and China is jeopardizing the availability of critical REEs.

A shortage of critical REEs has developed, largely as a result of the increase in electric vehicle production. China continues to control the pricing of REEs. 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 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.

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.

Uranium - Cameco has reactivated the shut down McArthur River uranium mine. Operations at Cigar Lake, the world's largest single uranium mine are increasing. Cameco is expected to continue purchasing on the spot market this year in order to satisfy its contractual delivery requirements including replacing Russian shipments to Ukraine.

The uranium demand forecast shows an increase from China, and in 2021 known supply sources were 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 reached US$62 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 its reactors and for the supply of REEs required by the defence industry, and 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 360Mlbs. 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 has not warranted 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

The Company spent $3,997,450 on deferred evaluation expenditures in Canada for the year ended September 30, 2023 (2022 - $11,380,245). The large decrease 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.

In addition to the above the Company spent $708,314 on deferred exploration on its newly acquired Brazilian property. These costs form part of the required US$1 million to be spent to earn in the first 10% interest in the Project.

Total general and administrative expenses for the year ended September 30, 2023, were $2,580,859 compared to $2,128,339 in 2022, higher due to an increase in professional fees to $245,002 (2022 - $182,719), investor relations to $411,904 (2022 - $236,942) and management fees and salaries to $382,840 (2022 – $189,450).

The Company's net loss and comprehensive loss for the year ended September 30, 2023, was loss $2,145,255 (2022 – $2,435,442).

Fourth Quarter

The Company's net loss and comprehensive loss for the three months ended September 30, 2023, was a loss $632,485 compared to a loss of $3,387,048 in the prior year. The change in the fourth quarter of 2023 compared to 2022 was due to the decrease in deferred income tax recovery to $166,236 (2022 - $2,082,754), offset by the decrease in non-cash share-based compensation to $261,694 (2022 - $1,103,183).

A summary of selected financial information for the year ended September 30 is as follows:

	2023	2022	2021
Net income/(loss) for the period	$(2,145,255)	$(2,435,442)	$(1,278,359)
Total assets	27,889,980	25,653,787	17,800,419
Cash flow from/(used) in operations	(1,069,875)	(2,423,248)	6,168
Cash used in exploration activity	(4,423,109)	(11,250,039)	(5,447,906)
Loss per share (basic and diluted)	$(0.02)	$(0.02)	$(0.01)

Selected Quarterly Information

2022 - 2023	**Sep 30, 2023**	**Jun 30, 2023**	**Mar 31, 2023**	**Dec 31, 2022**
	$	**$**	**$**	**$**
Net income/(loss) and comprehensive income/(loss)	(632,485)	(250,088)	(620,643)	(642,039)
Net income/(loss) per share – basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	27,889,980	28,512,588	28,375,802	28,738,137

2021 - 2022	**Sep 30, 2022**	**June 30, 2022**	**Mar 31, 2022**	**Dec 31, 2021**
	$	**$**	**$**	**$**
Net income/(loss) and comprehensive loss	(3,387,048)	555,482	718,662	(322,538)
Net income/(loss) per share – basic and diluted	(0.03)	0.00	0.01	(0.00)
Total assets	25,653,787	26,878,081	25,514,178	25,662,712

Capital Resources and Liquidity

At September 30, 2023, the Company had working capital of $2,325,073 (after providing $57,647 owing to related parties) compared to a working capital of $4,519,263 as at September 30, 2022 and had working capital of

$2,764,000 at January 24, 2024. 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.

On November 22, 2022, the Company closed the first tranche of a non-brokered private placement of 5,000,000 flow-through shares at $0.50 per share.

On December 8, 2022, the Company closed the final tranche of the private placement with the issuance of 1,980,000 flow-through shares for gross proceeds of $990,000 and working capital units (“WC units”) at $0.43 for gross proceeds of $176,000. The WC units consist of one common share and one common share purchase warrant to acquire one common share at an exercise price of $0.65 until December 8, 2023.

On December 27, 2023, the Company closed its non-brokered private placement of 4,873,667 flow-through shares at $0.30 per share for gross proceeds of $1,462,100.

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, 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	3,839,642	2,014,793
Stock options exercised	2,405,000	1,098,824
Less: Value associated with warrants issued	-	(1,759,629)
Less: Value associated with broker warrants issued	-	(120,247)
Allocated to flow-through premium (note 8)	-	(1,260,556)
Share issue costs	-	(716,620)
Balance, September 30, 2022	123,134,263	30,650,221
Flow-through units private placement November 22, 2022	5,000,000	2,500,000
Flow-through units private placement December 8, 2022	1,980,000	990,000
Working capital units private placement December 8, 2022	409,300	175,999
Less: Value associated with warrants issued	-	(32,818)
Allocated to flow-through premium (note 8)	-	(952,200)
Share issue cost		(282,136)
Balance, September 30, 2023	130,523,563	33,049,066
Stock options exercised	436,364	120,000
Shares issued for PCH transaction	500,000	130,000
Flow-through shares private placement December 27, 2023	4,873,667	1,462,100
Balance, January 24, 2024	136,333,594	34,761,166

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 September 30, 2023, 7,110,000 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, 2021	5,200,000	0.42
Exercised	(2,405,000)	0.30
Granted	5,250,000	0.50
Expired	(935,000)	0.54
Outstanding at September 30, 2022	7,110,000	0.51
Granted on October 18, 2022	200,000	0.60
Expired	(1,000,000)	0.65
Granted on January 4, 2023	1,000,000	0.35
Expired	(200,000)	0.30
Outstanding at September 30, 2023	7,110,000	0.47
Exercisable at September 30, 2023	3,985,000	0.47
Granted	1,186,364	0.275
Exercised	(436,364)	0.275
Outstanding at January 24, 2024	7,860,000	0.44
Exercisable at January 24, 2024	4,360,000	0.44

A summary of the outstanding stock options as at January 24, 2024 is as follows:

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
510,000	510,000	18.6 months	$0.25	August 4, 2025
150,000	150,000	28.6 months	$0.91	June 3, 2026
5,250,000	2,625,000	44.2 months	$0.50	September 21, 2027
200,000	200,000	45.1 months	$0.60	October 18, 2027
1,000,000	500,000	47.6 months	$0.35	January 4, 2028
750,000	375,000	33.7 months	$0.275	November 6, 2026
7,860,000	4,360,000			

The weighted average fair value of the options issued in the fiscal year 2022 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.

The weighted average fair value of the options granted on October 18, 2022, was calculated as $0.38 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 3.51% expected dividend yield of nil expected volatility of 120.61% and expected life term of 60 months.

The weighted average fair value of the options granted on January 4, 2023, was calculated as $0.22 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 3.28% expected dividend yield of nil expected volatility of 118.98% and expected life term of 60 months.

The weighted average fair value of the options granted on November 6, 2023, was calculated as $0.16 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 4.3% expected dividend yield of nil expected volatility of 112.71% and expected life term of 60 months.

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, 2021	15,040,021	2,353,150
Private placement warrants issued	5,271,095	1,879,876
Warrants exercised	(3,839,642)	(352,126)
Warrants expired	(894,400)	(44,709)
Balance September 30, 2022	15,577,074	3,836,191
Private placement warrants issued	421,300	32,818
Warrants expired	(10,305,979)	(1,956,317)
Balance September 30, 2023	5,692,395	1,912,692
Warrants expired	(5,692,395)	(1,912,692)
Balance January 24, 2024	-	-

The number of common shares outstanding on January 24, 2024, was 136,333,594. Taking into account outstanding share purchase options and warrants, the fully diluted number of common shares that could have been outstanding on January 24, 2024, was 144,193,594.

Related Party Transactions

During the year ended September 30, 2023, the Company incurred related party expenses totaling $390,791 (2022 – $289,946). 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 to August 31, 2022, Stephen Burega, President from January 4, 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 September 30, 2023, $15,671 (2022 - $11,918) of accumulated related party expenditures was payable to the other officers and Romios Gold Resources Inc.

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

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

During the 2022 fiscal year, Directors exercised 1,915,000 share purchase options at the exercise price of $0.30 per share and 350,000 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 year ended September 30, 2023, and 2022.

During the year ended September 30, 2023, the Company incurred expenses of $23,000 (2022 - $20,000) for independent directors' fees. At September 30, 2023, $39,000 (2022 - $20,000) of accrued directors' fees was outstanding.

During year ended September 30, 2023, the Company incurred expenses of $106,462 (2022 - $97,148) for legal fees, share issue costs and property acquisition costs to a law firm related to a director of the Company, William R. Johnstone. At September 30, 2023 $2,976 (2022 – $8,485) was payable to this related party.

On January 5, 2023, the Company granted 1,000,000 options to purchase common shares exercisable at $0.35 per share for five years to the new President of the Company, Stephen Burega.

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 $2,581,000 and working capital of $2,764,000 at January 24, 2024, 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.

Nature of Mineral Exploration and Mining

At the present time, the Company does not hold any interest in a mining property in production. The Company's viability and potential success lie in its ability to discover, develop, exploit and generate revenue out of mineral deposits. The exploration and development of mineral deposits involves significant financial risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mine may result in substantial rewards, few properties, which are explored, are ultimately developed into producing mines. Major expenses may be required to establish mineral resources and/or reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on exploration properties in which the Company has an interest will result in a profitable commercial mining operation.

The operations of the Company are subject to all of the hazards and risks normally coincident with exploration and development of mineral properties, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. The activities of the Company may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which the Company has interests. Hazards, such as an unusual or unexpected rock formation, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs, which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations, may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Company and, potentially, its financial position.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Fluctuating Prices

Factors beyond the control of the Company may affect the marketability of any copper, nickel, gold, silver, platinum, palladium, lithium or any other minerals discovered. Metal prices often fluctuate widely and are affected by numerous factors beyond the Company's control. The effect of these factors cannot accurately be predicted.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and acquisition of attractive mineral properties. The ability of the Company to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

Financing Risks

The Company has limited financial resources and no current revenues. There is no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Company with the possible dilution or loss of such interests.

Permits and Licenses

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes that it presently holds all necessary licenses and permits required to carry on with activities, which it is currently conducting under applicable laws and regulations, and the Company believes it is presently complying in all material respects with the terms of such laws and regulations, however, such laws and regulations are subject to change. There can be no assurance that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations at its projects.

No Assurance of Titles

The acquisition of title to mineral projects is a very detailed and time-consuming process. Although the Company has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Company where possible, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interest of the Company in any of its properties may not be challenged or impugned.

Environmental Regulations

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploration and mining operations, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers, and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Conflicts of Interest

The directors and officers of the Company may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interest of the Company. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director is required by the Business Corporations Act (Ontario) to disclose the conflict of interest and to abstain from voting on the matter.

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Dependence on Key Personnel

The Company is dependent on a relatively small number of key people, the loss of any of whom could have an adverse effect on its operations. Any key person insurance, which the Company may have on these individuals may not adequately compensate for the loss of the value of their services.

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 its exploration sites and hiring personnel for exploration programs, as well as in raising additional equity financing. The global shutdown and vaccination of people is showing progress in the decline of the rate of infection, but the timing to return to normal and the impact on the Company's operations is difficult to project.

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.appiareu.ca and on SEDAR at www.sedarplus.ca.