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

**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

**THREE AND SIX MONTHS ENDED
MAY 31, 2025**

**(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Critical One Energy Inc. (Formerly 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.

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

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	As at May 31, 2025	As at November 30, 2024
ASSETS		
Current assets		
Cash	\$ 628,282	\$ 41,513
Marketable securities (note 3)	121,749	3,125
Amounts receivable (note 4)	43,878	43,933
Prepaid expenses	65,732	56,222
Total current assets	859,641	144,793
Non-current assets		
Equipment	4,900	5,444
Exploration and evaluation assets (note 5)	3,368,550	2,850,959
Total assets	\$ 4,233,091	\$ 3,001,196
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	\$ 426,781	\$ 548,656
Deferred revenue (note 10(b))	199,491	203,145
Total liabilities	626,272	751,801
Equity		
Share capital (note 6)	14,125,712	12,417,006
Warrants (note 7)	443,563	308,793
Contributed surplus (note 8)	2,169,362	1,914,593
Deficit	(13,131,818)	(12,390,997)
Total equity	3,606,819	\$ 2,249,395
Total equity and liabilities	\$ 4,233,091	\$ 3,001,196

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)

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

	Three Months Ended May 31, 2025	Three Months Ended May 31, 2024	Six Months Ended May 31, 2025	Six Months Ended May 31, 2024
Operating expenses				
Professional fees (note 9)	\$ 16,885	\$ 26,648	\$ 50,039	\$ 54,438
Consulting fees (notes 6 and 9)	96,105	276,373	235,605	396,373
General office expenses	53,311	50,075	58,600	69,436
Investor relations	51,269	141,889	155,322	264,986
Shareholder information and communication	8,916	14,492	18,369	28,041
Transfer agent and filing fees	4,330	2,922	9,670	5,692
Foreign exchange (gain) loss	(24,802)	2,342	(746)	3,704
Depreciation	272	341	544	682
Share-based payments (notes 8 and 9)	223,148	299,689	223,148	342,549
Loss before other items	(429,434)	(814,771)	(750,551)	(1,165,901)
Other items				
Gain on debt settlement (note 6)	-	-	66,523	-
Unrealized (loss) gain on fair value of marketable securities (note 3)	(31,553)	375	(56,793)	1,125
Net loss and comprehensive loss for the period	\$ (460,987)	\$ (814,396)	\$ (740,821)	\$ (1,164,776)
Basic and diluted net loss per share	\$ (0.01)	\$ (0.03)	\$ (0.02)	\$ (0.04)
Weighted average number of common shares outstanding	37,148,612	30,516,591	34,870,506	29,125,299

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

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

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

Unaudited

	Six Months Ended May 31, 2025	Six Months Ended May 31, 2024
Operating activities		
Net loss for the period	\$ (740,821)	\$ (1,164,776)
Adjustments for:		
Depreciation	544	682
Share-based payments	223,148	342,549
Gain on debt settlement	(66,523)	-
Unrealized loss (gain) on fair value of marketable securities	56,793	(1,125)
Shares issued for services	49,500	-
Changes in non-cash working capital items:		
Amounts receivable	55	(47,288)
Prepaid expenses	(9,510)	(172,156)
Accounts payable and accrued liabilities	127,585	(94,799)
Deferred revenue	(3,654)	156,991
Net cash used in operating activities	(362,883)	(979,922)
Investing activities		
Exploration activities and maintenance of properties	(333,506)	(521,996)
Recovery from exploration and evaluation assets	107,998	-
Net cash used in investing activities	(225,508)	(521,996)
Financing activities		
Issuance of units for cash	1,215,000	1,664,729
Share issuance costs	(77,340)	(113,132)
Stock options exercised	37,500	-
Net cash provided by financing activities	1,175,160	1,551,597
Net change in cash	586,769	49,679
Cash, beginning of period	41,513	18,651
Cash, end of period	\$ 628,282	\$ 68,330
Supplemental cash flow information		
Shares and units issued for debt settlement	\$ 182,937	\$ 210,631
Shares issued for property acquisition	\$ 467,500	\$ -
Finders' warrants	\$ -	\$ 21,463

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

Critical One Energy Inc. (Formerly 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, 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	-	-
Share-based payments	-	342,549	-	-	342,549
Net loss for the period	-	-	-	(1,164,776)	(1,164,776)
Balance, May 31, 2024	\$ 12,417,006	\$ 1,786,537	\$ 436,849	\$ (11,872,892)	\$ 2,767,500
Balance, November 30, 2024	\$ 12,417,006	\$ 1,914,593	\$ 308,793	\$ (12,390,997)	\$ 2,249,395
Units issued for cash	1,215,000	-	-	-	1,215,000
Shares issued for debt settlement	182,937	-	-	-	182,937
Share issuance costs	(77,340)	-	-	-	(77,340)
Warrant valuation	(196,770)	-	196,770	-	-
Shares issued for property acquisition	467,500	-	-	-	467,500
Stock options exercised	67,879	(30,379)	-	-	37,500
Warrants expired	-	62,000	(62,000)	-	-
Shares issued for services	49,500	-	-	-	49,500
Share-based payments	-	223,148	-	-	223,148
Net loss for the period	-	-	-	(740,821)	(740,821)
Balance, May 31, 2025	\$ 14,125,712	\$ 2,169,362	\$ 443,563	\$ (13,131,818)	\$ 3,606,819

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

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

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2025

(Expressed in Canadian Dollars)

Unaudited

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 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 \$740,821 for the six months ended May 31, 2025 (2024 - net loss of \$1,164,776) and an accumulated deficit of \$13,131,818 as at May 31, 2025 (November 30, 2024 - \$12,390,997). 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 July 16, 2025, 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, 2024, 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, 2025 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 six months ended May 31, 2025.

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

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2025

(Expressed in Canadian Dollars)

Unaudited

3. Marketable securities

	May 31, 2025	November 30, 2024
Balance, beginning of period	\$ 3,125	\$ 3,000
Additions (i)(ii)	175,417	1,250
Unrealized loss	(56,793)	(1,125)
Balance, end of period	\$ 121,749	\$ 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).

(ii) During the six months ended May 31, 2025, the Company received 5,227,118 shares of Star Minerals Limited valued at \$175,417 for EPL-8531 (see note 5).

4. Amounts receivable

	May 31, 2025	November 30, 2024
GST receivable	\$ 6,868	\$ 6,923
Accounts receivable	37,010	37,010
Total equity and liabilities	\$ 43,878	\$ 43,933

5. Exploration and evaluation assets

The Company's exploration and evaluation assets comprise of properties located in Kenora, Ontario (the "Kenora Uranium Project"), Erongo Province, Namibia, Africa (the "Rossing Project"), and Thunder Bay, Ontario (the "Howells Lake Project").

	Kenora Uranium Project	Rossing Project	Howells Lake Project	Total
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
Acquisition and claims	-	36,114	698,150	734,264
Geologists	-	6,000	20,115	26,115
Salaries and wages	-	12,479	-	12,479
Supplies	-	22,174	-	22,174
Travel and accommodation	-	5,974	-	5,974
Recovery	-	(283,415)	-	(283,415)
Balance, May 31, 2025	\$ 478,770	\$ 2,171,515	\$ 718,265	\$ 3,368,550

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

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2025

(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, the Company will retain a 40% free-carry interest in the project.

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).

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 (US\$25,000 paid) 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. 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 5,227,118 common shares to the Company (see note 3). The Company also issued 225,000 common shares for an aggregate value of \$49,500 to an arms-length individual as a finder fee (see note 6). In March 2025, the agreement expired as Star Minerals failed to meet its commitments. As a result, Star Minerals did not earn any interest in EPL-8531.

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

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2025

(Expressed in Canadian Dollars)

Unaudited

5. Exploration and evaluation assets (continued)

ML86A and EPL-8905 ("Khan Project")

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 May 31, 2025, the Company paid \$837,686 (US\$615,000) 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 May 31, 2025, the Company owns 16% direct interest in Khan.

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 (completed). 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.

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 (completed). 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.

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

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2025

(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, 2023	26,619,817	\$ 10,963,571
Issued for cash (i)(ii)(iii)	4,653,021	1,664,729
Issued for debt settlement (i)	526,579	210,631
Share issuance costs (i)(ii)(iii)	-	(134,595)
Warrant valuation (i)(ii)(iii)	-	(287,330)
Balance, May 31, 2024 and November 30, 2024	31,799,417	\$ 12,417,006
Issued for property acquisition (note 5)	2,125,000	467,500
Issued for debt settlement (iv)	831,532	182,937
Issued for services (v)	225,000	49,500
Issued for cash (vi)	6,075,000	1,215,000
Share issuance costs (vi)	-	(77,340)
Warrant valuation (vi)	-	(196,770)
Stock options exercised	150,000	67,879
Balance, May 31, 2025	41,205,949	\$ 14,125,712

- (i) 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%.

- (ii) 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%.

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

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2025

(Expressed in Canadian Dollars)

Unaudited

6. Share capital (continued)

Issued (continued)

- (iii) 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%.

- (iv) On February 7, 2025, the Company settled debt owed to various creditors in an aggregate amount of \$249,460 through the issuance of 831,532 common shares at a deemed price of \$0.22 per share. As a result, the Company recorded a gain on debt settlement of \$66,523.
- (v) On February 7, 2025, the Company issued 225,000 common shares valued at \$49,500 to an arms-length individual as a finder fee in connection with the Star Minerals agreement (see note 5).
- (vi) On April 30, 2025, the Company closed a non-brokered private placement and issued 6,075,000 units at a price of \$0.20 per unit for aggregate gross proceeds of \$1,215,000. 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 \$0.35 per common share. In connection with the private placement, the Company paid cash finders' fees of \$77,340.

The 3,037,500 warrants were determined to have a fair value of \$196,770 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 2.47%, expected life of 18 months and expected volatility of 122%.

7. Warrants

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

	Number of warrants	Weighted average exercise price
Balance, November 30, 2023	861,737	\$ 0.90
Issued	2,739,927	0.52
Balance, May 31, 2024	3,601,664	\$ 0.61
Balance, November 30, 2024	2,739,927	\$ 0.52
Issued	3,037,500	0.35
Expired	(625,000)	0.60
Balance, May 31, 2025	5,152,427	\$ 0.41

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

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2025

(Expressed in Canadian Dollars)

Unaudited

7. Warrants (continued)

The following table reflects the warrants outstanding as of May 31, 2025:

Expiry date	Number of warrants outstanding	Exercise price (\$)
September 25, 2025	1,633,327	0.50
October 17, 2025	481,600	0.50
October 31, 2026	3,037,500	0.35
	5,152,427	0.41

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, 2023	2,925,000	\$ 0.57
Granted (i)(ii)	1,300,000	0.31
Balance, May 31, 2024 and November 30, 2024	4,225,000	\$ 0.49
Granted (iii)(iv)	650,000	0.43
Exercised	(150,000)	0.25
Forfeited	(150,000)	0.42
Balance, May 31, 2025	4,575,000	\$ 0.49

- (i) 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.
- (ii) 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.
- (iii) On March 18, 2025, the Company granted 100,000 stock options to a director. The stock options have an exercise price of \$0.31 per share, expire in 5 years, and vested immediately. The stock options were granted a grant date value of \$25,258 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.32, risk-free rate of return of 2.69%, expected volatility of 108%, and an expected maturity of 5 years.
- (iv) On April 30, 2025, the Company issued 550,000 stock options to certain directors. The stock options have an exercise price of \$0.45 per share, expire in 5 years, and vested immediately. The stock options were granted a grant date value of \$197,890 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.45, risk-free rate of return of 2.67%, expected volatility of 111%, and an expected maturity of 5 years.

Critical One Energy Inc. (Formerly Madison Metals Inc.)**Notes to Condensed Interim Consolidated Financial Statements****Three and Six Months Ended May 31, 2025****(Expressed in Canadian Dollars)****Unaudited**

8. Stock options (continued)

The following table reflects the stock options outstanding as of May 31, 2025:

Expiry date	Number of stock options outstanding	Weighted average exercise price (\$)	Weighted average remaining contractual life (years)
December 23, 2026	450,000	0.25	1.56
May 20, 2027	150,000	0.30	1.97
September 12, 2027	800,000	0.98	2.28
October 4, 2027	100,000	1.16	2.35
January 27, 2028	425,000	0.55	2.66
June 13, 2028	700,000	0.38	3.04
December 11, 2028	100,000	0.49	3.53
May 9, 2029	1,200,000	0.29	3.94
March 18, 2030	100,000	0.31	4.80
April 30, 2030	550,000	0.45	4.92
	4,575,000	0.49	3.19

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 six months ended May 31, 2025, the Company incurred management services of \$nil and \$90,000, respectively (2024 - \$90,000 and \$180,000, respectively) included in consulting fees to a director and officer of the Company. As at May 31, 2025, included in accounts payable and accrued liabilities is an aggregate of \$123,890 (November 30, 2024 - \$131,350) payable to this director and officer for the services.
- (b) During the three and six months ended May 31, 2025, the Company incurred accounting fees of \$nil and \$19,838, respectively (2024 - \$9,077 and \$23,922) 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 May 31, 2025, included in accounts payable is an aggregate of \$3,102 (November 30, 2024 - \$17,224) payable to the MSSI.
- (c) During the three and six months ended May 31, 2025, the Company incurred geological consulting fees of \$nil and \$nil, respectively (2024 - \$18,000 and \$42,000, respectively) included in exploration and evaluation assets to a director of the Company. As at May 31, 2025, included in accounts payable and accrued liabilities is an aggregate of \$33,120 (November 30, 2024 - \$43,560) payable to this director for the services.
- (d) During the three and six months ended May 31, 2025, the Company incurred share-based payments of \$223,148 and \$223,148, respectively (2024 - \$199,792 and \$199,792, respectively) to directors and officers of the Company.

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

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2025

(Expressed in Canadian Dollars)

Unaudited

10. 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 May 31, 2025.

(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 U_3O_8 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 U_3O_8 . 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 May 31, 2025, the Company received \$199,491 (US\$145,000) for delivery of approximately 2,130 pounds of U_3O_8 (November 30, 2024 - \$203,145 (US\$145,000) for delivery of approximately 440 pounds of U_3O_8), 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 honour delivery if the investor(s) meets all the contractual redemption and delivery protocols.

11. Subsequent events

On June 12, 2025, the Company announced that it has entered into an acquisition agreement with Dark Star Minerals Inc. ("Dark Star"), wherein Dark Star can acquire 100% of the interests in the Khan Project and EPL-8531 ("Cobra Uranium Project") by making the following payments:

- (i) cash payment of US\$10,000 on the date of execution of the letter of intent ("LOI Execution Date");
- (ii) issuance of 200,000 common shares upon the later of (a) the date that is 5 days of the LOI Execution Date; and (b) receipt of CSE approval;
- (iii) cash payment of US\$150,000 and issuance of 14,000,000 common shares upon the execution of the Definitive Agreement;
- (iv) cash payment of US\$100,000 on or before the date that is 4 months from the execution of the Definitive Agreement;
- (v) cash payment of US\$250,000 and issuance of common shares valued at US\$1,000,000 on or before first anniversary of the Definitive Agreement execution date; and
- (vi) cash payment of US\$250,000 and issuance of common shares valued at US\$750,000 on or before second anniversary of the Definitive Agreement execution date.

On June 26, 2025, the Company closed its non-brokered financing and issued 2,500,000 units at a price of \$0.40 per unit for aggregate gross proceeds of \$1,000,000. Each unit consists of one common share in the capital of the Company and one-half common share purchase warrant. Each full warrant entitles the holder thereof to purchase one common share for a price of \$0.60 for a period of 18 months from the date of issuance. In connection with the private placement the Company paid cash finders' fees in an aggregate amount of \$55,400.