
MADISON METALS INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE AND NINE MONTHS ENDED
AUGUST 31, 2020
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

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

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

	As at August 31, 2020	As at November 30, 2019
ASSETS		
Current assets		
Amounts receivable	\$ -	\$ 1
Total assets	\$ -	\$ 1
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 6,757	\$ -
Total liabilities	6,757	-
Equity		
Share capital (note 5)	3,983,000	\$ 1
Deficit	(3,989,757)	-
Total equity	(6,757)	\$ 1
Total equity and liabilities	\$ -	\$ 1

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

Nature of operations (note 1)

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

	Three Months Ended August 31, 2020	Nine Months Ended August 31, 2020
Operating expenses		
Professional fees (note 6)	\$ 9,823	\$ 19,072
Consulting fees (note 6)	15,000	50,000
General office expenses	1,152	9,024
Shareholder information and communication	2,517	5,672
Transfer agent and filing fees	8,975	14,043
Loss before other items	(37,467)	(97,811)
Other item		
Gain on sale of subsidiary (note 4)	4,912,905	4,912,905
Net income for the period	4,875,438	4,815,094
Other comprehensive income		
Items that will be reclassified subsequently to income		
Foreign currency translation	(105,209)	-
Total comprehensive income for the period	\$ 4,770,229	\$ 4,815,094
Basic and diluted net income per share	\$ 0.10	\$ 0.10
Weighted average number of common shares outstanding	48,660,204	48,660,204

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

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

	Nine Months Ended August 31, 2020
Operating activities	
Net income for the period	\$ 4,815,094
Adjustments for:	
Gain on sale of subsidiary	(4,912,905)
Changes in non-cash working capital items:	
Prepaid expenses	6,534
Amounts payable and other liabilities	46,699
Net cash used in operating activities	(44,578)
Investing activities	
Recovery from earn-in agreement	132,845
Exploration activities and maintenance of properties	(149,101)
Net cash used in investing activities	(16,256)
Financing activities	
Cash transferred pursuant to the spin-out of assets (note 3)	\$ 5,034
Cash transferred on sale of subsidiary (note 4)	(5,617)
Advance from bridge loan	61,417
Net cash provided by financing activities	60,834
Net change in cash	-
Cash, beginning of period	-
Cash, end of period	\$ -

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

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

	Share capital	Accumulated other comprehensive income	Deficit	Total
Balance, October 11, 2019	\$ -	\$ -	\$ -	\$ -
Incorporation shares issued (note 5)	1	-	-	1
Net income for the period	-	-	4,815,094	4,815,094
Balance, November 30, 2019	\$ 1	\$ -	-	1
Incorporation share cancelled (note 5)	(1)	-	-	(1)
Shares issued pursuant to spin-out of assets (note 3)	3,983,000	-	-	3,983,000
Net income for the period	-	-	4,815,094	4,815,094
Distribution to shareholders	-	-	(8,804,851)	(8,804,851)
Balance, August 31, 2020	\$ 3,983,000	\$ -	\$ (3,989,757)	\$ (6,757)

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

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2020

(Expressed in Canadian Dollars)

Unaudited

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

The Company is a reporting British Columbia registered corporation that was set up to 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.

On June 26, 2020, the Company sold the Madison Project to American Pacific Mining Corp. ("APM").

2. Significant accounting policies

Statement of compliance

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

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of October 28, 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 nine months ended August 31, 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.

On June 26, 2020, Broadway Gold Corp. was sold to APM.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2020

(Expressed in Canadian Dollars)

Unaudited

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:

ASSETS

Cash	\$	5,034
Prepaid expenses		11,005
Property and equipment		63,742
Exploration and evaluation assets		3,723,405
Reclamation deposits		182,413
Total assets	\$	3,985,599

LIABILITIES

Accounts payable and accrued liabilities	\$	2,599
Total liabilities	\$	2,599

Fair value of US subsidiary contributed	\$	3,983,000
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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.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2020

(Expressed in Canadian Dollars)

Unaudited

4. Sale of subsidiary

On April 14, 2020, the Company announced that it signed a definitive agreement (the "Definitive Agreement") with APM to sell Broadway Gold Corp. to APM. The Company completed the transaction on June 26, 2020.

Pursuant to the terms of the transaction, APM acquired all of the issued and outstanding shares of Broadway Gold Corp. As a consideration for the transaction,

- APM issued 20 million APM shares to Madison Metals, valued at \$7,400,000, subject to a 6 month hold period ending January 22, 2021; and
- APM issued 5 million APM warrants priced at \$0.25, expiring in 18 months. The 5 million APM warrants were estimated to have a grant date fair value of \$1,404,851 using the Black-Scholes option pricing model, assuming a risk-free interest rate of 0.26%, an expected life of 18 months, an expected volatility of 170% and an expected dividend yield of 0%.

The fair value of the US subsidiary sold to APM consisted of the following:

ASSETS		
Cash	\$	5,617
Prepaid expenses		4,471
Property and equipment		64,744
Exploration and evaluation assets		3,735,756
Reclamation deposits		185,279
Total assets	\$	3,995,867
LIABILITIES		
Accounts payable and accrued liabilities	\$	42,541
Loan payable		61,380
Total liabilities	\$	103,921
Fair value of US subsidiary sold	\$	3,891,946
Gain on sale of subsidiary		4,912,905
	\$	8,804,851
Considerations received		
5,000,000 APM shares	\$	7,400,000
2,000,000 APM warrants		1,404,851
	\$	8,804,851

As a result, the Company recorded a gain on sale of subsidiary of \$4,912,905.

The Company distributed the issued securities to its shareholders in accordance with their pro rate shareholdings in the Company. In connection with the transaction, the Company will add one member to the APM advisory board.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2020

(Expressed in Canadian Dollars)

Unaudited

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, August 31, 2020	49,860,204	\$ 3,983,000

(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

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

(a) During the three and nine months ended August 31, 2020, the Company incurred management services of \$15,000 and \$50,000, respectively (three and nine months ended August 31, 2019 - \$nil) to a director and officer of the Company.

(b) During the three and nine months ended August 31, 2020, the Company incurred accounting fees of \$9,379 and \$14,379, respectively (three and nine months ended August 31, 2019 - \$nil) to Marrelli Support Services Inc. ("MSSI") for:

- Eric Myung, an employee of MSSI, to act as the CFO of the Company; and
- Bookkeeping services;

As at August 31, 2020, included in accounts payable is an aggregate of \$5,752 (November 30, 2019 - \$nil) payable to the MSSI.

All transactions and balances are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.