

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: "**API**"

Number of Outstanding Listed Securities: **52,332,007 common shares**

Date: **June 1, 2018**

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. **To follow up the excellent results from last summer's prospecting at Alces Lake, the crew for an overburden stripping, trenching, and diamond drilling program is being mobilized to arrive onsite in the first week of June 2018. An excavator will be moved from Uranium City, some 30 km to Alces Lake. A ground based IP survey over the property will take place**

after overburden stripping is completed. All permits required for the exploration work have been received.

To follow-up the Survey on the Eastside property there will be a ground prospecting program over the radiometric and structural target areas during the summer, 2018. An airborne EM and magnetic survey over the North Wollaston Property is also being planned.

2. Provide a general overview and discussion of the activities of management. **As access to the properties in winter is limited, management has focussed on planning and purchasing equipment and supplies for the summer field work at Alces Lake.**
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. **See paragraph 1 above.**
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. **There was no change in the Saskatchewan holdings of 5 core properties; Alces Lake, Loranger, Eastside, Otherside, and North Wollaston, totaling 73,033 hectares, (180,467 acres), and in Ontario at Elliot Lake.**
5. 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**
6. 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**
7. 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**
8. Describe the acquisition of new customers or loss of customers. **N/A**
9. 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**
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs. **N/A**

11. Report on any labour disputes and resolutions of those disputes if applicable. **N/A**
12. 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**
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness. **N/A**
14. Provide details of any securities issued and options or warrants granted. **N/A**
15. Provide details of any loans to or by Related Persons. **Undrawn management fees owing to the CEO totals \$576,730 at May 31, 2018.**
16. Provide details of any changes in directors, officers or committee members. **N/A**
17. 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 REE production and market prices affect the stock market price of the Company's shares.**

Financings completed in the past year enable the planned exploration work to be done on the Saskatchewan properties in 2018, with limitations on timing, as some sites can only be accessed and drilled when ground conditions permit.

The excellent results from the 2017 ground prospecting on the Alces Lake property indicated some of the highest-grade REE mineralization in the world, hosted within five broad surface showings that remain open in all directions. Overburden stripping, trenching and diamond drilling is planned with the expectation of completing a NI 43-101 compliant inferred resource estimate by year-end. Prices for critical REEs have increased significantly in the past year.

The economic value of the Company's NI 43-101 reported resources at Elliot Lake 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. REE supply from China tightened in 2017 due to environmental controls and stockpiling in light of demand growth and to avoid price spikes, with a foreseeable imbalance from production.

Spot uranium prices remain around US\$20 per lb. Production cutbacks by Cameco and Kazatomprom, the largest uranium producer in Kazakhstan, (largely selling at spot prices) are expected to bring the new supply and demand closer to balanced. Kazatomprom increased its production cuts to 20% in 2018 for a period of three years.

The uranium demand forecast is not expected to increase in the near future, but by 2021 known supply sources are projected to be unable to match demand. Industry opinion is that a long-term contract price of US\$60 is needed before any new mining project will advance.

Operators have adopted a wait-and-see attitude on price and are not building their stockpiles to “normal” levels. China has 20 new nuclear units under construction to reduce the use of coal, which is currently used to supply 70% of its electricity, and has an ongoing program of closing coal mines.

64 reactors are reported to be under construction around the world. The eighth of 39 operable reactors in Japan resumed operation in May. Another 17 have applied to restart.

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, with a similar situation for the supply of REEs required by the defence industry and for electronics.

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 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: **June 1, 2018.**

Name of Director or Senior Officer

“F. van de Water”
Secretary

Issuer Details Name of Issuer Appia Energy Corp.	For Month End May 31, 2018	Date of Report YY/MM/D 18/06/01
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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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