

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: "**API**"

Number of Outstanding Listed Securities: **58,402,007 common shares**

Date: **December 4, 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. **The 2018 summer exploration program included surface stripping, channel sampling and diamond drilling on seven zones at Alces Lake, northern SK. On September 18, 2018 assay results from surface channel samples collected from the Charles Zone were released. A total of 22 lines were sampled with 221 samples collected. The highest results were obtained along line 14 which returned 14.90 wt% total rare earth oxides**

("TREO") over 5.1m. Other notable results included 9.859 wt% TREO over 3.1m from line 17 and 7.568 wt% TREO over 4.0m from line 13. Eleven of the 18 lines with REO mineralization had grades considered to be "high grade" REOs based on global deposit grades.

On October 29, 2018 the company's news release announced the assays of the surface channel sampling for the Wilson Zone. The highest results were along line 10 which returned 14.35 wt% TREO over 4.75 m, comparable to the highest reading on the Charles Zone. Twenty of the 35 lines demonstrate "high-grade" continuity over a 50 m strike length. The average of the "high-grade" material returned 9.08 wt% TREO after applying a 4 wt% cut-off to the sample data.

To illustrate the value of the REOs in the Wilson Zone, one metric tonne of the "high-grade" would contain 90.73 kg of REOs of which 19.9 kg are critical magnet material REOs. Using current market prices for each of the individual REOs results in a total in-situ value of US\$1,159 per metric tonne, of which over 86% is attributable to the critical REOs.

On November 8, 2018 the company announced the assay results from channel samples from the Bell, Dante, Dylan and Ivan zones. The highlight was on the Ivan zone with a grade of 22.35 wt% TREO over 6.21 m on line 6 and the highest grade to date on the Property, 53.01 wt% TREO over 1.23 m on line 4. These grades are some of the highest reported in the world. The high-grade REO zones have proven to be continuous along strike, which enhances the exploration potential of the Property.

On November 26, the Company released the results from 15 shallow diamond drill holes in three zones, with 12 holes intersecting REE mineralization and 10 intersecting high-grade TREO and critical REEs. Three new sub-surface occurrences, without surface expressions, were discovered within 12 m true depth below surface in the Charles and Ivan zones. The grade intersected in the Charles sub-zone at 10.12 wt% TREO is higher than the surface grade.

Channel samples and drill core from all seven zones were processed by the Saskatchewan Research Council's Geoanalytical Laboratories in Saskatoon.

2. Provide a general overview and discussion of the activities of management. **All activity for the month involved the processing and analysing of the Alces Lake samples. Only a very small portion of the Alces Lake Property has been tested to date, with the exploration potential considered to be high.**
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. **N/A**
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. **The Saskatchewan holdings total 63,980 hectares, (158,430 acres), with other extensive holdings in**

Ontario at Elliot Lake. Exploration effort will continue to be concentrated on the Alces Lake Property in the summer of 2019, including a ground gravity survey exploring for subsurface REE zones, surface stripping and an extended diamond drill program.

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 totalled \$601,730 at November 30, 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. Prices**

for critical REEs have increased significantly in the past year, as a shortage is developing, largely a result of the increase in electric vehicle production.

At Elliot Lake, Ontario, the economic value of the Company's 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. REE supply from China tightened in 2018 due to environmental controls and stockpiling in light of demand growth and to avoid price spikes, with a foreseeable imbalance from production. China virtually controls the pricing of REEs. Actual production statistics are difficult to assess.

Spot uranium prices remain around US\$28 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 has cut its production by 20% in 2018, expected to continue for a period of three years. Cameco is using excess inventory to supply its contractual delivery commitments, as the cost of mining far exceeds the spot price. Cameco is expected to acquire an additional 30 million pounds on the spot market in 2019.

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 minimum long-term contract price of US\$60 is needed before any new mining project will advance.

Reactor operators have adopted a wait-and-see attitude on price and are not building their stockpiles to "normal" levels. China has 19 new nuclear units under construction and intends to build another 203 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.

64 reactors are reported to be under construction around the world. Nine of 36 operable reactors in Japan have resumed operation with an additional three expected to be operating by year-end 2018.

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 critical REEs required by the defence industry and for electronics. Washington has decreed that the critical REE for the manufacture of permanent magnets must not be sourced from China.

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: **December 4, 2018.**

Name of Director or Senior Officer

"F. van de Water"
Secretary

<i>Issuer Details</i> Name of Issuer Appia Energy Corp.	For Month End November 30, 2018	Date of Report YY/MM/D 18/12/04
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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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