

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 — Name and Address of Company

Madison Metals Inc. (the “Company”)
82 Richmond Street E., 4th Floor
Toronto, ON M5C 1P1

ITEM 2 — Date of Material Change

July 26, 2021

ITEM 3 — News Release

A press release was disseminated on July 27, 2021 through the facilities of GlobeNewswire and filed on SEDAR at www.sedar.com. A copy of this press release is attached hereto as Schedule “A”.

ITEM 4 — Summary of Material Change

The Company has closed its non-brokered private placement previously announced on June 30, 2021, for gross proceeds of \$1,309,663.50 (the “Offering”). The Offering consisted of the issuance of 5,238,654 units (the “Units”) at a price of \$0.25 per Unit. Each Unit was comprised of one common share and one common share purchase warrant (a “Warrant”) with each Warrant entitling its holder to purchase one common share for a price of \$0.35 for a period of 18 months from the date of issuance, subject to acceleration. The common shares are subject to a four month and one day hold period.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”).

(a) a description of the transaction and its material terms:

In connection with the Offering, 700,000 Units were issued to certain insiders (the “Insiders”) of the Company, as described in greater detail below.

(b) the purpose and business reasons for the transaction:

The proceeds raised from the Offering are intended to be used to for general working capital purposes.

(c) the anticipated effect of the transaction on the issuer’s business and affairs:

The Company intends to use the net proceeds of the Offering for general working capital purposes.

(d) a description of:

(i) the interest in the transaction of every interested part and of the related parties and associated entities of the interested parties:

In connection with the Offering, the following securities were issued to Insiders of the Company:

Name	Position	Number of Units	Aggregate Price
Duane Parnham	President, Secretary and Director	300,000	\$0.25
Shawn Parnham	Director	100,000	\$0.25
Roger Laine	Director	100,000	\$0.25
Victoria Donato	Director	100,000	\$0.25
Suzanne Wood	Director	100,000	\$0.25
Total		700,000	

- (ii) **the anticipated effect of the transaction on the percentage of securities of the issuer, or an affiliated entity of the issuer, beneficially owned or controlled by each person referred to in subparagraph (i) for where there would be a material change in that percentage.**

Prior to the completion of the Offering, Duane Parnham beneficially owned or controlled, directly or indirectly, 388,942 common shares, which represented approximately 9.72% of the issued and outstanding common shares on an undiluted basis. Upon closing of the Offering, Mr. Parnham beneficially owns and controls, directly or indirectly, an aggregate of 688,942 common shares, and 300,000 Warrants representing approximately 7.46% of the issued and outstanding common shares on an undiluted basis.

Prior to the completion of the Offering, Shawn Parnham beneficially owned or controlled, directly or indirectly, no common shares, which represented approximately 0.00% of the issued and outstanding common shares on an undiluted basis. Upon closing of the Offering, Mr. Parnham beneficially owns and controls, directly or indirectly, an aggregate of 100,000 common shares, and 100,000 Warrants representing approximately 1.08% of the issued and outstanding common shares on an undiluted basis.

Prior to the completion of the Offering, Roger Laine beneficially owned or controlled, directly or indirectly, 133,000 common shares, which represented approximately 3.32% of the issued and outstanding common shares on an undiluted basis. Upon closing of the Offering, Mr. Laine beneficially owns and controls, directly or indirectly, an aggregate of 233,000 common shares, and 100,000 Warrants representing approximately 2.52% of the issued and outstanding common shares on an undiluted basis.

Prior to the completion of the Offering, Victoria Donato beneficially owned or controlled, directly or indirectly, 1,604 common shares, which represented approximately 0.04% of the issued and outstanding common shares on an undiluted basis. Upon closing of the Offering, Ms. Donato beneficially owns and controls, directly or indirectly, an aggregate of 101,604 common shares, and 100,000

Warrants representing approximately 1.10 % of the issued and outstanding common shares on an undiluted basis.

Prior to the completion of the Offering, Suzanne Wood beneficially owned or controlled, directly or indirectly, 66,586 common shares, which represented approximately 1.66% of the issued and outstanding common shares on an undiluted basis. Upon closing of the Offering, Ms. Wood beneficially owns and controls, directly or indirectly, an aggregate of 166,586 common shares, and 100,000 Warrants representing approximately 1.80% of the issued and outstanding common shares on an undiluted basis.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee.

A resolution of the board of directors of the Company approving the Offering was passed on July 5, 2021. No special committee was established in connection with the Offering, and no materially contrary view or abstention was expressed or made by any director, however each director abstained from voting as it related to their own disclosed interest in the Offering but voted to approve the resolution in every other respect.

(f) a summary, in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction.

Not applicable.

(g) disclosure, in accordance with section 6.8, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:

(i) that has been made in the 24 months prior to the date of the material change report:

Not applicable.

(ii) the existence of which is known, after reasonable inquiry, to the issuer or to any director or senior officer of the issuer:

Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction.

In addition to the subscription agreements to purchase Units pursuant to the Offering, the Company entered into debt settlement agreements with each of the Insiders and issued Units as consideration for the settlement of certain bona fide

debts of the Company, in accordance with applicable securities laws. Each debt settlement agreement extinguished \$25,000 owed to the Insiders by the Company in exchange for 100,000 Units, for an aggregate debt extinguishment of \$125,000. Duane Parnham also subscribed for an additional 200,000 Units. To the Company's knowledge, no other related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7, respectively, and the fact supporting reliance on the exemptions.

The participation in the Offering by the Insiders is exempt from the formal valuation and minority shareholder approval requirements set out in MI 61-101. Specifically, the Company is relying on the exemptions set out in sections 5.5(b) and 5.7(1)(b) of MI 61-101, as described below.

Section 5.5(b) of MI 61-101

No securities of the Company are listed or quoted on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

Section 5.7(1)(b) of MI 61-101

Neither the fair market value of the Units issued to the Insiders under the Offering nor the consideration paid for the Units by the Insiders exceeded \$2,500,000, and:

- (i) the securities of the Company are not listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States; and
- (ii) the Company has one or more independent directors in respect of the Offering who are not employees of the Company and at least two-thirds of those directors participated in the approval of the Offering. Specifically, all five (5) directors of the Company participated in the approval of the Offering, however each director abstained from voting in respect of their own disclosed interest in the Offering.

ITEM 5 — Full Description of Material Change
Please refer to Schedule "A".

ITEM 6 — Reliance on Section 7.1(2) or (3) of National Instrument 51-102 of the Act
N/A

ITEM 7 — Omitted Information
N/A

ITEM 8 — Executive Officer

Duane Parnham, Director
(416) 848-0106

ITEM 9 — Date of Report
August 5, 2021

SCHEDULE "A"
News Release

MADISON METALS INC.
82 Richmond Street E., 4th Floor
Toronto, ON M5C 1P1

MADISON METALS INC. COMPLETES PRIVATE PLACEMENT

TORONTO, ONTARIO, July 27, 2021, Madison Metals Inc. (the “Company”) is pleased to announce the closing of its non-brokered private placement (the “**Placement**”) first announced on June 30, 2021. The Company issued 5,238,654 units (the “**Units**”) at a price of \$0.25 per Unit for gross proceeds of \$1,309,663.50.

Each Unit issued consists of one common share and one common share purchase warrant (the “**Warrants**”). Each Warrant entitles its holder to purchase one common share for a period of eighteen (18) months from the date of issuance (the “**Warrant Expiry Date**”) at an exercise price of \$0.35 per common share. The Company intends to use the proceeds from the financing for general working capital purposes.

The Warrant Expiry Date may, at the Company’s option, be accelerated if at any time after the date that is four months and one day following the closing date of the Placement, the common shares of the Company are listed and traded on stock exchange provided that: (i) the Company provides written notice to the Warrant holder of its intention to accelerate the Warrant Expiry Date; and (ii) the accelerated Warrant Expiry Date is not earlier than the 30th day after the date of such notice.

All securities issued under the Placement, including securities issuable on exercise of the Warrants, will be subject to a hold period of four months plus a day in accordance with Canadian securities laws.

The participation by existing directors of the Company constitutes a “related party transaction” pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company intends to rely on the exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in Section 5.5(b) and Section 5.7(1)(b) of MI 61-101, respectively, on the basis that the Company is not listed on the specified markets and the fair market value of the securities does not exceed \$2,500,000.

Additional information about Madison Metals Inc. can be found on the Company’s SEDAR profile at www.sedar.com.

For further information, please contact:

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Duane Parnham, Director
duane.parnham@gmail.com