

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

CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended June 30, 2024 and 2023
(unaudited)
(Expressed in Canadian \$)

APPIA RARE EARTH & 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 28th day of August 2024.

APPIA RARE EARTH & URANIUM CORP.

Per: (signed) "Stephen Burega"
Name: Stephen Burega
Title: President

Per: (signed) "Brian Crawford"
Name: Brian Crawford
Title: Chief Financial Officer

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

	June 30, 2024 \$	September 30, 2023 \$
Assets		
Current		
Cash and cash equivalents (note 4)	772,862	2,193,753
Accounts receivable	56,434	209,344
Prepaid expenses	242,417	139,869
Total current assets	1,071,713	2,542,966
Non-current assets		
Acquisition cost of properties (note 5)	1,172,565	844,046
Deferred exploration expenditures – Canada (note 5)	24,353,676	23,234,826
Exploration camp and equipment (note 6)	433,866	559,828
Brazil project (note 7)	1,755,485	708,314
Total assets	28,787,305	27,889,980
Liabilities		
Current		
Accounts payable & accruals	412,327	160,246
Due to related parties (note 11)	70,378	57,647
Flow-through share premium (note 9)	126,151	-
	608,856	217,893
Long term		
Future income tax liabilities	2,906,103	2,906,103
Total liabilities	3,510,960	3,123,996
<i>Nature of operations and going concern (note 1)</i>		
<i>Subsequent events (note 15)</i>		
Shareholders' equity		
Share capital (note 8(a))	34,490,815	33,049,066
Warrants (note 8(c))	-	1,912,692
Contributed surplus (note 10)	11,385,874	9,304,662
Deficit	(20,604,343)	(19,500,436)
Total shareholders' equity	25,272,346	24,765,984
Total liabilities and shareholders' equity	28,787,305	27,889,980

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

APPROVED ON BEHALF OF THE BOARD on August 28th, 2024.

"Signed"

Anastasios (Tom) Drivas

"Signed"

Frank van de Water

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

	Share Capital \$	Warrants \$	Contributed Surplus \$	Deficit \$	Total \$
At September 30, 2022	30,650,221	3,836,191	6,011,936	(17,355,181)	23,143,167
Flow-through units private placement, net	3,207,864	-	-	-	3,207,864
Working capital units private placement, net	175,999	-	-	-	175,999
Valuation of warrants issued	(32,818)	32,818	-	-	-
Allocated to flow-through premium	(952,200)	-	-	-	(952,200)
Share-based compensation	-	-	1,074,715	-	1,074,715
Warrants expired	-	(1,956,317)	1,956,317	-	-
Net loss and comprehensive loss for the period	-	-	-	(1,512,770)	(1,512,770)
At June 30, 2023	33,049,066	1,912,692	9,042,968	(18,867,951)	25,136,775
Net loss and comprehensive loss for the period	-	-	-	(632,485)	(632,485)
At September 30, 2023	33,049,066	1,912,692	9,304,662	(19,500,436)	24,765,984
Flow-through units private placement, net	1,358,341	-	-	-	1,355,341
Stock options exercised	120,000	-	-	-	120,000
AJE for stock options exercised	68,328	-	(68,328)	-	-
Allocated to flow-through premium	(292,420)	-	-	-	(292,420)
Warrants expired	-	(1,912,692)	1,912,692	-	-
First tranche of 500,000 shares for PCH Project	130,000	-	-	-	130,000
Second tranche of 500,000 shares for PCH Project	57,500	-	-	-	57,500
Share-based compensation	-	-	236,484	-	236,484
Net loss and comprehensive loss for the period	-	-	-	(1,103,907)	(1,103,907)
At June 30, 2024	34,490,815	-	11,385,874	(20,604,343)	25,272,346

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

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

	For the three months ended		For the nine months ended	
	June 30		June 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Expenses				
General and administrative activities:				
Professional fees	45,092	47,616	175,966	183,720
Management fees and salaries	107,538	51,976	338,050	233,501
Office and general	76,360	132,873	271,038	255,191
Part XII.6 tax	12,690		18,296	
Investor relations	53,027	91,989	298,341	291,213
Share-based compensation	-	283,909	236,848	1,074,715
General and administrative expenses	294,707	608,363	1,338,539	2,028,340
Loss for the period before the following	(294,707)	(608,363)	(1,338,539)	(2,028,340)
Deferred income tax recovery	142,937	357,062	166,269	512,333
Interest income, sundry	11,057	1,213	68,363	3,237
Net loss and comprehensive loss for the period	(140,713)	(250,088)	(1,103,907)	(1,512,770)
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.01)
Weighted average number of shares outstanding	136,363,814	130,523,000	134,550,313	128,881,000

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 nine months ended June 30	
	2024 \$	2023 \$
Operating activities		
Net loss for the period	(1,103,907)	(1,512,770)
Items not affecting cash:		
Deferred income tax	(166,269)	(512,333)
Share-based compensation	236,848	1,074,715
	(1,033,328)	(950,388)
Net change in non-cash working capital		
Accounts receivable	152,910	243,919
Prepaid expenses	(102,548)	(113,948)
Accounts payable and accrued liabilities	252,081	397,377
Due to related parties	12,731	27,949
Net cash used in operating activities	(718,154)	(395,091)
Investing activities		
Exploration and evaluation assets acquisition costs (note 5)	(141,019)	(1,984)
Exploration equipment (note 5)	-	(20,570)
Investment in Brazil project (note 7)	(1,047,171)	(35,910)
Deferred exploration expenditures	(992,888)	(1,836,220)
Net cash used in investing activities	(2,181,078)	(1,894,684)
Financing activities		
Private placement of flow-through units	1,462,100	3,490,000
Private placement of working capital units		175,999
Stock options exercised	120,000	
Share issue expense	(103,759)	(282,136)
Net cash from financing activities	1,478,341	3,383,863
Change in cash and cash equivalents	(1,429,891)	1,094,088
Cash and cash equivalents, beginning of the period	2,193,753	4,302,874
Cash and cash equivalents, end of the period	772,862	5,396,962

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

APPRIA RARE EARTHS & URANIUM CORP.

Notes to Financial Statements

For the nine months ended June 30, 2024

(expressed in Canadian dollars unless otherwise stated)

1. Nature of operations and going concern

Appria Rare Earths & Uranium Corp. ("Appria" 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 OTCQX platform as "APAAF". The shares also trade on German exchanges. The Company is actively exploring on its Saskatchewan properties to determine whether the properties contain resources that are economically recoverable and has entered into an agreement to participate in a rare earth element project in Brazil (note 7). 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 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 June 30, 2024 the Company had no sources of operating cash flows and will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. The Company had working capital \$462,857 as at June 30, 2024, after providing for \$70,378 due to related parties, and has incurred losses since inception resulting in an accumulated deficit of \$20,604,343 as at June 30, 2024. 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, 2024.

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, 2023 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, 2023.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these Financial Statements. Operating results for the nine months ended June 30, 2024 may not be indicative of the results that may be expected for the year ending September 30, 2024.

APPIA RARE EARTHS & URANIUM CORP.
Notes to Financial Statements
For the nine months ended June 30, 2024
(expressed in Canadian dollars unless otherwise stated)

3. Summary of significant accounting policies

Readers should refer to the September 30, 2023, 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, 2024 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, 2024.

Presentation Currency

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

Accounting pronouncements issued but not yet adopted

At the date of approval of these Financial Statements for the nine months ended June 30, 2024, the following standards have been issued but not yet adopted.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

The amendments are effective for annual periods beginning on or after January 1, 2023. The amendments must be applied retrospectively in accordance with IAS 8 Accounting Policies, *Changes in Accounting Estimates and Errors*. Earlier application is permitted. The Company is in the process of assessing the impact the amendments may have on future financial statements and plans to adopt the new standard retrospectively on the required effective date.

The amendments are not expected to have an impact on the Company's financial statements.

4. Cash and cash equivalents

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

On November 22, 2022, and December 8, 2022, the Company closed a private placement of 6,980,000 flow-through units for gross proceeds of \$3,490,000. These funds were expended on Canadian Exploration Expenditures ("CEE") in the year ended September 30, 2023.

On December 27, 2023, the Company closed a private placement of 4,873,667 flow-through units for gross proceeds of \$1,462,100. 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.

APPIA RARE EARTHS & URANIUM CORP.**Notes to Financial Statements**

For the nine months ended June 30, 2024

(expressed in Canadian dollars unless otherwise stated)

5. Exploration and evaluation – continued**Acquisition cost of properties**

	Elliot Lake Ontario	Alces Lake Saskatchewan	Other Saskatchewan	Brazil Project	Total
	\$	\$	\$	\$	\$
Balance, September 30, 2022	602,693	209,701	29,668	-	842,062
Total additions for the period	-	1,984	-	-	1,984
Balance, September 30, 2023	602,693	211,685	29,668	-	844,046
1,000,000 shares for PCH Project	-	-	-	187,500	187,500
Additions for the period	525	-	140,495	-	126,909
Balance, June 30, 2024	603,218	211,685	170,163	187,500	1,158,455

APPIA RARE EARTHS & URANIUM CORP.
Notes to Financial Statements
For the nine months ended June 30, 2024
(expressed in Canadian dollars unless otherwise stated)

5. Exploration and evaluation – continued

Deferred exploration and evaluation expenditures

	\$	\$
Year ended September 30	2023	2022
Opening balance October 1	19,237,376	7,857,131
Additions:		
Assaying	384,898	656,213
Geophysics	42,500	184,595
Contract flying	815,779	2,299,031
Helicopter fuel	142,392	794,052
Drilling	923,785	4,034,865
Contract labour	639,857	1,239,333
Employees	87,670	
Personnel travel costs	84,881	318,686
Field communications	4,147	60,206
Camp operating costs	383,471	1,077,932
Shipping	136,873	356,771
Depreciation	297,229	312,767
Other	53,968	45,794
Total additions for the year	3,997,450	11,380,245
Balance, September 30	23,234,826	19,237,376
Additions:		
Assaying	91,660	286,261
Brazil project	-	60,616
Camp operating costs	12,454	143,228
Contract flying	186,020	331,398
Contract labour	219,618	377,479
Depreciation	125,961	190,513
Drilling	70,551	286,494
Field communications	1,181	2,863
Field supplies	5,932	-
Geophysics	207,000	-
Helicopter fuel	91,766	142,392
Other	28,175	15,096
Personnel travel costs	62,786	69,269
Shipping	505	121,124
Transport	15,266	-
Total additions for the period	1,118,850	2,026,733
Balance, June 30	24,353,676	21,264,109

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 June 30, 2024 the Company held a 100% interest in 113,837 hectares (281,298 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 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

APPIA RARE EARTHS & URANIUM CORP.
Notes to Financial Statements
For the nine months ended June 30, 2024
(expressed in Canadian dollars unless otherwise stated)

5. Exploration and evaluation – continued

Saskatchewan, Athabasca Basin Area – continued

actively explored and drilled in summer programs, extended to December in 2021, but in 2022 the program ran for 4.5 months from March to August. In February 2023 2,840 hectares (7,018 acres) were staked.

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.

Other Side Property comprises 27,291 hectares (67,437 acres).

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 low Uranium prices, the explorations costs were 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, 2022	714,573	864,457	1,579,030
Additions	12,591	-	12,591
Balance as at September 30, 2023	727,164	864,457	1,591,621
Additions	-	-	-
Balance as at June 30, 2024	727,164	864,457	1,591,621
Accumulated depreciation			
Balance, September 30, 2022	(395,925)	(338,639)	(734,564)
Depreciation for the year	(139,484)	(157,745)	(297,229)
Balance, September 30, 2023	(535,409)	(496,384)	(1,031,793)
Depreciation for the period	(45,145)	(82,817)	(125,961)
Balance, June 30, 2024	(580,544)	(579,201)	(1,157,754)
Net balance, September 30, 2023	191,755	368,073	559,828
Net balance, June 30, 2024	146,610	285,256	433,866

APPRIA RARE EARTHS & URANIUM CORP.

Notes to Financial Statements

For the nine months ended June 30, 2024

(expressed in Canadian dollars unless otherwise stated)

7. Brazil 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").

Appria will acquire incremental vested interests in the Target Property upon completion of specific expenditure requirements pursuant to the terms of the Letter Agreement, provided Appria 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), Appria 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. If the Definitive Agreement has not been executed by the Closing Date, the terms of the Letter Agreement shall govern the rights of the parties.

On December 11, 2023, Appria issued the first tranche of 500,000 shares.

On June 19, 2024, the Company announced that it had earned a 10% interest in the Target Property, having spent at least US\$1 million on Target Property and issuing a second tranche of 500,000 shares.

Letter Agreement Terms and Conditions

Appria has the option to earn a 60% interest in the Target Property by issuing an aggregate of 2.5 million common shares of Appria to Beko and spending US\$10 million on the Target Property over a period of five years. If Appria 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 Appria to Beko to earn a further 10% interest. Upon earning a 70% interest, Appria will grant to Beko a 1% net smelter returns royalty (the "1% NSR") in the Target Property. Appria will have a right of first refusal to acquire the 1% NSR. Thereafter, Appria and Beko will enter into a joint venture with respect to the further exploration and development of the Target Property (the "Joint Venture") with Appria 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 Appria; or (c) elect to have Appria fund its pro rata share of expenditures pursuant to the Joint Venture subject to the right of Appria to be reimbursed for 150% of the expenditures made by Appria on behalf of Beko.

The execution of the Letter Agreement on June 9, 2023, will be 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. All documentation shall be in form and content satisfactory to each party and their respective counsel. The final structure of the Transaction will be determined after each of Appria 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. The Target Property will be transferred to and held by a newly incorporated Brazilian company ("NewCo") with Appria eventually holding a 70% interest in NewCo and Beko holding a 30% interest in NewCo subject to Appria earning its 70% interest as provided herein. The Joint Venture will be governed by the terms of a unanimous shareholders agreement between Appria and Beko which will govern the relationship of the parties to the Joint Venture.

APPIA RARE EARTHS & URANIUM CORP.
Notes to Financial Statements
For the nine months ended June 30, 2024
(expressed in Canadian dollars unless otherwise stated)

8. 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, 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	-	(31,382)
Less: Value associated with broker warrants issued	-	(1,436)
Allocated to flow-through premium (note 8)	-	(952,200)
Share issue costs	-	(282,136)
Balance, September 30, 2023	130,523,563	33,049,066
Flow-through units private placement December 27, 2023	4,873,667	1,462,100
Share issue costs	-	(103,759)
Stock options exercised	436,364	120,000
AJE for stock options exercised	-	68,328
First and second tranche of 500,000 shares for PCH Project	1,000,000	187,500
Allocated to flow-through premium (note 8)	-	(292,420)
Balance, June 30, 2024	136,833,594	34,490,815

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 that were subject to a hold period expiring March 23, 2023.

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 409,300 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. The Company also issued 12,000 brokers warrants valued at \$1,436 with the WC units. The brokers warrants have the same term as the unit warrants.

On December 11, 2023, the Company issued the first tranche of 500,000 common shares in accordance with the Definitive Agreement whereby it may acquire a 70% interest in the PCH Project in Brazil.

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 proceeds are expected to be spent on the Alces Lake exploration program in 2024.

On June 19, 2024, the Company issued the second tranche of 500,000 common shares in accordance with the Definitive Agreement whereby it may acquire a 70% interest in the PCH Project in Brazil.

(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.

APPIA RARE EARTHS & URANIUM CORP.
Notes to Financial Statements
For the nine months ended June 30, 2024
(expressed in Canadian dollars unless otherwise stated)

8. Share capital – continued

(b) Common share purchase options – continued

As at June 30, 2024, 7,860,000 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, 2022	7,110,000	0.51
Granted	200,000	0.60
Granted	1,000,000	0.35
Expired	(1,000,000)	0.65
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	1,486,364	0.275
Exercised	(436,364)	0.275
Outstanding at June 30, 2024	8,160,000	0.45
Exercisable at June 30, 2024	8,010,000	0.45

On October 18, 2022, the Company granted 200,000 options to purchase common shares exercisable at \$0.60 per share for five years to a consultant of the Company.

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.

On November 6, 2023, the Company granted 1,186,364 options to purchase common shares exercisable at \$0.275 per share for five years to consultants of the Company.

On February 8, 2024 the Company granted 300,000 options to purchase common shares exercisable at \$0.275 per share for five years to consultants of the Company.

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
510,000	510,000	13.1 months	\$0.25	August 4, 2025
150,000	150,000	23.1 months	\$0.91	June 3, 2026
750,000	750,000	28.2 months	\$0.275	November 6, 2026
5,250,000	5,250,000	38.7 months	\$0.50	September 21, 2027
200,000	200,000	39.6 months	\$0.60	October 18, 2027
1,000,000	1,000,000	42.1 months	\$0.35	January 4, 2028
300,000	150,000	55.3 months	\$0.275	February 8, 2029
8,160,000	8,010,000			

The weighted average fair value of the options issued on September 21, 2022, was calculated as \$0.39 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 3.35%, expected dividend yield of nil, expected volatility of 120.93 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.

APPIA RARE EARTHS & URANIUM CORP.
Notes to Financial Statements
For the nine months ended June 30, 2024
(expressed in Canadian dollars unless otherwise stated)

8. Share capital – continued

(b) Common share purchase options – continued

The weighted average fair value of the options issued 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 issued on November 6, 2023, was calculated as \$0.235 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 36 months.

The weighted average fair value of the options issued on February 8, 2024, was calculated as \$0.229 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 3.69%, expected dividend yield of nil, expected volatility of 122.48 and expected life term of 60 months.

(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, 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 March 31, 2024	-	-

The fair value of the warrants issued in the year ended December 31, 2022 was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 3.01%, expected dividend yield of nil, average expected volatility of 98.55% and expected life term of 24 months. Under this method of calculation, the Company recorded \$32,818 as the value of the warrants issued under this offering.

As at December 31, 2023 all of the warrants outstanding at year end expired unexercised.

The number of common shares outstanding on June 30, 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 June 30, 2024, was 144,693,594.

APPIA RARE EARTHS & URANIUM CORP.
Notes to Financial Statements
For the nine months ended June 30, 2024
(expressed in Canadian dollars unless otherwise stated)

9. 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.

	June 30, 2024, \$	September 30, 2023, \$
Balance at the beginning of the period	-	-
Liability incurred on flow-through shares issued	292,420	952,200
Settlement of liability through the expenditure of funds	(169,269)	(952,200)
Balance at the end of the period	126,151	-

10. Contributed surplus

A summary of changes in contributed surplus is:

	Amount \$
Balance, September 30, 2022	6,011,936
Share-based payments	1,336,409
Warrants expired	1,956,317
Balance, September 30, 2023	9,304,662
Stock options exercised	(68,328)
Warrants expired	1,912,692
Share-based payments	236,848
Balance, June 30, 2024	11,385,874

11. Related party transactions

During the three and nine months ended June 30, 2024, the Company incurred related party expenses totaling \$100,914 (2023 - \$135,137) and \$290,406 (2023 - \$199,900) respectively. These expenses related to management fees paid or payable to key management personnel; Tom Drivas, Chief Executive Officer, Stephen Burega, President, 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 June 30, 2024, \$19,378 (2023 - \$31,720) of accumulated related party expenditures was payable to the other officers and Romios Gold Resources Inc.

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the nine months ended June 30, 2024, and 2023.

During the three and nine months ended June 30, 2024, the Company incurred expenses of \$4,000 (2023 - \$5,500) and \$12,000 (2023 - \$11,000) respectively for independent directors' fees. At June 30, 2024, \$51,000 (2023 - \$27,000) of accrued directors' fees was outstanding.

During the three and nine months ended June 30, 2024, the Company incurred expenses of \$7,351 (2023 - \$30,697) and \$54,683 (2023 - \$96,974) respectively 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 June 30, 2024 \$8,256 (2023 - \$22,596) 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.

APPIA RARE EARTHS & URANIUM CORP.
Notes to Financial Statements
For the nine months ended June 30, 2024
(expressed in Canadian dollars unless otherwise stated)

11. Related party transactions – continued

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.

12. 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:

	June 30	September 30
	2024	2023
	\$	\$
FVTPL ⁽¹⁾	772,862	2,193,753
Receivables ⁽²⁾	56,434	209,344
Financial liabilities ⁽³⁾	482,705	160,246

(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.

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.

13. 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

APPIA RARE EARTHS & URANIUM CORP.
Notes to Financial Statements
For the nine months ended June 30, 2024
(expressed in Canadian dollars unless otherwise stated)

13. Capital disclosures – continued

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.

14. Segment information

The Company operated in 2 geographic segments during the nine months ended June 30, 2024 as disclosed below:

Country	Cash and cash equivalents	Receivables & prepaids	Exploration and evaluation Properties	Exploration camp and equipment	Accounts Payable	Deferred income tax	Profit (Loss)
Canada	\$772,862	\$298,851	\$26,410,454	\$433,866	\$478,706	\$2,906,103	\$ (1,103,907)
Brazil	-	-	1,942,985	-	-	-	-
	<u>\$772,862</u>	<u>\$298,851</u>	<u>\$28,353,439</u>	<u>\$433,866</u>	<u>\$478,706</u>	<u>\$2,906,103</u>	<u>\$ (1,108,839)</u>

15. Subsequent events

On July 12, 2024, the Company announced a non-brokered private placement financing of up to 10,000,000 units at \$0.10 per unit. Each unit consists of one common share and one common share purchase warrant exercisable at \$0.20 for a period of 12 months from the date of issue. The share purchase warrants include an acceleration provision whereby if the Company's shares trade at \$0.30 for ten consecutive days on the Canadian Securities Exchange, and the last trading day is at least 4 months from the date of issue, the warrants are exercisable at that time.