
MADISON METALS INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE AND NINE MONTHS ENDED
AUGUST 31, 2023
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Madison Metals Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Madison Metals Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	As at August 31, 2023	As at November 30, 2022
ASSETS		
Current assets		
Cash	\$ 163,904	\$ 678,516
Marketable securities (note 4)	6,750	10,500
Amounts receivable	235,417	119,337
Prepaid expenses	24,431	186,897
Total current assets	430,502	995,250
Non-current assets		
Equipment	7,234	8,512
Exploration and evaluation assets (note 5)	3,841,302	2,675,288
Total assets	\$ 4,279,038	\$ 3,679,050
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	\$ 161,797	\$ 42,237
Total liabilities	161,797	42,237
Equity		
Share capital (note 6)	10,963,571	\$ 8,227,098
Warrants (note 7)	128,056	408,190
Contributed surplus (note 8)	1,363,523	905,171
Deficit	(8,337,909)	(5,903,646)
Total equity	4,117,241	\$ 3,636,813
Total equity and liabilities	\$ 4,279,038	\$ 3,679,050

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)

Subsequent events

Madison Metals Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended August 31, 2023	Three Months Ended August 31, 2022	Nine Months Ended August 31, 2023	Nine Months Ended August 31, 2022
Operating expenses				
Professional fees (note 9)	\$ 53,212	\$ 22,862	\$ 106,470	\$ 154,261
Consulting fees (notes 6 and 9)	935,250	53,000	1,243,302	166,520
General office expenses	30,270	8,407	156,287	46,815
Investor relations	109,461	102,343	498,062	116,513
Shareholder information and communication	12,124	25,750	37,899	45,310
Transfer agent and filing fees	-	10,007	7,618	13,087
Foreign exchange (gain) loss	9,607	(20,510)	1,710	(17,174)
Depreciation	426	544	1,278	1,819
Share-based payments (notes 8 and 9)	231,979	-	458,352	175,100
Loss before other items	(1,382,329)	(202,403)	(2,510,978)	(702,251)
Other items				
Unrealized loss on fair value of marketable securities (note 4)	(750)	(13,500)	(3,750)	(21,000)
Net loss and comprehensive loss for the period	\$ (1,383,079)	\$ (215,903)	\$ (2,514,728)	\$ (723,251)
Basic and diluted net loss per share	\$ (0.06)	\$ (0.01)	\$ (0.11)	\$ (0.04)
Weighted average number of common shares outstanding	23,478,150	17,914,361	23,478,150	16,263,353

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Madison Metals Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

Unaudited

	Nine Months Ended August 31, 2023	Nine Months Ended August 31, 2022
Operating activities		
Net loss for the period	\$ (2,514,728)	\$ (723,251)
Adjustments for:		
Depreciation	1,278	1,819
Share-based payments	458,352	175,100
Unrealized loss on fair value of marketable securities	3,750	21,000
Shares issued for services	899,250	-
Changes in non-cash working capital items:		
Amounts receivable	(116,080)	(75,734)
Prepaid expenses	162,466	(287,549)
Accounts payable and accrued liabilities	119,560	8,767
Net cash used in operating activities	(986,152)	(879,848)
Investing activities		
Exploration activities and maintenance of properties	(750,014)	(197,735)
Purchase of equipment	-	(3,750)
Net cash used in investing activities	(750,014)	(201,485)
Financing activities		
Issuance of units for cash	-	959,398
Share issuance costs	-	(52,243)
Warrants exercised	1,221,554	-
Net cash provided by financing activities	1,221,554	907,155
Net change in cash	(514,612)	(174,178)
Cash, beginning of period	678,516	1,259,141
Cash, end of period	\$ 163,904	\$ 1,084,963
Supplemental cash flow information		
Shares issued for property acquisition	\$ 416,000	\$ 2,012,500

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Madison Metals Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

Unaudited

	Share capital	Contributed surplus	Warrants	Deficit	Total
Balance, November 30, 2021	\$ 4,973,817	\$ -	\$ 299,700	\$ (3,776,538)	\$ 1,496,979
Units issued for cash	959,398	-	-	-	959,398
Share issuance costs	(81,643)	-	29,400	-	(52,243)
Warrant valuation	(306,700)	-	306,700	-	-
Shares issued for property acquisition	2,012,500	-	-	-	2,012,500
Share-based payments	-	175,100	-	-	175,100
Net loss for the period	-	-	-	(723,251)	(723,251)
Balance, August 31, 2022	\$ 7,557,372	\$ 175,100	\$ 635,800	\$ (4,499,789)	\$ 3,868,483
Balance, November 30, 2022	\$ 8,227,098	\$ 905,171	\$ 408,190	\$ (5,903,646)	\$ 3,636,813
Shares issued for property acquisition	416,000	-	-	-	416,000
Warrants exercised	1,421,223	-	(199,669)	-	1,221,554
Warrants expired	-	-	(80,465)	80,465	-
Shares issued for services	899,250	-	-	-	899,250
Share-based payments	-	458,352	-	-	458,352
Net loss for the period	-	-	-	(2,514,728)	(2,514,728)
Balance, August 31, 2023	\$ 10,963,571	\$ 1,363,523	\$ 128,056	\$ (8,337,909)	\$ 4,117,241

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2023

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

Madison Metals Inc. ("Madison Metals" or the "Company") is a company incorporated under the provisions of the British Columbia Business Corporations Act on October 11, 2019. The Company is a reporting British Columbia registered corporation. Its registered and head office is located at 82 Richmond Street East, 4th Floor, Toronto, Ontario, M5C 1P1. The Company began trading on the Canadian Stock Exchange (the "CSE") under the symbol "GREN" on May 13, 2022 and on the OTCQB Venture Market under the symbol "MMTLF" on September 29, 2022.

These unaudited condensed interim consolidated financial statements were prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business.

The Company had not yet achieved profitable operations, with a current net loss of \$2,514,728 for the nine months ended August 31, 2023 (2022 - net loss of \$723,251) and an accumulated deficit of \$8,337,909 as at August 31, 2023 (November 30, 2022 - \$5,903,646). The Company expects to incur further losses in the development of its business, all of which constitutes a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise future equity financing to fund its operations and advance the development of its business.

These unaudited condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. These adjustments could be material. Management is actively pursuing funding options, being financing and alternative funding options, required to meet the Company's requirements on an ongoing basis. To meet the challenges of the current climate in the financial markets, the Company is minimizing its expenditures.

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of October 30, 2023, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended November 30, 2022, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending November 30, 2023 could result in restatement of these unaudited condensed interim consolidated financial statements.

These unaudited condensed interim consolidated financial statements do not include the statement of income and comprehensive income as there were no activities during the nine months ended August 31, 2023.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2023

(Expressed in Canadian Dollars)

Unaudited

3. Share exchange agreement

On November 17, 2021, the Company entered into a share exchange agreement (the "Share Exchange Agreement") with 2160083 Ontario Inc. ("216") to acquire all of the issued and outstanding common shares of 216 in consideration for 8,000,000 common shares in the capital of the Company (the "Consideration Shares"). 216 holds a 100% interest in Richards Lake Uranium Project located around Kenora, Ontario.

Pursuant to the terms of the Share Exchange Agreement, the Consideration Shares will be subject to escrow and released as follows:

- 25% on the date that is 4 months from the closing date;
- 25% on the date that is 12 months from the closing date;
- 25% on the date that is 18 months from the closing date; and
- 25% on the date that is 24 months from the closing date.

On December 31, 2021, the Company completed the Share Exchange Agreement.

The acquisition constitutes an asset acquisition as 216 did not meet the definition of a business, as defined in IFRS 3 - Business Combinations. As a result of this asset acquisition, an exploration and evaluation asset of \$2,029,915 has been recorded. This reflects the difference between the estimated fair value of consideration given less the fair value of the net assets acquired.

The allocation of estimated fair value of consideration given is as follows:

Fair value of net assets acquired

Cash	\$	1
Accounts payable and accrued liabilities		(201)
Loan payable		(29,715)
Exploration and evaluation assets		2,029,915
	\$	2,000,000

Consideration given

8,000,000 common shares	\$	2,000,000
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Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2023

(Expressed in Canadian Dollars)

Unaudited

4. Marketable securities

As at August 31, 2023, the following securities were included in marketable securities:

	Number of shares	Acquisition cost	Fair value adjustment	Fair value at August 31, 2023
Graycliff Exploration Ltd.	150,000	\$ 99,805	\$ (93,055)	\$ 6,750

As at November 30, 2022, the following securities were included in marketable securities:

	Number of shares	Acquisition cost	Fair value adjustment	Fair value at November 30, 2022
Graycliff Exploration Ltd.	150,000	\$ 99,805	\$ (89,305)	\$ 10,500

5. Exploration and evaluation assets

The Company's exploration and evaluation assets comprise of properties located in Kenora, Ontario (the "Kenora Uranium Project") and Erongo Province, Namibia, Africa (the "Rossing Project"). Capitalized expenditures are as follows:

	Kenora Uranium Project	Rossing Project	Total
Balance, November 30, 2021	\$ 190,484	\$ -	\$ 190,484
Acquisition and claims	2,012,700	282,666	2,295,366
Assay and analysis	1,792	-	1,792
Geologists	119,116	67,049	186,165
Travel and accommodation	1,481	-	1,481
Balance, November 30, 2022	2,325,573	349,715	2,675,288
Acquisition and claims	-	774,805	774,805
Geologists	5,105	230,563	235,668
Geophysics	-	2,513	2,513
Supplies	-	136,542	136,542
Travel and accommodation	-	66,486	66,486
Recovery	(50,000)	-	(50,000)
Balance, August 31, 2023	\$ 2,280,678	\$ 1,560,624	\$ 3,841,302

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2023

(Expressed in Canadian Dollars)

Unaudited

5. Exploration and evaluation assets (continued)

Kenora Uranium Project

In December 2021, the Company acquired a 100% interest in the Richards Lake Uranium Project located around Kenora, Ontario. See note 3.

In January 2022, the Company issued 50,000 shares (valued at \$12,500) to acquire additional claims.

On May 16, 2023, the Company signed a binding joint venture agreement with Great Northern Energy Metals Inc. ("GNEM"), a private British Columbia-registered company. Under the terms of the agreement, GNEM will pay the Company \$50,000 on signing (received) and incur \$900,000 in exploration over three years (\$300,000 per year) to earn a 60% interest. Upon completing the earn-in, Madison will retain a 40% free-carry interest in the project.

Rossing Project

On January 17, 2022, the Company entered into a binding letter of intent with Giraffe Energy Investments Close Corporation and Otjiwa Mining and Prospecting Close Corporation (the "Vendors") to acquire 85% interest in 3 separate concessions (EPL-7011, EPL-8115, and EPL-8531) and named the Rossing North Uranium Project located in the Erongo Province, Namibia, Africa. For consideration to acquire the concession, the Company will pay US\$150,000 cash and issue 1,600,000 common shares (issued, valued at \$698,667) of the Company to the Vendors. In June 2022, the Namibian Ministry of Mines and Energy approved the transfer of EPL-7011 to Pennywort Investments (Pty) Ltd ("Pennywort"), which is 85% owned by the Company. The transfer of EPL-8115 and EPL-8531 was completed in June 2023.

In November 2022, the Company entered into a binding agreement with an arm's length vendor to acquire a 90% direct interest in Mining Licence 86A ("ML86A") and Exclusive Prospecting Licence 8905 ("EPL-8905") with 10% free carry in favour of the vendor. During the nine months ended August 31, 2023, the Company paid \$358,806 (US\$265,000) to extend the closing date of the agreement. The agreement has not been finalized as at August 31, 2023.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2023

(Expressed in Canadian Dollars)

Unaudited

6. Share capital

Authorized share capital

An unlimited number of common shares without par value, voting and participating

Issued

	Number of shares	Share capital
Balance, November 30, 2021	9,238,667	\$ 4,973,817
Issued for property acquisition (note 5)	8,050,000	2,012,500
Issued for cash (i)	1,598,996	959,398
Share issuance costs (i)	-	(81,643)
Warrant valuation (i)	-	(306,700)
Balance, August 31, 2022	18,887,663	\$ 7,557,372
Balance, November 30, 2022	19,837,996	\$ 8,227,098
Issued for property acquisition (note 5)	1,066,667	416,000
Warrants exercised	3,490,154	1,421,223
Issued for services (ii)(iii)(iv)	2,225,000	899,250
Balance, August 31, 2023	26,619,817	\$ 10,963,571

(i) On July 26, 2022, the Company closed its non-brokered private placement and issued 1,598,996 units at \$0.60 per unit for gross proceeds of \$959,398. Each unit consisted of one common share and one-half common share purchase warrant. Each whole warrant entitles its holder to purchase one common share for a period of 24 months from the grant date at an exercise price of \$0.90 per common share. In connection with the private placement, the Company paid \$52,243 of cash share issuance cost and issued 62,239 finders' warrants. Each finders' warrant entitles its holder to purchase one common share for a period of 24 months from the grant date at an exercise price of \$0.90 per common share.

The 799,498 warrants and 62,239 finders' warrants issued were determined to have a fair value of \$115,245 and \$12,811, respectively, at the time of grant as estimated using the Black-Scholes option pricing model. The model used the following current market assumptions: expected dividend yield of 0%, risk-free rate of 3.11%, expected life of 24 months and expected volatility of 103%.

(ii) On January 30, 2023, the Company issued 150,000 common shares valued at \$90,000 to an officer and a consultant of the Company.

(iii) On June 14, 2023, the Company issued 75,000 common shares valued at \$29,250 to a consultant in connection with the transfer of EPL-8115 and EPL-8531.

(iv) On June 14, 2023, the Company issued 2,000,000 common shares valued at \$780,000 to a consultant (note 10).

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2023

(Expressed in Canadian Dollars)

Unaudited

7. Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance, November 30, 2021	5,238,654	\$ 0.35
Issued	861,737	0.90
Balance, August 31, 2022	6,100,391	\$ 0.43
Balance, November 30, 2022	5,758,391	\$ 0.43
Exercised	(3,490,154)	0.35
Expired	(1,406,500)	0.35
Balance, August 31, 2023	861,737	\$ 0.90

The following table reflects the warrants outstanding as of August 31, 2023:

Expiry date	Number of warrants outstanding	Exercise price (\$)
July 26, 2024	861,737	0.90

8. Stock options

Stock options transactions and the number of stock options outstanding are summarized as follows:

	Number of stock options	Weighted average exercise price
Balance, November 30, 2021	-	\$ -
Granted (i)(ii)	800,000	0.26
Balance, August 31, 2022	800,000	\$ 0.26
Balance, November 30, 2022	1,700,000	\$ 0.65
Granted (iii)(iv)	1,225,000	0.45
Balance, August 31, 2023	2,925,000	\$ 0.57

(i) On December 23, 2021, the Company granted 650,000 stock options to directors and consultants. The stock options have an exercise price of \$0.25 per share, expire in 5 years, and vested immediately. The stock options were granted a grant date value of \$131,647 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.25, risk-free rate of return of 1.26%, expected volatility of 116%, and an expected maturity of 5 years.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2023

(Expressed in Canadian Dollars)

Unaudited

8. Stock options (continued)

(ii) On May 20, 2022, the Company granted 150,000 stock options to a consultant of the Company. The stock options have an exercise price of \$0.30 per share, expire in 5 years, and vested immediately. The stock options were granted a grant date value of \$57,285 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.45, risk-free rate of return of 2.70%, expected volatility of 114%, and an expected maturity of 5 years.

(iii) On January 27, 2023, the Company granted 500,000 stock options to directors and consultants. The stock options have an exercise price of \$0.55 per share, expire in 5 years, and vested immediately. The stock options were granted a grant date value of \$226,373 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.55, risk-free rate of return of 3.01%, expected volatility of 117%, and an expected maturity of 5 years.

(iv) On June 13, 2023, the Company issued 725,000 stock options to directors, officers and consultants. The stock options have an exercise price of \$0.38 per share, expire in 5 years, and vested immediately. The stock options were granted a grant date value of \$231,979 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.39, risk-free rate of return of 4.18%, expected volatility of 114%, and an expected maturity of 5 years.

The following table reflects the stock options outstanding as of August 31, 2023:

Expiry date	Number of stock options outstanding	Weighted average exercise price (\$)	Weighted average remaining contractual life (years)
December 23, 2026	650,000	0.25	3.32
May 20, 2027	150,000	0.30	3.72
September 12, 2027	800,000	0.98	4.04
October 4, 2027	100,000	1.16	4.10
January 27, 2028	500,000	0.55	4.41
June 13, 2028	725,000	0.38	4.79
	2,925,000	0.57	4.11

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2023

(Expressed in Canadian Dollars)

Unaudited

9. Related party transactions

Balances and transactions with related parties not disclosed elsewhere in these unaudited condensed interim consolidated financial statements are as follows:

(a) During the three and nine months ended August 31, 2023, the Company incurred management services of \$90,000 and \$270,000, respectively (2022 - \$45,000 and \$135,000, respectively) included in consulting fees to a director and officer of the Company.

(b) During the three and nine months ended August 31, 2023, the Company incurred accounting fees of \$21,649 and \$36,919, respectively (2022 - \$7,636 and \$25,584) included in professional fees to Marrelli Support Services Inc. ("MSSI") for:

- An employee of MSSI to act as the CFO of the Company; and
- Bookkeeping services;

(c) During the three and nine months ended August 31, 2023, the Company incurred geological consulting fees of \$18,000 and \$63,600, respectively (2022 - \$9,000 and \$35,800, respectively) included in exploration and evaluation assets to a director of the Company.

(d) During the three and nine months ended August 31, 2023, the Company incurred consulting fees of \$30,000 and \$135,000, respectively (2022 - \$nil) included in consulting fees to an officer of the Company.

(e) During the three and nine months ended August 31, 2023, the Company incurred share-based payments of \$199,982 and \$358,442, respectively (2022 - \$nil and \$111,692, respectively) to directors of the Company.

10. Other transactions

Mining Licence 121 ("ML121")

On September 12, 2022, the Company entered into an agreement to acquire a 24% interest in ML121 through the acquisition of 24 shares of Namibia Nuclear Corporation (Proprietary) Limited ("Namibia Nuclear") which equals a twenty-four percent (24%) ownership interest in Namibia Nuclear, by way of a share purchase agreement (the "SPA"). The consideration paid to the vendors will be US\$2,000,000 and 2,000,000 common shares in the capital of the Company to be paid and issued on the closing date, subject to certain conditions precedent contained in the SPA. ML121 is located in the renowned Erongo Uranium Province of Namibia, Africa. The agreement has not been finalized as at August 31, 2023.

Uranium forward sales agreement

On May 30, 2023, the Company signed a multi-year uranium forward sales agreement with an international banking organization ("IBO"). The 10-year supply agreement provides for the commitment and delivery of the first 20 million pounds of U₃O₈ from Madison's ground resources. The IBO will facilitate market trades at a price to be determined at the time of transaction and within the context of the market. The sales floor for transactions will be set at US\$45 per pound of U₃O₈. 50% of the proceeds will be credited to the Company and the Company will provide quarterly updates on sales figures. In connection with the forward sales agreement, the Company issued 2,000,000 common shares to an arm's length party who facilitated the transaction. An additional 1,000,000 common shares will be issued upon achieving a 5 million pound sales milestone.