

## FORM 7

### MONTHLY PROGRESS REPORT

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

Trading Symbol: "**API**"

Number of Outstanding Listed Securities: **63,998,468 common shares**

Date: **February 4, 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. **There was no exploration activity in January. Access to the Loranger Property must wait until an ice road is declared safe, likely in February. A drilling program is being planned and arrangements are being made to commence when the ice road is declared safe for transporting heavy equipment. Alces Lake property access relies on float plane, which requires ice-free water, likely in June. This winter an ice trail/road from**

**Uranium City will be created in order to bring in heavy equipment and material that will be required for the summer exploration season.**

2. Provide a general overview and discussion of the activities of management. **On January 16, 2019 the Company closed the final tranche of the non-brokered private placement of flow-through (FT) units and working capital (WC) units comprising a common share and warrants. 1,884,121 WC units were subscribed for gross proceeds of \$452 189. Along with the December 31, 2018 closing, the Company raised an aggregate of \$1,396,301 for exploration work and for working capital purposes.**
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. The Company is planning work on the properties commencing in February by drilling on the Loranger Property, followed later with airborne and ground surveys, and commencing in June, a continuation of the extensive work being carried out at the Alces Lake Rare Earth Elements site.**
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 \$616,730 at December 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 rare earth element ("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. China is restricting the production of REEs by not renewing mining licenses for small (largely unregulated) miners.**

**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. China virtually controls the pricing of REEs. Actual production statistics are difficult to assess.**

**Spot uranium prices in 2018 increased by about 20% and is currently quoted at US\$29 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 reduced 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 also expected to purchase an additional 30 million pounds on the spot market in 2019 to meet its commitments.**

**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.**

**64 reactors are reported to be under construction around the world. Nine of 36 operable reactors in Japan resumed operation in 2018.**

**Reactor operators have adopted a wait-and-see attitude on price and are not building their stockpiles to "normal" levels. China has 42 operating nuclear**

reactors with an additional 16 units under construction and has plans to build another 43 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, with a similar situation for the supply of critical REEs required by the defence industry and for electronics. Washington has decreed that the critical REEs for the manufacture of permanent magnets must not be sourced from China, which is difficult to do as China continues to supply approximately 90% of the world's demand for REEs.

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: **February 4, 2019.**

Name of Director or Senior Officer

***"F. van de Water"***  
**Secretary**

<b>Issuer Details</b> Name of Issuer <b>Appia Energy Corp.</b>	For Month End <b>January 31, 2019</b>	Date of Report YY/MM/D <b>19/02/04</b>
Issuer Address <b>500 – 2 Toronto Street</b>		
City/Province/Postal Code <b>Toronto, ON M5C 2B6</b>	Issuer Fax No. <b>( 416) 218 9772</b>	Issuer Telephone No. <b>(416) 546 2707</b>
Contact Name <b>Frank van de Water</b>	Contact Position <b>CFO, Sec., Director</b>	Contact Telephone No. <b>(416) 546 2707</b>
Contact Email Address <b>fvandewater@rogers.com</b>	Web Site Address <a href="http://www.appiaenergy.ca">www.appiaenergy.ca</a>	