
MADISON METALS INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE MONTHS ENDED FEBRUARY 29, 2024
(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 February 29, 2024	As at November 30, 2023
ASSETS		
Current assets		
Cash	\$ 69,825	\$ 18,651
Marketable securities (note 3)	3,750	3,000
Amounts receivable (note 4)	240,972	264,141
Prepaid expenses	11,278	12,511
Total current assets	325,825	298,303
Non-current assets		
Equipment	6,467	6,808
Exploration and evaluation assets (note 5)	2,255,453	2,095,511
Total assets	\$ 2,587,745	\$ 2,400,622
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	\$ 389,295	\$ 532,377
Deferred revenue (note 10(b))	196,765	40,746
Total liabilities	586,060	573,123
Equity		
Share capital (note 6)	11,383,277	\$ 10,963,571
Warrants (note 7)	190,056	128,056
Contributed surplus (note 8)	1,486,848	1,443,988
Deficit	(11,058,496)	(10,708,116)
Total equity	2,001,685	\$ 1,827,499
Total equity and liabilities	\$ 2,587,745	\$ 2,400,622

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 (note 11)

Madison Metals Inc.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****Unaudited**

	Three Months Ended February 29, 2024	Three Months Ended February 28, 2023
Operating expenses		
Professional fees (note 9)	\$ 27,790	\$ 36,073
Consulting fees (notes 6 and 9)	120,000	171,000
General office expenses	19,361	79,024
Investor relations	123,097	258,079
Shareholder information and communication	13,549	11,801
Transfer agent and filing fees	2,770	7,618
Foreign exchange gain	1,362	(6,734)
Depreciation	341	426
Share-based payments (notes 8 and 9)	42,860	226,373
Loss before other items	(351,130)	(783,660)
Other items		
Unrealized gain (loss) on fair value of marketable securities (note 3)	750	(750)
Net loss and comprehensive loss for the period	\$ (350,380)	\$ (784,410)
Basic and diluted net loss per share	\$ (0.01)	\$ (0.04)
Weighted average number of common shares outstanding - basic and diluted	27,718,718	21,417,297

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

	Three Months Ended February 29, 2024	Three Months Ended February 28, 2023
Operating activities		
Net loss for the period	\$ (350,380)	\$ (784,410)
Adjustments for:		
Depreciation	341	426
Share-based payments	42,860	226,373
Unrealized loss on fair value of marketable securities	(750)	750
Shares issued for services	-	90,000
Changes in non-cash working capital items:		
Amounts receivable	23,169	(54,002)
Prepaid expenses	1,233	94,360
Accounts payable and accrued liabilities	67,549	30,438
Deferred revenue	156,019	-
Net cash used in operating activities	(59,959)	(396,065)
Investing activities		
Exploration activities and maintenance of properties	(209,942)	(229,617)
Recovery from exploration and evaluation assets	50,000	-
Net cash used in investing activities	(159,942)	(229,617)
Financing activities		
Issuance of units for cash	289,369	-
Share issuance costs	(18,294)	-
Warrants exercised	-	1,221,554
Net cash provided by financing activities	271,075	1,221,554
Net change in cash	51,174	595,872
Cash, beginning of period	18,651	678,516
Cash, end of period	\$ 69,825	\$ 1,274,388
Supplemental cash flow information		
Units issued for debt settlement	\$ 210,631	\$ -

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 Changes in Equity

(Expressed in Canadian Dollars)

Unaudited

	Share capital	Contributed surplus	Warrants	Deficit	Total
Balance, November 30, 2022	\$ 8,227,098	\$ 905,171	\$ 408,190	\$ (5,903,646)	\$ 3,636,813
Warrants exercised	1,421,223	-	(199,669)	-	1,221,554
Warrants expired	-	80,465	(80,465)	-	-
Share-based payments	-	186,623	-	-	186,623
Net loss for the period	-	-	-	(784,410)	(784,410)
Balance, February 28, 2023	\$ 9,648,321	\$ 1,172,259	\$ 128,056	\$ (6,688,056)	\$ 4,260,580
Balance, November 30, 2023	\$ 10,963,571	\$ 1,443,988	\$ 128,056	\$ (10,708,116)	\$ 1,827,499
Units issued for cash	289,369	-	-	-	289,369
Units issued for debt settlement	210,631	-	-	-	210,631
Share issuance costs	(18,294)	-	-	-	(18,294)
Warrant valuation	(62,000)	-	62,000	-	-
Share-based payments	-	42,860	-	-	42,860
Net loss for the period	-	-	-	(350,380)	(350,380)
Balance, February 29, 2024	\$ 11,383,277	\$ 1,486,848	\$ 190,056	\$ (11,058,496)	\$ 2,001,685

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 Months Ended February 29, 2024

(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, on the OTCQB Venture Market under the symbol "MMTLF" on September 29, 2022, and on the Frankfurt Stock Exchange under the symbol "4EF0" on December 15, 2023.

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 \$350,380 for the three months ended February 29, 2024 (2023 - net loss of \$784,410) and an accumulated deficit of \$11,058,496 as at February 29, 2024 (November 30, 2023 - \$10,708,116). 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. Material 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 April 19, 2024, 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, 2023, 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, 2024 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 three months ended February 29, 2024.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 29, 2024

(Expressed in Canadian Dollars)

Unaudited

3. Marketable securities

As at February 29, 2024, the following securities were included in marketable securities:

	Number of shares	Acquisition cost	Fair value adjustment	Fair value at February 29, 2024
Graycliff Exploration Ltd.	150,000	\$ 99,805	\$ (96,055)	\$ 3,750

As at November 30, 2023, the following securities were included in marketable securities:

	Number of shares	Acquisition cost	Fair value adjustment	Fair value at November 30, 2023
Graycliff Exploration Ltd.	150,000	\$ 99,805	\$ (96,805)	\$ 3,000

4. Amounts receivable

	February 29, 2024	November 30, 2023
GST receivable	\$ 207,917	\$ 192,951
Accounts receivable	33,055	71,190
Total equity and liabilities	\$ 240,972	\$ 264,141

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, 2022	\$ 2,325,573	\$ 349,715	\$ 2,675,288
Acquisition and claims	-	917,381	917,381
Geologists	5,105	136,185	141,290
Geophysics	-	2,513	2,513
Supplies	-	143,211	143,211
Travel and accommodation	-	66,486	66,486
Recovery	(50,000)	-	(50,000)
Impairment	(1,800,658)	-	(1,800,658)
Balance, November 30, 2023	480,020	1,615,491	2,095,511
Acquisition and claims	-	47,070	47,070
Geologists	-	103,298	103,298
Geophysics	-	9,574	9,574
Balance, February 29, 2024	\$ 480,020	\$ 1,775,433	\$ 2,255,453

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 29, 2024

(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. 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 option 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.

During the year ended November 30, 2023, the Company assessed the property for impairment based on the estimated fair value less costs of disposal based on the option agreement with GNEM and recorded an impairment loss of \$1,800,658. The fair value less costs of disposal was estimated using GNEM's obligations to earn in 60% of the property, using discount rate of 16%. An increase/decrease of 5% in the discount rate result in an increase/decrease in impairment loss of approximately \$39,000/\$34,000.

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 (completed) 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 Khan Mine (Pty) Ltd. ("Khan") and Hasine Investments CC (the "Vendors") 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 Vendors. As at February 29, 2024, the Company paid \$548,451 (US\$405,000) (as at November 30, 2023 - \$501,381 (US\$370,000)) to extend the closing date of the agreement.

In December 2023, the agreement was amended. Pursuant to the terms of the amended agreement,

- the Company is to pay the Vendors US\$35,000 per month; and
- the Company will be entitled to 1% direct interest in Khan for each US\$37,000, which payments must be completed on or before December 31, 2024. As at February 29, 2024, the Company owns 10% direct interest in Khan.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 29, 2024

(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, 2022	19,837,996	\$ 8,227,098
Warrants exercised	3,490,154	1,421,223
Issued for services (i)	150,000	90,000
Balance, February 28, 2023	23,478,150	\$ 9,738,321
Balance, November 30, 2023	26,619,817	\$ 10,963,571
Issued for cash (ii)	723,421	289,369
Issued for debt settlement (ii)	526,579	210,631
Share issuance costs (ii)	-	(18,294)
Warrant valuation (ii)	-	(62,000)
Balance, February 29, 2024	27,869,817	\$ 11,383,277

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

(ii) On December 11, 2023, the Company closed a non-brokered private placement and issued 723,421 units at \$0.40 per unit for gross proceeds of \$289,369. Each unit consisted of one common share and one-half common share purchase warrant. Each warrant entitles its holder to purchase one common share for a period of 12 months from the grant date at an exercise price of \$0.60 per common share. The Company also issued 526,579 units to settle \$210,631 of debt.

The 625,000 warrants issued were determined to have a fair value of \$62,000 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 4.21%, expected life of 12 months and expected volatility of 111%.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 29, 2024

(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, 2022	5,758,391	\$ 0.43
Exercised	(3,490,154)	0.35
Expired	(1,406,500)	0.35
Balance, February 28, 2023 and November 30, 2023	861,737	\$ 0.90
Issued	625,000	0.60
Balance, February 29, 2024	1,486,737	\$ 0.77

The following table reflects the warrants outstanding as of February 29, 2024:

Expiry date	Number of warrants outstanding	Exercise price (\$)
July 26, 2024	861,737	0.90
December 11, 2024	625,000	0.60
	1,486,737	0.77

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, 2022	1,700,000	\$ 0.65
Granted (i)	500,000	0.55
Balance, February 28, 2023	2,200,000	\$ 0.63
Balance, November 30, 2023	2,925,000	\$ 0.57
Granted (ii)	100,000	0.49
Balance, February 29, 2024	3,025,000	\$ 0.56

(i) 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.

(ii) On December 11, 2023, the Company issued 100,000 stock options to a consultant. The stock options have an exercise price of \$0.49 per share, expire in 5 years, and vested immediately. The stock options were granted a grant date value of \$42,860 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.49, risk-free rate of return of 3.53%, expected volatility of 133%, and an expected maturity of 5 years.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 29, 2024

(Expressed in Canadian Dollars)

Unaudited

8. Stock options (continued)

The following table reflects the stock options outstanding as of February 29, 2024:

Expiry date	Number of stock options outstanding	Weighted average exercise price (\$)	Weighted average remaining contractual life (years)
December 23, 2026	650,000	0.25	2.82
May 20, 2027	150,000	0.30	3.22
September 12, 2027	800,000	0.98	3.54
October 4, 2027	100,000	1.16	3.60
January 27, 2028	500,000	0.55	3.91
June 13, 2028	725,000	0.38	4.29
December 11, 2028	100,000	0.49	4.79
	3,025,000	0.56	3.65

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 months ended February 29, 2024, the Company incurred management services of \$90,000 (2023 - \$90,000) included in consulting fees to a director and officer of the Company. As at February 29, 2024, included in accounts payable and accrued liabilities is an aggregate of \$36,739 (November 30, 2023 - \$99,825) payable to this director and officer for the services.

(b) During the three months ended February 29, 2024, the Company incurred accounting fees of \$14,845 (2023 - \$7,635) 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.

As at February 29, 2024, included in accounts payable is an aggregate of \$22,611 (November 30, 2023 - \$24,464) payable to the MSSI.

(c) During the three months ended February 29, 2024, the Company incurred geological consulting fees of \$24,000 (2023 - \$18,000) included in exploration and evaluation assets to a director of the Company. As at February 29, 2024, included in accounts payable and accrued liabilities is an aggregate of \$27,120 (November 30, 2023 - \$13,560) payable to this director for the services.

(d) During the three months ended February 29, 2024, the Company incurred consulting fees of \$30,000 (2023 - \$75,000) included in consulting fees to an officer of the Company. As at February 29, 2024, included in accounts payable and accrued liabilities is an aggregate of \$18,463 (November 30, 2023 - \$34,531) payable to this officer for the services.

(e) During the three months ended February 29, 2024, the Company incurred share-based payments of \$nil (2023 - \$158,460) to directors of the Company.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 29, 2024

(Expressed in Canadian Dollars)

Unaudited

10. Other transactions

(a) 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 February 29, 2024.

(b) Uranium forward sales agreement

On May 30, 2023, the Company signed a multi-year uranium forward sales agreement with Sanmiguel Capital Investment (Bahamas) Ltd ("Sanmiguel"). The 10-year supply agreement provides for the commitment and delivery of the first 20 million pounds of U₃O₈ from Madison's ground resources. Sanmiguel 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. As at February 29, 2024, the Company received US\$145,000 for delivery of approximately 2,130 pounds of U₃O₈ (November 30, 2023 - US\$30,000 for delivery of approximately 440 pounds of U₃O₈), which is included as a deferred revenue on the consolidated statements of financial position.

11. Subsequent events

On March 25, 2024, the Company closed the first tranche of its non-brokered private placement and issued 3,069,600 units (the "Units") at a price of \$0.35 per Unit for aggregate gross proceeds of \$1,074,360. 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 18 months from the grant date at an exercise price of \$0.50 per common share. In connection with the private placement, the Company paid cash finders' fees of \$34,485 and issued 98,527 finders' warrants (the "Finders' Warrants"). Each Finder's Warrant entitles the holder to acquire one common share of the Company for a period of 18 months from the grant date at an exercise price of \$0.50 per common share.

On April 17, 2024, the Company closed the second tranche of its non-brokered private placement and issued 860,000 Units at a price of \$0.35 per Unit for aggregate gross proceeds of \$301,000. In connection with the private placement, the Company paid cash finders' fees of \$18,060 and issued 51,600 Finders' Warrants.