
**CRITICAL ONE ENERGY INC. (FORMERLY MADISON
METALS INC.)**

**CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED NOVEMBER 30, 2024 AND 2023
(EXPRESSED IN CANADIAN DOLLARS)**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Critical One Energy Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Critical One Energy Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at November 30, 2024, and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended November 30, 2024 and, as of that date, the Company has not reached commercial production stage and expects to incur further losses. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. The matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter of the Material Uncertainty Related to Going Concern described above, we have determined that there are no other key audit matters to communicate in our report.

Other Matter

The consolidated financial statements of the Company for the year ended November 30, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on April 1, 2024.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis for the year ended November 30, 2024, which we obtained prior to the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the

Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Julia Zhou.

March 31, 2025
Markham, Ontario

Horizon Assurance LLP

Chartered Professional Accountant
Licensed Public Accountant

Critical One Energy Inc. (Formerly Madison Metals Inc.)

Consolidated Statements of Financial Position (Expressed in Canadian Dollars)

	As at November 30, 2024	As at November 30, 2023
ASSETS		
Current assets		
Cash	\$ 41,513	\$ 18,651
Marketable securities (note 3)	3,125	3,000
Amounts receivable (note 4)	43,933	264,141
Prepaid expenses	56,222	12,511
Total current assets	144,793	298,303
Non-current assets		
Equipment	5,444	6,808
Exploration and evaluation assets (note 5)	2,850,959	2,095,511
Total assets	\$ 3,001,196	\$ 2,400,622
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	\$ 548,656	\$ 532,377
Deferred revenue (note 13(b))	203,145	40,746
Total liabilities	751,801	573,123
Equity		
Share capital (note 6)	12,417,006	10,963,571
Warrants (note 7)	308,793	128,056
Contributed surplus (note 8)	1,914,593	1,443,988
Deficit	(12,390,997)	(10,708,116)
Total equity	2,249,395	\$ 1,827,499
Total equity and liabilities	\$ 3,001,196	\$ 2,400,622

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

Nature of operations and going concern (note 1)

Subsequent events (note 14)

Approved on behalf of the Board:

(Signed) "Duane Parnham" Director

(Signed) "Shawn Parnham" Director

Critical One Energy Inc. (Formerly Madison Metals Inc.)**Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)**

	Year Ended November 30, 2024	Year Ended November 30, 2023
Operating expenses		
Professional fees (note 9)	\$ 94,319	\$ 152,247
Consulting fees (notes 6 and 9)	596,119	1,369,302
General office expenses	92,729	176,362
Investor relations	487,732	589,967
Shareholder information and communication	42,209	61,390
Transfer agent and filing fees	14,853	18,569
Exploration and evaluation expenditures	-	171,736
Foreign exchange loss (gain)	9,882	(3,317)
Depreciation	1,364	1,704
Share-based payments (notes 8 and 9)	342,549	458,352
Loss before other items	(1,681,756)	(2,996,312)
Other items		
Unrealized loss on fair value of marketable securities (note 3)	(1,125)	(7,500)
Impairment loss on exploration and evaluation assets (note 5)	-	(1,800,658)
Net loss and comprehensive loss for the year	\$ (1,682,881)	\$ (4,804,470)
Basic and diluted net loss per share	\$ (0.06)	\$ (0.20)
Weighted average number of common shares outstanding - basic and diluted	30,462,358	24,424,629

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

Critical One Energy Inc. (Formerly Madison Metals Inc.)

Consolidated Statements of Cash Flows (Expressed in Canadian Dollars)

	Year Ended November 30, 2024	Year Ended November 30, 2023
Operating activities		
Net loss for the year	\$ (1,682,881)	\$ (4,804,470)
Adjustments for:		
Depreciation	1,364	1,704
Share-based payments	342,549	458,352
Unrealized loss on fair value of marketable securities	1,125	7,500
Shares issued for services	-	899,250
Impairment loss on exploration and evaluation assets	-	1,800,658
Changes in non-cash working capital items:		
Amounts receivable	220,208	(144,804)
Prepaid expenses	(43,711)	174,386
Accounts payable and accrued liabilities	226,910	490,140
Deferred revenue	162,399	40,746
Net cash used in operating activities	(772,037)	(1,076,538)
Investing activities		
Exploration activities and maintenance of properties	(756,698)	(854,881)
Recovery from exploration and evaluation assets	-	50,000
Net cash used in investing activities	(756,698)	(804,881)
Financing activities		
Issuance of units for cash	1,664,729	-
Share issuance costs	(113,132)	-
Warrants exercised	-	1,221,554
Net cash provided by financing activities	1,551,597	1,221,554
Net change in cash	22,862	(659,865)
Cash, beginning of year	18,651	678,516
Cash, end of year	\$ 41,513	\$ 18,651
Supplemental cash flow information		
Units issued for debt settlement	\$ 210,631	\$ -
Shares issued for property acquisition	\$ -	\$ 416,000
Finders' warrants	\$ 21,463	\$ -

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

Critical One Energy Inc. (Formerly Madison Metals Inc.)

Consolidated Statements of Changes in Equity (Expressed in Canadian Dollars)

	Share capital	Contributed surplus	Warrants	Deficit	Total
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 year	-	-	-	(4,804,470)	(4,804,470)
Balance, November 30, 2023	\$ 10,963,571	\$ 1,443,988	\$ 128,056	\$ (10,708,116)	\$ 1,827,499
Units issued for cash	1,664,729	-	-	-	1,664,729
Units issued for debt settlement	210,631	-	-	-	210,631
Share issuance costs	(134,595)	-	21,463	-	(113,132)
Warrant valuation	(287,330)	-	287,330	-	-
Warrants expired	-	128,056	(128,056)	-	-
Share-based payments	-	342,549	-	-	342,549
Net loss for the year	-	-	-	(1,682,881)	(1,682,881)
Balance, November 30, 2024	\$ 12,417,006	\$ 1,914,593	\$ 308,793	\$ (12,390,997)	\$ 2,249,395

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

Critical One Energy Inc. (Formerly Madison Metals Inc.)

Notes to Consolidated Financial Statements

Years Ended November 30, 2024 and 2023

(Expressed in Canadian Dollars)

1. Nature of operations and going concern

Critical One Energy Inc. (formerly Madison Metals Inc.) ("Critical One" or the "Company") was incorporated as Madison Metals Inc. 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. On December 16, 2024, the Company changed its name to Critical One Energy Inc. and the common shares began trading on the CSE under the symbol "CRTL" on December 23, 2024.

These 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 \$1,682,881 for the year ended November 30, 2024 (2023 - net loss of \$4,804,470) and an accumulated deficit of \$12,390,997 as at November 30, 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 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

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").

The policies applied in these consolidated financial statements are based on IFRSs issued and outstanding as of November 30, 2024. These financial statements were approved by the Board of Directors on March 31, 2025.

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, with the exception of certain financial instruments, which are measured at fair value. The Company's functional and presentation currency is Canadian dollars.

Critical One Energy Inc. (Formerly Madison Metals Inc.)

Notes to Consolidated Financial Statements

Years Ended November 30, 2024 and 2023

(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. The following companies have been consolidated within the consolidated financial statements:

Company	Registered	Principal activity
Critical One Energy Inc.	Canada	Parent company
2160083 Ontario Inc. (i)	Canada	Exploration company
Jenipapo Investments (Pty) Ltd. (i)	Namibia	Exploration company
Pennywort Investments (Pty) Ltd. (ii)	Namibia	Exploration company
Pacay Investments (Pty) Ltd. (i)	Namibia	Exploration company

(i) 100% owned, directly or indirectly, by Critical One Energy Inc.

(ii) 85% owned by Jenipapo Investments (Pty) Ltd.

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated in preparing the consolidated financial statements.

Cash

Cash is comprised of cash on hand. As of November 30, 2024, there were no cash equivalents held by the Company.

Equipment

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The cost of an item consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Amortization is provided at rates calculated to write off the cost, less their estimated residual value, using the declining balance method at the following various rates:

Equipment	20%, declining balance basis
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An item is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item consists of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. Residual values, estimated useful lives and amortization methods are reviewed at least annually.

Critical One Energy Inc. (Formerly Madison Metals Inc.)

Notes to Consolidated Financial Statements

Years Ended November 30, 2024 and 2023

(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Exploration and evaluation assets

Expenditures incurred before the Company has obtained legal rights to explore an area are recognized in the statement of operation as exploration expenses.

Exploration and evaluation assets reflect expenditures for an area where technical feasibility and commercial viability have not yet been determined. Expenditures, including, but are not limited to, land acquisition, geological and geophysical studies, exploratory drilling, sampling, directly attributable employee salaries and benefits, and other related expenditures are capitalized and accumulated pending determination of technical feasibility and commercial viability.

Exploration and evaluation assets are not depleted. When assets are determined to be technically feasible and commercially viable, the accumulated costs are tested for impairment and the recoverable amount is transferred to property, plant and equipment. Upon transfer of exploration and evaluation costs into property, plant and equipment, all subsequent expenditures on the construction, installation or completion of infrastructure facilities are capitalized within mine development. After production starts, all assets included in mine development costs are transferred to producing mines. At such time as commercial production commences, these expenditures will be charged to operations on a unit-of-production method based on proven and probable resources.

Exploration and evaluation assets are also assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The aggregate costs related to abandoned exploration and evaluation assets are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

Share-based payments

The fair value of stock options granted to employees and non-employees is recognized as an expense over the vesting period with a corresponding increase in reserves within shareholders' equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

The grant date fair values of share-based payments that are unexercised upon expiry is removed from reserves and transferred to accumulated deficit.

Critical One Energy Inc. (Formerly Madison Metals Inc.)

Notes to Consolidated Financial Statements

Years Ended November 30, 2024 and 2023

(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded.

Basic and diluted loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated using the treasury stock method. This method assumes that common shares are issued for the exercise of options, warrants and convertible securities and that the assumed proceeds from the exercise of options, warrants and convertible securities are used to purchase common shares at the average market price during the period. The difference between the number of shares assumed issued and the number of shares assumed purchased is then added to the basic weighted average number of shares outstanding to determine the fully diluted number of common shares outstanding. No exercise or conversion is assumed during the periods in which a net loss is incurred as the effect is anti-dilutive.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Critical One Energy Inc. (Formerly Madison Metals Inc.)

Notes to Consolidated Financial Statements

Years Ended November 30, 2024 and 2023

(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Foreign currency translation and transaction

These consolidated financial statements are presented in Canadian dollars. The functional currency of the Company is the Canadian dollar. Transactions denominated in foreign currencies are translated to the functional currency of the Company.

Financial instruments

Recognition

The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and measurement

The Company determines the classification of its financial instruments at initial recognition.

Financial assets are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

Financial liabilities are classified as subsequently measured at amortized cost, unless they fall into one of the following categories: a) financial liabilities at FVTPL, including derivative liabilities; b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition; c) financial guarantee contracts; d) commitments to provide a loan at a below-market interest rate; e) contingent consideration recognized by an acquirer in a business combination.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

Critical One Energy Inc. (Formerly Madison Metals Inc.)

Notes to Consolidated Financial Statements

Years Ended November 30, 2024 and 2023

(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Financial instruments (continued)

The Company's financial assets consist of cash and marketable securities, which are classified and measured at FVTPL, with realized and unrealized gains or losses related to changes in fair value reported in net profit and loss, and amounts receivable, which is classified and subsequently measured at amortized cost.

The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest rate method.

Critical accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements in conformity of IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant estimates used in preparing the financial statements include, but are not limited to:

(i) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditure and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

(ii) Measurement of shares issued for non-cash considerations and share-based payments

Shares issued for non-cash consideration are measured by reference to the fair value of the shares at the date of which they are issued.

The fair value of stock options and warrants issued are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

(iii) Current and deferred taxes

Accounting for income taxes is a complex process requiring management to interpret frequently changing laws and regulations and make judgments relating to the application of tax law, the estimated timing of temporary difference reversals, and the estimated realization of tax assets. All tax filings are subject to subsequent government audits and potential reassessment. These interpretations, judgments and changes related to them impact current and deferred tax provisions, deferred tax assets and liabilities and results of operations.

Critical One Energy Inc. (Formerly Madison Metals Inc.)

Notes to Consolidated Financial Statements

Years Ended November 30, 2024 and 2023

(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Critical accounting judgments, estimates and assumptions (continued)

Significant judgments used in the preparation of these financial statements include, but are not limited to:

- (i) Going concern

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the year ended November 30, 2024. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Please refer to note 1 for additional information.

3. Marketable securities

As at November 30, 2024, the following securities were included in marketable securities:

	Number of shares	Acquisition cost	Fair value adjustment	Fair value at November 30, 2024
Graycliff Exploration Ltd.	150,000	\$ 99,805	\$ (97,930)	\$ 1,875
Great Northern Energy Metals Inc. (i)	25,000	1,250	-	1,250
		\$ 101,055	\$ (97,930)	\$ 3,125

(i) During the year ended November 30, 2024, the Company received 25,000 shares of Great Northern Energy Metals Inc. valued at \$1,250 for the Kenora Uranium Project (see note 5).

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

	November 30, 2024	November 30, 2023
GST receivable	\$ 6,923	\$ 192,951
Accounts receivable	37,010	71,190
Total equity and liabilities	\$ 43,933	\$ 264,141

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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	-	336,306	336,306
Drilling	-	92,117	92,117
Geologists	-	191,228	191,228
Geophysics	-	24,440	24,440
Salaries and wages	-	72,860	72,860
Supplies	-	73,924	73,924
Travel and accommodation	-	20,758	20,758
Recovery	(1,250)	(54,935)	(56,185)
Balance, November 30, 2024	\$ 478,770	\$ 2,372,189	\$ 2,850,959

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, the Company 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.

In May 2024, the agreement was amended to extend the first-year expenditure commitments into the second year of the agreement. In consideration for providing the extension, the Company received 25,000 shares of GNEM (note 3).

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5. Exploration and evaluation assets (continued)

Rossing Project

EPL-7011, EPL-8115, and EPL-8531

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.

On September 19, 2024, the Company entered into a binding agreement with Star Minerals Limited ("Star Minerals"), wherein Star Minerals can earn up to a 51% interest in EPL-8531 through staged cash payments, issuance of common shares to the Company, and performing exploration expenditures over a 3 year period. If all earn-in options are exercised by Star Minerals, the Company would be entitled to cash, stock and work expenditures valued at approximately US\$4.4 million. Additionally, Star Minerals will issue performance shares to the Company upon achieving specific exploration milestones. Upon successful completion of the earn-in, the Company and Star Minerals will form a joint venture to further explore the property, with future contributions to be made on a pro-rata basis. As at November 30, 2024, the Company received \$54,935 (US\$40,000) from Star Minerals.

Subsequently, in March 2025, the agreement expired due to Star Minerals failed to meet its commitments. As a result, Star Minerals did not earn any interest in EPL-8531 (note 14).

ML86A and EPL-8905

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 License 86A ("ML86A") and Exclusive Prospecting License 8905 ("EPL-8905") with 10% free carry in favour of the Vendors. As at November 30, 2024, the Company paid \$837,686 (US\$615,000) (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 November 30, 2024, the Company owns 16% direct interest in Khan.

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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
Issued for property acquisition (note 5)	1,066,667	416,000
Warrants exercised	3,490,154	1,421,223
Issued for services (i)(ii)(iii)	2,225,000	899,250
Balance, November 30, 2023	26,619,817	\$ 10,963,571
Issued for cash (iv)(v)(vi)	4,653,021	1,664,729
Issued for debt settlement (iv)	526,579	210,631
Share issuance costs (iv)(v)(vi)	-	(134,595)
Warrant valuation (iv)(v)(vi)	-	(287,330)
Balance, November 30, 2024	31,799,417	\$ 12,417,006

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

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6. Share capital (continued)

Issued (continued)

- (v) 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, issued 98,527 finders' warrants (the "Finders' Warrants"), and cash legal cost of \$30,467. 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.

The 1,534,800 warrants and 98,527 Finder's Warrants were determined to have a fair value of \$177,000 and \$15,465, 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 4.13%, expected life of 18 months and expected volatility of 113%.

- (vi) 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. 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 \$18,060, issued 51,600 Finders' Warrants, and cash legal costs of \$11,826.

The 430,000 warrants and 51,600 Finder's Warrants were determined to have a fair value of \$48,330 and \$5,998, 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 4.19%, expected life of 18 months and expected volatility of 110%.

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, November 30, 2023	861,737	\$ 0.90
Issued	2,739,927	0.52
Expired	(861,737)	0.90
Balance, November 30, 2024	2,739,927	\$ 0.52

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7. Warrants (continued)

The following table reflects the warrants outstanding as of November 30, 2024:

Expiry date	Number of warrants outstanding	Exercise price (\$)
December 11, 2024	625,000	0.60
September 25, 2025	1,633,327	0.50
October 17, 2025	481,600	0.50
	2,739,927	0.52

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)(ii)	1,225,000	0.45
Balance, November 30, 2023	2,925,000	\$ 0.57
Granted (iii)(iv)	1,300,000	0.31
Balance, November 30, 2024	4,225,000	\$ 0.49

- (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 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.
- (iii) 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.
- (iv) On May 9, 2024, the Company issued 1,200,000 stock options to directors, officers and consultants. The stock options have an exercise price of \$0.29 per share, expire in 5 years, and vested immediately. The stock options were granted a grant date value of \$299,689 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.29, risk-free rate of return of 3.68%, expected volatility of 128%, and an expected maturity of 5 years.

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8. Stock options (continued)

The following table reflects the stock options outstanding as of November 30, 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	2.06
May 20, 2027	150,000	0.30	2.47
September 12, 2027	800,000	0.98	2.78
October 4, 2027	100,000	1.16	2.84
January 27, 2028	500,000	0.55	3.16
June 13, 2028	725,000	0.38	3.54
December 11, 2028	100,000	0.49	4.03
May 9, 2029	1,200,000	0.29	4.44
	4,225,000	0.49	3.34

9. Related party transactions

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

- (a) During the year ended November 30, 2024, the Company incurred management services of \$360,000 (2023 - \$360,000) included in consulting fees to a director and officer of the Company. As at November 30, 2024, included in accounts payable and accrued liabilities is an aggregate of \$131,350 (November 30, 2023 - \$99,825) payable to this director and officer for the services.
- (b) During the year ended November 30, 2024, the Company incurred accounting fees of \$41,592 (2023 - \$44,554) 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 November 30, 2024, included in accounts payable is an aggregate of \$17,224 (November 30, 2023 - \$24,464) payable to the MSSI.
- (c) During the year ended November 30, 2024, the Company incurred geological consulting fees of \$78,000 (2023 - \$75,600) included in exploration and evaluation assets to a director of the Company. As at November 30, 2024, included in accounts payable and accrued liabilities is an aggregate of \$43,560 (November 30, 2023 - \$13,560) payable to this director for the services.
- (d) During the year ended November 30, 2024, the Company incurred consulting fees of \$75,000 (2023 - \$165,000) included in consulting fees to a former officer of the Company. As at November 30, 2024, included in accounts payable and accrued liabilities is an aggregate of \$19,876 (November 30, 2023 - \$34,531) payable to this officer for the services.
- (e) During the year ended November 30, 2024, the Company incurred share-based payments of \$199,792 (2023 - \$358,442) to directors and officers of the Company.

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10. Financial risk management

The Company's financial assets carried at fair value consist of marketable securities. The Company has classified its marketable securities as FVTPL.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value by levels within the fair value hierarchy:

November 30, 2024	Level 1	Level 2	Level 3	Total
Marketable securities	\$ 1,875	\$ -	\$ 1,250	\$ 3,125

November 30, 2023	Level 1	Level 2	Level 3	Total
Marketable securities	\$ 3,000	\$ -	\$ -	\$ 3,000

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash and cash equivalents. The Company believes that these sources will be sufficient to cover the likely short-term cash requirements.

Credit risk

Credit risk is the risk of a loss in a counterparty to a financial instrument that fails to meet its contractual obligations. The Company's exposure to credit risk is limited to its marketable securities. The Company limits its exposure to credit risk by holding its marketable securities in deposits with high credit quality Canadian financial institutions.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign currency risk is minimal.

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11. Capital management

The Company manages its capital structure and makes adjustment to it based on the funds available to the Company in order to support the operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended November 30, 2024.

12. Income tax

Provision for income taxes

The Company's provision for income taxes differs from the amounts computed by applying the combined federal and provincial rate of 27% to the income (loss) for the year before taxes as follows:

	Year Ended November 30, 2024	Year Ended November 30, 2023
(Loss) income before income taxes	\$ (1,682,881)	\$ (4,804,470)
Expected tax payable (benefit) based on statutory rates	(454,378)	(1,297,207)
Adjustments for the following items:		
Permanent differences and other	95,460	124,884
Share issuance costs	34,288	15,294
Other	(45,471)	194,128
Change in deferred tax asset not recognized	370,101	962,901
Expected income tax (recovery) expense	\$ -	\$ -

Deferred income tax

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amounts of assets and liabilities.

	November 30, 2024	November 30, 2023
Deferred tax assets		
Non-capital loss carry forwards	\$ 1,387,809	\$ 1,017,708
Mineral property interest capitalized	1,288,805	1,084,834
Net deferred income tax assets not recognized	\$ 2,676,614	\$ 2,102,542

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12. Income tax (continued)

Non-capital losses carried forward

The Company's non-capital losses will expire as follows:

2040	\$ 123,063
2041	221,628
2042	1,050,914
2043	2,373,684
2044	1,370,745
	<hr/>
	\$ 5,140,034

13. Other transactions

(a) Mining License 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 November 30, 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 the Company'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 November 30, 2024, the Company received \$203,145 (US\$145,000) for delivery of approximately 2,130 pounds of U₃O₈ (November 30, 2023 - \$40,746 (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. In June 2024, the Company announced the termination of the forward sales agreement. The Company will recognize the amounts received as revenue once discussions concerning the potential refund of the funds have been finalized.

14. Subsequent events

Private placement financing

On December 10, 2024, the Company announced its intension to complete a private placement financing consisting of the sale of up to 6,000,000 units in the capital of the Company at a price of \$0.30 per unit for aggregate gross proceeds of up to \$2,000,000. Each unit consists of one common share and one-half common share purchase warrant. Each full warrant entitles the holder thereof to the purchase of one common share in the capital of the Company for a price of \$0.45 for a period of 18 months from the date of the closing of the offering.

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14. Subsequent events (continued)

Howells Lake Project

On December 29, 2024, the Company entered into a definitive purchase and sale agreement with several vendors (collectively the "Vendor Group") to acquire 100% interest in the Howells Lake Project, located in the Thunder Bay Mining Division of Ontario, Canada. To acquire the portion of the Howells Lake Project owned by the Vendor Group, the Company will issue the Vendor Group:

- (i) 2,000,000 common shares within ten days of executing the agreement (issued);
- (ii) 1,500,000 common shares on the first anniversary of the effective date of the agreement; and
- (iii) 1,000,000 common shares on the second anniversary of the effective date of the agreement.

The common shares issued will be subject to an escrow agreement between the Company and the Vendor Group. The Company will also enter into consulting contracts for drilling, geophysical surveys and geological services with the Vendor Group. The Company has granted the Vendor Group a 2% NSR, with the Company retaining the option to repurchase 1% of the NSR for \$2 million.

The Vendor Group will also be paid a cash payment of \$100,000 to be used for initial exploration work, permits, mobilization studies, and geological studies on the claims purchased under the agreement. Upon delivery of a NI 43-101 technical report that includes NI 43-101 mineral resources on their respective properties and initial compliant resource estimate, the Company will pay to the Vendor Group an additional cash payment of \$1 million. As at March 31, 2025, 2,000,000 common shares had been issued to the Vendor Group while the cash of \$100,000 had not been made.

On January 7, 2025, the Company entered into definitive purchase and sale agreement with Bounty Gold Corp. ("Bounty Gold") to acquire 100% interest in certain claims in the Howells Lake Project. For consideration, the Company will pay Bounty Gold an initial cash payment of \$25,000 and issue 125,000 common shares. Bounty Gold will also be granted a 2% NSR with a 1% NSR buyback right in favour of the Company for \$1 million, at any time prior to commencement of commercial production in respect of the claims purchased under the agreement. As at March 31, 2025, 125,000 common shares had been issued to Bounty Gold while the cash of \$25,000 had not been made.

Warrants expired

On December 11, 2024, 625,000 warrants expired unexercised.

Debt settlement

On February 11, 2025, the Company settled debt owed to various creditors in an aggregate amount of \$249,460 through the issuance of 831,532 common shares.

EPL-8531

In connection with the binding agreement with Star Minerals on September 19, 2024 (note 5), in December 2024, Star Minerals requested an extension of the closing to early March 2025, and made a payment of US\$75,000 and issued 5.3 million common shares to the Company. However, Star Minerals did not meet its commitment and therefore did not earn any interest in EPL-8531. As a result, the agreement expired and the Company continues to hold an 85% interest in EPL-8531.

The Company also issued 225,000 common shares for an aggregate value of \$67,500 to an arms-length individual as a finder fee.

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14. Subsequent events (continued)

Board of Director appointment

On March 18, 2025, the Company announced the appointment of Chet Idziszek as an independent Board member. In connection with the appointment, the Company granted him 100,000 stock options with exercise price of \$0.31 per share for a period of 5 years. The options vested immediately.

Stock options exercised

Subsequent to November 30, 2025, 150,000 stock options were exercised for gross proceeds of \$37,500.