APPIA RARE EARTHS & URANIUM CORP.
(formerly "APPIA ENERGY CORP.")

CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended March 31, 2026 and 2025
(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 1st day of June 2026.

APPIA RARE EARTH & URANIUM CORP.

Per: *(signed) "Tom Drivas"*
Name: Tom Drivas
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

	Note	**March 31, 2026 $**	September 30, 2025 $
Assets			
Current			
Cash and cash equivalents	4	**5,562,445**	1,304,851
Accounts receivable		**72,090**	63,898
Prepaid expenses		**79,152**	106,568
Total current assets		**5,713,687**	1,475,317
Non-current assets			
Prepaid and deposits-Long-term		**49,762**	49,762
Acquisition cost of properties	5	**834,606**	1,112,106
Deferred exploration expenditures – Canada	5	**26,683,091**	25,952,572
Deferred exploration expenditures – Brazil	5,7	**-**	2,549,183
Exploration camp and equipment	7	**222,668**	267,552
Investment in associate	6	**2,619,833**	-
Total assets		**36,123,647**	31,406,492
Liabilities			
Current			
Accounts payable & accruals		**707,752**	1,178,628
Flow-through share premium	9	**-**	4,019
		707,752	1,182,647
Long term			
Future income tax liabilities		**3,050,000**	3,050,000
Total liabilities		**3,757,752**	4,232,647
Shareholders' equity			
Share capital	8(a)	**40,850,981**	36,310,397
Warrants	8(c)	**856,537**	910,959
Contributed surplus	10	**12,054,377**	11,545,104
Accumulated other comprehensive income		**-**	(14,060)
Deficit		**(21,396,000)**	(21,544,147)
Non-controlling interest		**-**	(34,408)
Total shareholders' equity		**32,365,895**	27,173,845
Total liabilities and shareholders' equity		**36,123,647**	31,406,492

Nature of operations and going concern (note 1)

APPROVED ON BEHALF OF THE BOARD on June 1, 2026.

"Signed"
Anastasios (Tom) Drivas

"Signed"
Frank van de Water

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

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

		For the three months ended March 31		For the six months ended March 31	
	Note	**2026** **$**	2025 $	**2026** **$**	2025 $
Expenses					
General and administrative activities:					
Investor relations		**22,190**	22,101	**52,307**	49,592
Management fees and salaries		**71,500**	117,200	**285,500**	206,100
Office and general		**73,491**	48,277	**179,763**	127,230
Part XII.6 tax		**-**	2,169	**-**	4,320
Professional fees		**29,748**	104,585	**143,094**	173,662
Share-based compensation	8(b)	**-**	21,810	**-**	46,785
General and administrative expenses		**196,929**	316,142	**660,664**	607,689
Loss for the period before the following		**(196,929)**	(316,142)	**(660,664)**	(607,689)
Flow-through premium		**-**	2,586	**4,019**	84,997
Gain (loss) on foreign exchange		**-**	388	**(365)**	16,810
Interest income, sundry		**-**	1,033	**-**	1,033
Gain on disposal	8	**-**	-	**1,300,624**	-
Share of loss of investee		**-**	-	**(495,467)**	-
Net income (loss)		**(196,929)**	(312,135)	**148,147**	(504,849)
Net income (loss) attributable to:					
Common shareholders		**(196,929)**	(310,581)	**148,147**	(498,696)
Non-controlling interest		**-**	(1,556)	**-**	(6,153)
Net income (loss) per share attributable to common shareholders – basic and diluted		**(0.00)**	(0.00)	**0.00**	(0.00)
Weighted average outstanding shares		**212,077,031**	152,985,000	**190,067,005**	149,183,000
Other comprehensive income (loss)					
Currency translation adjustment		**-**	(81,451)	**-**	(113,964)
Comprehensive income		**-**	(81,451)	**-**	(113,964)
Net income (loss) and comprehensive income (loss)		**(196,929)**	(393,586)	**148,147**	(618,813)

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

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

	Share Capital $	Warrants $	Contributed Surplus $	Accumulated Other Comprehensive Income (Loss) $	Deficit $	Non-controlling Interest $	Total $
At September 30, 2024	**34,490,815**	**-**	**11,451,834**	**(240,600)**	**(20,777,730)**	**(23,068)**	**24,901,251**
Flow-through shares private placement	963,250	-	-	-	-	-	963,250
Allocated to flow-through premium	(49,903)	-	-	-	-	-	(49,903)
Working capital units private placement	1,762,500						1,762,500
Valuation of warrants issued	(906,234)	906,234	-	-	-	-	-
Share issue costs	(58,781)	8,285	-	-	-	-	(50,496)
Stock options exercised	(292,420)	-	(68,327)	-	-	-	120,000
Warrants exercised	125,000	18,750	(3,560)	3,560	-	-	18,750
Shares issued for Brazil Project	90,000	-	-	-	-	-	90,000
Share-based compensation	-	-	89,710	-	-	-	89,710
Net loss and comprehensive loss for the year	-	-	-	(226,540)	(766,417)	(11,340)	(551,217)
At September 30, 2025	**36,310,397**	**910,959**	**11,545,104**	**(14,060)**	**(21,544,147)**	**(34,408)**	**27,173,845**
Working capital units private placement	2,574,300	-	-	-	-	-	2,574,300
Valuation of warrants issued	(847,772)	847,772	-	-	-	-	-
Valuation of broker warrants issued	(480)	480	-	-	-	-	-
Warrants exercised	2,534,536	(393,401)	-	-	-	-	2,141,135
Warrants expired	-	(509,273)	509,273	-	-	-	-
Reduction of investment interest in Brazil	280,000	-	-	14,060	-	34,408	328,468
Net income and comprehensive income for the period	-	-	-	-	148,147	-	148,147
At March 31, 2026	**40,850,981**	**856,537**	**12,054,377**	**-**	**(21,396,000)**	**-**	**32,365,895**

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

	Note	For the six months ended March 31 **2026** $	2025 $
Operating activities			
Net loss for the period		**148,147**	(504,849)
Items not affecting cash:			
Exchange gain		**3,821**	(1,300)
Gain on disposal		**(1,300,624)**	-
Share of loss of investee		**495,467**	-
Flow-through share premium	9	**(4,019)**	(84,997)
Share-based compensation	8(b)	**-**	46,785
		(657,208)	(544,361)
Net change in non-cash working capital			
Accounts receivable		**(8,192)**	16,844
Prepaid expenses		**27,416**	34,958
Accounts payable and accrued liabilities		**(210,267)**	(107,970)
Net cash used in operating activities		**(848,251)**	(600,529)
Investing activities			
Deferred exploration expenditures	5	**(800,348)**	(944,340)
Exploration and evaluation assets costs recovered		**217,558**	-
Proceeds on sale of exploration and evaluation assets		**1,223,200**	-
Net cash provided by (used in) investing activities		**640,410**	(944,340)
Financing activities			
Private placement of flow-through units	8(a)	**-**	732,500
Private placement of working capital units	8(a)	**2,324,300**	762,500
Warrants exercised	8(c)	**2,141,135**	-
Share issue expense	8(a)	**-**	(24,660)
Net cash from financing activities		**4,465,435**	1,470,340
Change in cash and cash equivalents		**4,257,594**	(74,529)
Cash and cash equivalents, beginning of the period		**1,304,851**	319,501
Cash and cash equivalents, end of the period		**5,562,445**	244,972

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

1. Nature of operations and going concern

Appia Rare Earths & Uranium Corp. ("Appia" 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 200 – 3310 South Service Road, Burlington ON.

The accompanying unaudited condensed interim consolidated 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 March 31, 2026 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 of $5,005,935 as at March 31, 2026 and has incurred losses since inception resulting in an accumulated deficit of $21,396,000 as at March 31, 2026. 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, 2026.

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, 2025 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, 2025.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these Financial Statements. Operating results for the six months ended March 31, 2026 may not be indicative of the results that may be expected for the year ending September 30, 2026.

3. Summary of significant accounting policies

Readers should refer to the September 30, 2025, 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, 2025 and if a new policy differs materially from the accounting policies used in the preparation of these Financial

3. Summary of significant accounting policies (continued)

Statements, these Financial Statements will be restated to retrospectively account for the application of those policies adopted at September 30, 2025.

Basis of Presentation

The condensed interim financial statements for the period ended March 31, 2026 include the accounts of the Company. Comparative financial information includes the accounts of the Company and its 70% owned subsidiary Appia Brasil Rare Earths Mineracao Ltda.

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 three months ended March 31, 2026, the following standards have been issued but not yet adopted.

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure, clarifies the classification of financial assets with environmental, social, and corporate governance and similar features and addresses concerns raised regarding the settlement of liabilities through electronic payment systems. The amendments are effective for annual periods beginning on or after January 1, 2026 with early adoption permitted.

The Company has not yet determined the impact of these amendments on its consolidated financial statements.

4. Cash and cash equivalents

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

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.

(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, 2024	602,693	211,685	158,849	187,500	1,160,727
Shares issued for Brazil Project (Note 6)	-	-	-	90,000	90,000
Total additions for the year	526	-	(139,147)	-	(138,621)
Balance, September 30, 2025	603,219	211,685	19,702	277,500	1,112,106
Reduction of investment interest	-	-	-	(277,500)	(277,500)
Balance, March 31, 2026	**603,219**	**211,685**	**19,702**	**-**	**834,606**

Deferred exploration and evaluation expenditures

	Saskatchewan	Ontario	Brazil Project	Total
	$	$	$	$
Balance, September 30, 2025	21,359,618	4,592,954	2,549,183	28,501,755
Assaying	14,914	-	-	14,914
Contract flying	107,454	-	-	107,454
Contract labour	70,566	-	-	70,566
Depreciation	41,147	-		41,147
Field expenses	991	-	-	991
First Nations consulting	2,250	-	-	2,250
Fuel	2,193	-	-	2,193
Geologists	54,458	-	-	54,458
Geophysics	192,508	-	-	192,508
Helicopter fuel	164,130	-	-	164,130
Other	12,688	7,679	-	20,367
Personnel travel costs	38,876	-	-	38,876
Reduction of investment in Brazil	-	-	(2,549,183)	(2,549,183)
Balance, March 31, 2026	**22,082,458**	**4,600,633**	**-**	**26,683,091**

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 March 31, 2026 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 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).

(expressed in Canadian dollars unless otherwise stated)

5. Exploration and evaluation (continued)

Saskatchewan, Athabasca Basin Area (continued)

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. Investment in Associate

On October 31, 2025, the Company disposed of a 45% interest in Appia Brasil Rare Earths Mineracao Ltda. (Appia Brazil) reducing its ownership from 70% to 25%. As a result of the transaction, the Company lost control of the subsidiary within the meaning of IFRS 10 and the remaining 25% interest has been accounted for as an investment in associate using the equity method under IAS 28 effective October 31, 2025.

Carrying value at loss of control (fair value)	3,115,300
Share of post disposal loss	(495,467)
Carrying amount end of period	2,619,833

The following tables provide a summary of the financial information of Appia Brazil:

		March 31, 2026
Total current assets	$	5,896,269
Total non-current assets		3,100,360
Total current liabilities		(176,882)
Total non-current liabilities		(10,155,809)
Total net assets	$	(1,336,062)

(expressed in Canadian dollars unless otherwise stated)

6. Investment in Associate (continued)

		Period from October 31, 2025 to March 31, 2026
Revenue	$	-
Net loss and comprehensive loss	$	(1,981,866)

7. Exploration camp and equipment

	Machinery and Equipment	Camp	Total
Cost	**$**	**$**	**$**
Balance as at September 30, 2024	730,351	864,773	1,595,124
Additions	(10,500)	-	(10,500)
Balance as at September 30, 2025	719,851	865,007	1,584,858
Additions	(3,187)	(550)	(3,737)
Balance as at March 31, 2026	716,664	864,457	1,581,121
Accumulated Depreciation			
Balance, September 30, 2024	(592,936)	(606,806)	(1,199,742)
Depreciation	(40,269)	(77,295)	(117,564)
Balance as at September 30, 2025	(633,205)	(684,101)	(1,317,106)
Depreciation	(14,094)	(27,053)	(41,147)
Balance as at March 31, 2026	(640,252)	(697,627)	(1,337,879)
Net book value, September 30, 2025	86,646	180,906	267,552
Balance as at March 31, 2026	**69,365**	**153,303**	**222,668**

Depreciation is charged at 30% per annum (total of $41,987), on a declining balance basis and has been added to deferred exploration costs.

8. Brazil project

On October 31, 2025, the Company disposed of a 45% interest in Appia Brasil Rare Earths Mineracao Ltda. (Appia Brazil) reducing its ownership from 70% to 25%. As a result of the transaction, the Company lost control of the subsidiary within the meaning of IFRS 10 and the remaining 25% interest has been accounted for as an investment in associate using the equity method under IAS 28 effective October 31, 2025.

In accordance with IFRS 10, Appia Brazil was deconsolidated on the date control was lost and the assets and liabilities of Appia Brazil were derecognized. The non controlling interest and other comprehensive income was derecognized.

The remaining 25% interest was remeasured to fair value at the date control was lost and a gain on disposal was recognized in the Statement of Loss and Comprehensive Loss.

Consideration received includes $1,223,200 in connection with amounts received for subscription for 5,560,000 units on October 31, 2025.

(expressed in Canadian dollars unless otherwise stated)

8. Brazil project (continued)

The gain on deconsolidation was calculated as follows:

Consideration received	$	1,440,758
Fair value of 25% retained interest		3,115,300
Less: Carrying amount of net assets disposed		(3,206,966)
Carrying amount of non controlling interest and OCI derecognized		(48,468)
	$	1,300,624

9. 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, 2024	136,833,594	34,490,815
Flow-through shares private placement	9,045,614	963,250
Working capital units private placement	22,031,250	1,762,500
Allocated to flow-through premium (Note 8)	-	(49,903)
Share issue costs	-	(50,496)
Warrants exercised	125,000	18,750
Less: value associated with warrants issued	-	(906,234)
Less: value associated with broker warrants issued	-	(8,285)
Third tranche of shares for the Brazil Project (note 6)	500,000	90,000
Balance, September 30, 2025	168,535,458	36,310,397
Working capital units private placement	5,500,000	1,017,500
Working capital units private placement	5,560,000	1,556,800
Common shares issued	1,000,000	280,000
Warrants exercised	14,274,233	2,141,135
Less: Value associated with warrants issued	-	(847,772)
Less: Value associated with broker warrants issued	-	(480)
Transfer from reserve on exercise of warrants	-	393,401
Balance, March 31, 2026	**194,869,691**	**40,850,981**

On October 1, 2025, the Company issued 1,531,352 working capital units at $0.185 per unit for gross proceeds of $283,300. Each unit comprises one common share and one-half common share purchase warrant. Each whole share purchase warrant is exercisable at $0.30 until the earlier of October 1, 2029 and (ii) in the event that the closing price of the Common Shares on the Canadian Securities Exchange is at least $0.40 for ten (10) consecutive trading days, and the 10th trading day (the "Final Trading Day") is at least four (4) months from October 1, 2025, the date which is thirty (30) days from the Final Trading Day (the "Trigger Date"). In connection with the financing, 4,800 Broker Warrants were issued to acquire one common share at a price of $0.30 for a period of 24 months.

On October 9, 2025, the Company issued 100,000 common shares at $0.15 pursuant to the exercise of warrants for proceeds of $15,000.

On October 10, 2025, the Company issued 2,916,667 common shares at $0.15 pursuant to the exercise of warrants for proceeds of $437,500.

9. Share capital (continued)

(a) Common shares (continued)

On October 15, 2025, the Company issued 3,968,648 working capital units at $0.185 per unit for gross proceeds of $734,200. Each unit comprises one common share and one- half common share purchase warrant. Each whole share purchase warrant is exercisable at $0.30 until the earlier of October 1, 2029 and (ii) in the event that the closing price of the Common Shares on the Canadian Securities Exchange is at least $0.40 for ten (10) consecutive trading days, and the 10th trading day (the "Final Trading Day") is at least four (4) months from October 15, 2025, the date which is thirty (30) days from the Final Trading Day (the "Trigger Date").

On October 21, 2025, the Company issued 281,250 common shares at $0.15 pursuant to the exercise of warrants for proceeds of $42,188.

On October 31, 2025, the Company issued 5,560,000 working capital units at $0.28 per unit pursuant to the reduction in ownership of Appia Brazil for proceeds of $1,556,800. Each unit consists of one common share and one-half common share purchase warrant exercisable at $0.70 until October 31, 2027.

On October 31, 2025, the Company issued 1,000,000 common shares at $0.28 per share pursuant to the reduction in ownership of Appia Brazil.

On November 3, 2025, the Company issued 150,000 common shares at $0.15 pursuant to the exercise of warrants for proceeds of $22,500

On November 4, 2025, the Company issued 838,816 common shares at $0.15 pursuant to the exercise of warrants for proceeds of $125,822.

On November 12, 2025, the Company issued 312,500 common shares at $0.15 pursuant to the exercise of warrants for proceeds of $46,875.

On November 18, 2025, the Company issued 3,645,000 common shares at $0.15 pursuant to the exercise of warrants for proceeds of $546,759.

On November 19, 2025, the Company issued 1,336,250 common shares at $0.15 pursuant to the exercise of warrants for proceeds of $200,438.

On November 20, 2025, the Company issued 193,750 common shares at $0.15 pursuant to the exercise of warrants for proceeds of $29,063.

On November 26, 2025, the Company issued 4,000,000 common shares at $0.15 pursuant to the exercise of warrants for proceeds of $600,000.

On December 24,2025, the Company issued 500,000 common shares at $0.15 pursuant to the exercise of warrants for proceeds of $75,000.

(b) 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.

(expressed in Canadian dollars unless otherwise stated)

9. Share capital (continued)

(b) Options (continued)

As at March 31, 2025, 6,000,000 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, 2024	8,160,000	0.45
Exercisable at September 30, 2024	8,160,000	0.45
Granted	500,000	0.15
Expired	(3,160,000)	0.29
Outstanding at September 30, 2025	6,000,000	0.45
Exercisable at September 30, 2025	6,000,000	0.45
Outstanding at March 31, 2026	6,000,000	0.45
Exercisable at March 31, 2026	6,000,000	0.45

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.

On April 22, 2024 the Company granted 500,000 options to purchase common shares exercisable at $0.15 per share for five years to consultants of the Company.

On May 20, 2025, the Company granted 500,000 options to purchase common shares exercisable at $0.15 per share for five years to a director of the Company.

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
150,000	150,000	0.18 years	$0.91	June 3, 2026
4,850,000	4,850,000	1.48 years	$0.50	September 21, 2027
200,000	200,000	1.55 years	$0.60	October 18, 2027
300,000	300,000	2.86 years	$0.28	February 8, 2029
500,000	500,000	4.14 years	$0.15	May 20, 2030
6,000,000	6,000,000			

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 3.67%, 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 120.62% and expected life term of 60 months.

(expressed in Canadian dollars unless otherwise stated)

9. Share capital (continued)

(b) Options (continued)

The weighted average fair value of the options issued on April 22, 2024, was calculated as $0.100 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 3.86%, expected dividend yield of nil, expected volatility of 131.48% and expected life term of 60 months.

The weighted average fair value of the options issued on May 20, 2025, was calculated as $0.072 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 2.85%, expected dividend yield of nil, expected volatility of 112.25% 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, 2024	-	-
Warrants granted	31,076,864	906,234
Broker warrants granted	220,750	8,285
Warrants exercised	(125,000)	(3,560)
Balance September 30, 2025	31,172,614	910,959
Private placement warrants issued	5,534,799	848,252
Warrants exercised	(14,274,233)	(393,402)
Warrants expired	(16,677,631)	(509,272)
Balance March 31, 2026	5,755,549	856,537

The fair value of the warrants issued during the year ended September 30, 2025, 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.

The number of common shares outstanding on March 31, 2026, was 194,869,691. Taking into account outstanding share purchase options and warrants, the fully diluted number of common shares that could have been outstanding on March 31, 2026, was 206,625,240.

The fair value of the warrants issued October 1, 2025, was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 2.43%, expected dividend yield of nil, average expected volatility of 109.69% and expected life term of 24 months. Under this method of calculation, the Company recorded $92,761 as the value of the warrants issued under this offering.

The fair value of the broker warrants issued October 1, 2025, was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 2.43%, expected dividend yield of nil, average expected volatility of 109.69% and expected life term of 24 months. Under this method of calculation, the Company recorded $480 as the value of the warrants issued under this offering.

(expressed in Canadian dollars unless otherwise stated)

9. Share capital (continued)

(c) Warrants (continued)

The fair value of the warrants issued October 15, 2025, was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 2.43%, expected dividend yield of nil, average expected volatility of 114.66% and expected life term of 24 months. Under this method of calculation, the Company recorded $305,639 as the value of the warrants issued under this offering.

The fair value of the warrants issued October 31, 2025, was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free weighted-average interest of 2.431%, expected dividend yield of nil, average expected volatility of 115.06% and expected life term of 24 months. Under this method of calculation, the Company recorded $449,372 as the value of the warrants issued under this offering.

10. Flow-through share premium

Flow-through liabilities include the deferred premium portion of the flow-through shares issued.

On October 29,2024, the Company closed a private placement of 3,075,000 flow-through units for gross proceeds of $307,500. As of December 31, 2024, $nil of these funds have been expended on Canadian Exploration Expenditures ("CEE"). The Company is committed to spending the full amount on or before December 31, 2025.

On December 31,2024, the Company closed a private placement of 3,541,667 flow-through units for gross proceeds of $425,000. As of December 31, 2024, $nil of these funds have been expended on Canadian Exploration Expenditures ("CEE"). The Company is committed to spending the full amount on or before December 31, 2025.

On June 27, 2025, the Company closed a private placement of 2,428,947 flow-through units for gross proceeds of $230,750. As of March 31, 2026, $230,750 of these funds have been expended on Canadian Exploration Expenditures ("CEE").

The following is a continuity schedule of the liability portion of the flow-through issuances.

	March 31, 2026, $	September 30, 2025, $
Balance at the beginning of the period	4,019	82,411
Liability incurred on flow-through shares issued	-	49,903
Settlement of liability through the expenditure of funds	(4,019)	(128,295)
Balance at the end of the period	-	4,019

11. Contributed surplus

A summary of changes in contributed surplus is:	Amount $
Balance, September 30, 2024	11,451,834
Warrants exercised	3,560
Share-based payments	89,710
Balance, September 30, 2025	11,545,104
Warrants expired	509,273
Balance, March 31, 2026	12,054,377

(expressed in Canadian dollars unless otherwise stated)

12. Related party transactions

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

During the six months ended March 31, 2026, $nil (2025 - $124,000) was paid or accrued to the president for management fees.

During the six months ended March 31, 2026, $100,000 (2025 - $30,000) was paid or accrued to the CEO for management fees. In addition, a bonus in the amount of $140,000 was accrued for the CEO (2025-$nil).

During the six months ended March 31, 2026, $36,000 (2025 - $36,000) was paid to a company controlled by the CFO for accounting and management services.

During the six months ended March 31, 2026, $4,900 (2025 - $8,100) was paid to the VP Exploration for exploration related services.

During the six months ended March 31, 2026, $105,247 (2025 - $53,035) was paid or accrued for legal fees to a law firm related to a Director of the Company, William R. Johnstone.

During the six months ended March 31, 2026, the Company incurred expenses of $9,500 (2025 - $8,000) for independent directors' fees. At March 31, 2026, $92,500 (2025 - $103,000) of accrued directors' fees was outstanding.

Accounts payable and accrued liabilities include $175,064 (September 30, 2025 - $33,715) due to officers and directors of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

13. 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:

	March 31 2026 $	September 30 2025 $
FVTPL[(1)]	**5,562,445**	1,304,851
Receivables [(2)]	**72,090**	63,898
Financial liabilities [(3)]	**707,752**	1,126,876

(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.

13. Financial instruments and risk management (continued)

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.

14. 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 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.

15. Segment information

At March 31, 2026, the Company operated in Canada with an investment in a Brazilian associate.

16. Subsequent events

Subsequent to March 31, 2026

On April 19, 2026, 400,000 options expired unexercised.

On May 22, 2026, the Company announced that it had signed a Share Exchange Agreement dated May 21, 2026 (the "**Agreement**") among the Company, Ultra Rare Earth Inc. ("**Ultra USA**"), Ultra Rare Earth Bahamas Limited ("**Ultra Bahamas**"), Beko Invest Ltd. ("**Beko**"), Antonio Vitor Junior ("**Antonio**"), and Ultra Brasil Rare Earths Mineração Ltda. ("**Ultra Brasil**").

Pursuant to the Agreement, Appia and Antonio will transfer their respective twenty-five percent (25%) equity interests (quotas) in Ultra Brasil to Ultra USA in exchange for shares of Ultra USA Common Stock (the "**Share Exchange**"). As a result of the Share Exchange, Ultra USA and its wholly-owned subsidiary Ultra Bahamas will

16. Subsequent events (continued)

collectively hold one hundred percent (100%) of the equity interests in Ultra Brasil, with Ultra USA holding fifty percent (50%) and Ultra Bahamas holding fifty percent (50%). Appia will hold a 25% equity interest in Ultra USA. Ultra Brasil is engaged in the exploration and development of rare earth mineral resources in the Federative Republic of Brazil, including the Ultra Hard Rock Carbonatite Target and the Ultra IAC Target (the "**Property**") located in the Tocantins Structural Province of the Brasília Fold Belt, Goiás State, Brazil.

Pursuant to the Agreement:

1. Appia will transfer its twenty-five percent (25%) interest in Ultra Brasil (the "**Appia Interest**") to Ultra USA in exchange for 2,342,500 shares of Ultra USA Common Stock (the "**Appia Exchange Shares**").
2. Antonio will transfer his twenty-five percent (25%) interest in Ultra Brasil (the "**Antonio Interest**") to Ultra USA in exchange for 2,342,500 shares of Ultra USA Common Stock (the "**Beko Exchange Shares**") which Antonio will transfer to Beko (the "**Beko Transfer**").
3. Immediately following the Share Exchange and Beko Transfer, Ultra USA will have 9,370,000 shares of Ultra USA Common Stock issued and outstanding, with each of Appia and Beko holding 2,342,500 shares, representing twenty-five percent (25%) of the issued and outstanding shares of Ultra USA Common Stock.
4. In connection with the Share Exchange, the Quotaholders' Agreement dated October 31, 2025, among Ultra Bahamas, Ultra USA, Appia, Beko, Antonio, and Ultra Brasil will be terminated.
5. Effective concurrently with the closing of the Share Exchange (the "**Closing**"), Tom Drivas, CEO of Appia, and Antonio will be appointed directors of Ultra USA. The board of directors of Ultra USA (the "**Board**") will consist of Michael Beck, Tom Drivas, Antonio, Stephen Dattels (Non-Executive Chairman of the Board) and Don Hains.
6. Appia and Beko each have the right to appoint one director to the Board of Ultra USA, provided that they continue to hold at least a 5% equity interest in Ultra USA. In addition, until the consummation of an initial public offering of Ultra USA Common Stock registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**"), each of Appia and Beko will have a Pre-Emptive Right to purchase their pro rata proportion of any shares of Ultra USA issued on a private placement basis by Ultra USA.
7. Ultra USA will grant 702,750 options to purchase shares of Ultra USA Common Stock on Closing (the "**Options**"), of which 275,000 of the Options are to be granted to Tom Drivas in his role as a director of Ultra USA. Each Option will have an exercise price equal to the greater of US$5.00 and the fair market value of a share of Ultra USA Common Stock as of the date of grant, a five-year term, and will be fully vested and exercisable immediately upon issuance.
8. The issuance of the Appia Exchange Shares and the Beko Exchange Shares (collectively the "**Exchange Shares**") will be effected in reliance upon exemptions from registration under the US Securities Act, including Regulation S promulgated thereunder. The Exchange Shares will be "restricted securities" as defined in Rule 144 under the US Securities Act.

While the prefeasibility study (the "**PFS**") on the Ultra IAC Project has not yet been completed, Ultra USA and Appia are proceeding with the Share Exchange at this time due to changing geopolitical considerations. Ultra USA will be solely responsible for completing the PFS following Closing.

On May 29, 2026, the Share Exchange closed.