

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **APIA ENERGY CORP.** (the "Issuer").

Trading Symbol: "**API**"

Number of Outstanding Listed Securities: **65,312,468 common shares**

Date: **August 1, 2019**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact. **Diamond drilling commenced on June 19, with the Company announcing the completion of the first two drill holes in the Ivan zone (IV-19-002 and IV-19-003), following-up on the high-grade rare earth element ("REE") results from the 2018 outcrop channel sampling and drill hole IV-18-001. Of note, IV-19-003 intersected visible and continuous semi-massive to massive concentrations of monazite mineralization over a core**

length of 11.65 m (true thickness has not been determined), from within 10 m of surface. This drill hole tested a geophysical gravity survey target and has shown that the preliminary gravity survey results have been able to identify high concentration of monazite mineralization beneath the surface.

The Company announced the assay results on DD IV-19-003 on July 16, 2019, reporting an intersection of 11.65 metres core length starting at 10.25 metres down hole, assaying 16.10 wt% Total Rare Earth Oxides (“TREO”) including a 2.7m core length section that returned 31.04 wt% starting at 13.3m down hole. These assays are confirming the outcrop surface channel sampling and drill hole IV-18-001 which returned 15.56 wt% TREO over 1.2m.

Appia considers “high-grade” REE mineralization to be >1.897 wt% TREO, which represents >75th percentile for global REO deposit grades of advanced stage projects (excluding Gakara, Steenkampskraal and Mount Weld CLD deposits). The global REO deposit information was derived from publicly available information as of January 31, 2018, from individual company websites, SEDAR technical report filings, and the Technology Metals Research Advanced Rare Earth Projects Index (<http://www.techmetalsresearch.com/metrics-indices/tmr-advanced-rare-earth-projects-index/>)

Drilling is continuing on the geophysical gravity high targets reported in the surveys completed in June. Assays are pending on completed drill holes.

The extensive summer work program on the Alces Lake project this year includes up to 3,000 metres of diamond drilling along with further exploration and surveys on the extended property, subject to weather conditions. The emphasis is on the high-grade critical rare earth elements that are in short supply, used in making permanent magnets for electric vehicles and wind turbines.

2. Provide a general overview and discussion of the activities of management. **Successful non-brokered private placements during the winter of flow-through (FT) units and working capital (WC) units comprising a common share and warrants has provided working capital needed for this calendar year’s exploration programs.**
3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law. **In addition to the Alces Lake Project, the Company is planning exploration work on the North Wollaston uranium property, including airborne and ground surveys over the 11,371 hectare project area.**
4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties

including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship. **N/A**

5. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced. **N/A**
6. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship. **N/A**
7. Describe the acquisition of new customers or loss of customers. **N/A**
8. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks. **N/A**
9. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs. **N/A**
10. Report on any labour disputes and resolutions of those disputes if applicable. **N/A**
11. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings. **N/A**
12. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness. **N/A**
13. Provide details of any securities issued and options or warrants granted. **N/A**
14. Provide details of any loans to or by Related Persons. **Undrawn management fees owing to the CEO totalled \$611,730 at July 31, 2019.**
15. Provide details of any changes in directors, officers or committee members. **N/A**
16. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends. **The results of exploration programs as well as the outlook for world uranium and rare earth element ("REE") production and market prices affect the stock market price of the Company's shares. Prices for critical REEs have soared recently, as a shortage has developed, largely a result of the increase in electric vehicle production. Actual production statistics are difficult to assess. China has controlled the pricing of REEs in the past, as it reportedly supplies 78% of the world's REE production. The trade war between the USA and China is jeopardizing the availability of critical REEs and Alces Lake contains some of the highest-grade total critical REE mineralization in the world.**

For the supply of critical REEs required by the defence industry and for electronics, Washington has decreed that the critical REEs must not be sourced from China, which is difficult to do, as other sources are not able to meet the US demand.

At Elliot Lake, Ontario, the economic value of the Company's 2013 NI 43-101 reported resources is dependent, among other factors, on the market price and the demand outlook for uranium and REEs, as these can be mined together in one underground mining operation.

Spot uranium prices in 2018 increased by about 20% but currently still trades around US\$25 per lb. Production cutbacks by Cameco and Kazatomprom, the largest uranium producer in Kazakhstan, (largely selling at spot prices) have reduced the supply side. Kazatomprom's production cut of 20% in 2018 is expected to continue for a period of three years. Cameco is using its inventory to supply contractual delivery commitments, as the cost of mining far exceeds the spot price. Cameco is also expected to continue purchasing 30 million pounds on the spot market in 2019 to meet its commitments.

The World Nuclear Association has projected uranium demand to increase by 44% by 2035. Many utility companies have long-term supply contracts expiring, and by 2021 known supply sources are projected to be unable to match demand. Industry opinion is that a minimum long-term contract price of US\$60 is needed before any new mining project will advance.

The USA has announced that they will support extending the operating life of existing reactors by twenty years.

64 reactors are reported to be under construction around the world. Nine of 36 operable reactors in Japan resumed operation in 2018. An additional six have received approval to restart.

Reactor operators have adopted a wait-and-see attitude on price and are not building their stockpiles to "normal" levels. Japan has an unknown amount of stockpiled uranium, delivered under long-term contracts to idled reactors.

China has 42 operating nuclear reactors with an additional 19 units under construction and has plans to build another 41 units to reduce the use of coal, which is currently used to supply 70% of its electricity. China has an ongoing program of closing coal mines.

The political stability of countries currently supplying the REE and uranium market has caused concern in the United States, as very little uranium for reactors is sourced domestically. At a price of US\$30 lb the USA only has reserves of 4.3 million pounds. At US\$50 the reserves are estimated to be 174 million pounds. The concept of supplying 25% of domestic demand from US production requires the higher price, and will not be quickly achieved.

In response to US sanctions, Russia has threatened to halt enriched uranium exports to the US. Russia provides 14% of the US requirement, but Kazakhstan and Uzbekistan provide an additional 24% and 4% respectively. The threat has had no effect on the quoted spot price.

Certificate Of Compliance:

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: **August 1, 2019.**

Name of Director or Senior Officer

"F. van de Water"
Secretary

<i>Issuer Details</i> Name of Issuer Appia Energy Corp.	For Month End June 30, 2019	Date of Report YY/MM/D 19/08/01
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Contact Name Frank van de Water	Contact Position CFO, Sec., Director	Contact Telephone No. (416) 546 2707
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FORM 7 – MONTHLY PROGRESS REPORT

January 2015
Page 6