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**MADISON METALS INC.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**THREE MONTHS ENDED FEBRUARY 29, 2020**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**Notice To Reader**

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

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**Madison Metals Inc.****Condensed Interim Consolidated Statement of Financial Position****(Expressed in Canadian Dollars)****Unaudited**

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	As at February 29, 2020	As at November 30, 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 5,034	\$ -
Amounts receivable	-	1
Prepaid expenses	11,005	-
<b>Total current assets</b>	<b>16,039</b>	<b>1</b>
<b>Non-current assets</b>		
Property and equipment	63,742	-
Exploration and evaluation assets	3,723,405	-
Reclamation deposits (note 4)	182,413	-
<b>Total assets</b>	<b>\$ 3,985,599</b>	<b>\$ 1</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 2,599	\$ -
<b>Total liabilities</b>	<b>2,599</b>	<b>-</b>
<b>Equity</b>		
Share capital	3,983,000	\$ 1
Deficit	-	-
<b>Total equity</b>	<b>3,983,000</b>	<b>\$ 1</b>
<b>Total equity and liabilities</b>	<b>\$ 3,985,599</b>	<b>\$ 1</b>

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

Nature of operations (note 1)

Subsequent event (note 8)

**Approved on behalf of the Board:**

(Signed) "Duane Parnham"      Director

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**Madison Metals Inc.**  
**Condensed Interim Consolidated Statement of Cash Flows**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

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	<b>Three Months February 29, 2020</b>
<b>Financing activities</b>	
Cash transferred pursuant to the spin-out of assets (note 3)	\$ 5,034
<b>Net cash provided by financing activities</b>	<b>5,034</b>
<b>Net change in cash</b>	<b>5,034</b>
<b>Cash, beginning of period</b>	<b>-</b>
<b>Cash, end of period</b>	<b>\$ 5,034</b>

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

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**Madison Metals Inc.****Condensed Interim Consolidated Statement of Changes in Equity****(Expressed in Canadian Dollars)****Unaudited**

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	Share capital	Deficit	Total
<b>Balance, October 11, 2019</b>	\$ -	\$ -	\$ -
Incorporation shares issued (note 5)	1	-	1
<b>Balance, November 30, 2019</b>	<b>1</b>	<b>-</b>	<b>1</b>
Incorporation share cancelled (note 5)	(1)	-	(1)
Shares issued pursuant to spin-out of assets (note 3)	3,983,000	-	3,983,000
Net loss for the period	-	-	-
<b>Balance, February 29, 2020</b>	<b>\$ 3,983,000</b>	<b>\$ -</b>	<b>\$ 3,983,000</b>

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

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# **Madison Metals Inc.**

## **Notes to Condensed Interim Consolidated Financial Statements**

**Three Months Ended February 29, 2020**

**(Expressed in Canadian Dollars)**

**Unaudited**

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### **1. Nature of operations**

Madison Metals Inc. ("Madison Metals" or the "Company") is a company incorporated under the provisions of the British Columbia Business Corporations Act on October 11, 2019 in order to complete the Plan of Arrangement (as defined below).

The Company is a reporting British Columbia registered corporation that was set up receive the Madison Mine Project from Broadway Gold Mining Ltd. ("Broadway"). The shares of the Company are not listed or posted for trading on any stock exchange. Its registered and head office is located at 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5.

The Plan of Arrangement was completed on February 27, 2020 (see note 3).

### **2. Significant accounting policies**

#### ***Statement of compliance***

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

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of April 29, 2020, 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, 2019, 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, 2020 could result in restatement of these unaudited condensed interim consolidated financial statements.

These unaudited condensed interim consolidated financial statements do not include the statement of income and comprehensive income as there were no activities during the three months ended February 29, 2020.

#### ***New accounting policies***

#### **Basis of consolidation**

The unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Broadway Gold Corp., a Montana corporation. The activities of the Madison Project in Montana are conducted primarily by Broadway Gold Corp.

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.

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## Madison Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 29, 2020

(Expressed in Canadian Dollars)

Unaudited

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### 3. Plan of arrangement

On February 27, 2020, the Company completed the spin-out from Broadway by way of plan of arrangement ("Plan of Arrangement") under the Business Corporations Act (British Columbia) wherein Broadway transferred its US subsidiary, including all of Broadway's right, title and interest, and all associated liabilities, in the Madison Project, which is comprised of 6 patented and 35 unpatented claims in the Madison Property located in Montana, USA, in exchange for 49,860,204 common shares of Madison Metals (the "Madison Metals Shares"). The Madison Metals Shares have been distributed to Broadway shareholders on the basis of one Madison Metals Share for each Broadway common shares.

The fair value of the US subsidiary contributed pursuant to the Plan of Arrangement consisted of the following:

	<b>As at November 30, 2019</b>
<b>ASSETS</b>	
Cash	\$ 5,034
Prepaid expenses	11,005
Property and equipment	63,742
Exploration and evaluation assets	3,723,405
Reclamation deposits	182,413
<b>Total assets</b>	<b>\$ 3,985,599</b>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 2,599
<b>Total liabilities</b>	<b>\$ 2,599</b>
<b>Fair value of US subsidiary contributed</b>	<b>\$ 3,983,000</b>

The Plan of Arrangement resulted in an increase of share capital amounting to \$3,983,000, which is the fair value of the US subsidiary.

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## Madison Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 29, 2020

(Expressed in Canadian Dollars)

Unaudited

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#### 4. Exploration and evaluation assets

The Company's exploration and evaluation assets comprise of properties located in Montana, USA (the Madison Property). Capitalized expenditures are as follows:

	<b>Madison Property</b>
Balance, October 11, 2019 and November 30, 2019	\$ -
Contribution from spin-out assets	3,723,405
Balance, February 29, 2020	\$ 3,723,405

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On February 27, 2020, pursuant to the Plan of Arrangement, the Company acquired 100% right, title and interest in 450 acres of land with a 192 acre ranch, buildings, mine equipment and fixtures and 6 patented and 35 unpatented mineral claims situated in Madison County, Montana. The acquisition is also subject to an annual payment equal to the greater of a 2% NSR or US\$50,000.

As at February 29, 2020, the Company has provided aggregate funding of \$182,413 (November 30, 2019 - \$nil) for deposits as security against potential future reclamation work related to the Madison property.

The Madison Property is subject to an Earn-In with Option to Joint Venture Agreement (the "Earn-In Agreement") with Kennecott Exploration Company ("Kennecott"), part of the Rio Tinto Group.

Under the terms of the Earn-In Agreement,

- Kennecott has an option to:
  - (i) acquire a 55% undivided interest in the property by incurring exploration and related expenditures of US\$5 million within the first five years. Kennecott may elect to earn an additional 10% undivided interest by incurring additional expenditures of US\$10 million within the following three years.
  - (ii) acquire a 65% undivided interest in the property by incurring exploration and related expenditures of US\$15 million within the first eight years. Kennecott may elect to earn an additional 5% undivided interest by incurring additional expenditures of US\$15 million within the following three years.
  - (iii) acquire a 70% undivided interest in the property by incurring exploration and related expenditures of US\$30 million over eleven years.
- Kennecott is to incur a minimum of US\$1 million of exploration expenditures in the first year.
- Madison Metals is to receive cash payments of US\$225,000 (US\$100,000 received) over the first five years.
- Kennecott may request Madison Metals to conduct exploration on its behalf during the first year in return for 10% administration charge.

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## Madison Metals Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 29, 2020

(Expressed in Canadian Dollars)

Unaudited

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#### 5. Share capital

##### Authorized share capital

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

##### Issued

	Number of shares	Share capital
Balance, October 11, 2019	-	\$ -
Issued (i)	1	1
Balance, November 30, 2019	1	\$ 1
Cancelled (i)	(1)	(1)
Issued pursuant to spin-out of assets	49,860,204	3,983,000
Balance, February 29, 2020	49,860,204	\$ 3,983,000

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(i) The Company was incorporated on October 11, 2019 issuing a single share for \$1 per share, which was subsequently cancelled.

#### 6. Related party transactions

The Company did not have any related party transactions during the three months ended February 29, 2020.

#### 7. Proposed transaction

On January 8, 2020, Madison Metals and Broadway entered into an exclusivity agreement ("Agreement") with American Pacific Mining Corp. ("APM") wherein APM is granted an exclusive right to negotiate the acquisition of the Madison Property during the period from the date of Agreement until the earlier of (i) the date of execution of a mutually acceptable definitive purchase agreement; (ii) five business days after the closing of the Arrangement; (iii) the termination of the Arrangement Agreement; and (iv) the date, if any, upon which Broadway, Madison Metals and APM mutually agree in writing to terminate discussions.

#### 8. Subsequent event

On April 14, 2020, the Company announced that it signed a definitive agreement (the "Definitive Agreement") with APM to sell to APM the Madison Project.

Pursuant to the terms of the Definitive Agreement, APM's common shares consolidated with a roll back of three old shares for one new share (the "Consolidation") on April 16, 2020.

Key terms of the Definitive Agreement include:

- APM will issue 20 million APM post-Consolidation shares to Madison Metals;
- APM will issue 5 million APM post-Consolidation warrants priced at \$0.25, expiring in 18 months; and
- Madison Metals will add one member to the APM Advisory board.

Terms are subject to Madison Metals shareholder approval. Once completed, the APM securities will be distributed pro-rata to the Madison Metals shareholders.