
MADISON METALS INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE MONTHS ENDED FEBRUARY 28, 2022
(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 February 28, 2022	As at November 30, 2021
ASSETS		
Current assets		
Cash	\$ 1,053,475	\$ 1,259,141
Marketable securities (note 4)	45,750	39,000
Amounts receivable	29,512	20,025
Prepaid expenses	6,780	11,865
Total current assets	1,135,517	1,330,031
Non-current assets		
Property and equipment	13,894	7,125
Exploration and evaluation assets (note 5)	2,248,465	190,484
Total assets	\$ 3,397,876	\$ 1,527,640
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	\$ 38,500	\$ 30,661
Total liabilities	38,500	30,661
Equity		
Share capital (note 6)	6,986,317	\$ 4,973,817
Warrants (note 7)	299,700	299,700
Share-based payments (note 8)	121,000	-
Deficit	(4,047,641)	(3,776,538)
Total equity	3,359,376	\$ 1,496,979
Total equity and liabilities	\$ 3,397,876	\$ 1,527,640

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)

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

	Three Months Ended February 28, 2022	Three Months Ended February 28, 2021
Operating expenses		
Professional fees (note 9)	\$ 59,684	\$ 10,628
Consulting fees (note 9)	62,000	13,125
General office expenses	17,866	-
Investor relations	5,085	-
Shareholder information and communication	6,451	-
Transfer agent and filing fees	2,850	358
Foreign exchange loss	2,186	-
Depreciation	731	-
Share-based payments (notes 8 and 9)	121,000	-
Loss before other items	(277,853)	(24,111)
Other items		
Unrealized gain (loss) on fair value of marketable securities (note 4)	6,750	(92,827)
Net loss and comprehensive loss for the period	\$ (271,103)	\$ (116,938)
Basic and diluted net income per share	\$ (0.02)	\$ (0.03)
Weighted average number of common shares outstanding (i)	13,527,556	4,000,013

(i) Adjusted for 12.465:1 share consolidation effective July 16, 2021 (note 6)

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**

	Three Months Ended February 28, 2022	Three Months Ended February 28, 2021
Operating activities		
Net loss for the period	\$ (271,103)	\$ (116,938)
Adjustments for:		
Depreciation	731	-
Share-based payments	121,000	-
Unrealized (gain) loss on fair value of marketable securities	(6,750)	92,827
Changes in non-cash working capital items:		
Amounts receivable	(9,487)	-
Prepaid expenses	5,085	-
Accounts payable and accrued liabilities	7,839	24,111
Net cash used in operating activities	(152,685)	-
Investing activities		
Exploration activities and maintenance of properties	(45,481)	-
Purchase of equipment	(7,500)	-
Net cash used in investing activities	(52,981)	-
Net change in cash	(205,666)	-
Cash, beginning of period	1,259,141	-
Cash, end of period	\$ 1,053,475	\$ -

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	Share-based payments	Warrants	Deficit	Total
Balance, November 30, 2020	\$ 3,983,000	\$ -	\$ -	\$ (3,788,507)	\$ 194,493
Net loss for the period	-	-	-	(116,938)	(116,938)
Distribution to shareholders	-	-	-	(266,471)	(266,471)
Balance, February 28, 2021	\$ 3,983,000	\$ -	\$ -	\$ (4,171,916)	\$ (188,916)
Balance, November 30, 2021	\$ 4,973,817	\$ -	\$ 299,700	\$ (3,776,538)	\$ 1,496,979
Shares issued for property acquisition	2,012,500	-	-	-	2,012,500
Net loss for the period	-	121,000	-	(271,103)	(150,103)
Balance, February 28, 2022	\$ 6,986,317	\$ 121,000	\$ 299,700	\$ (4,047,641)	\$ 3,359,376

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 Months Ended February 28, 2022

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

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. The Company is a reporting British Columbia registered corporation and the shares of the Company are not listed or posted for trading on any stock exchange. Its registered and head office is located at 82 Richmond Street East, 4th Floor, Toronto, Ontario, M5C 1P1.

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.

As at February 28, 2022, the Company had not yet achieved profitable operations and 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.

In March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital.

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, 2022, 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, 2021, 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, 2022 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 28, 2022.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 28, 2022

(Expressed in Canadian Dollars)

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3. Share exchange agreement

On November 17, 2021, the Company entered into a share exchange agreement (the "Share Exchange Agreement") with 2160083 Ontario Inc. ("216") to acquire all of the issued and outstanding common shares of 216 in consideration for 8,000,000 common shares in the capital of the Company (the "Consideration Shares"). 216 holds a 100% interest in Richards Lake Uranium Project located around Kenora, Ontario.

Pursuant to the terms of the Share Exchange Agreement, the Consideration Shares will be subject to escrow and released as follows:

- 25% on the date that is 4 months from the closing date;
- 25% on the date that is 12 months from the closing date;
- 25% on the date that is 18 months from the closing date; and
- 25% on the date that is 24 months from the closing date.

On December 31, 2021, the Company completed the Share Exchange Agreement.

The acquisition constitutes an asset acquisition as 216 did not meet the definition of a business, as defined in IFRS 3 - Business Combinations. As a result of this asset acquisition, an exploration and evaluation asset of \$2,029,915 has been recorded. This reflects the difference between the estimated fair value of consideration given less the fair value of the net assets acquired.

The allocation of estimated fair value of consideration given is as follows:

Fair value of net assets acquired

Cash	\$	1
Accounts payable and accrued liabilities		(201)
Loan payable		(29,715)
Exploration and evaluation assets		2,029,915
	\$	2,000,000

Consideration given

8,000,000 common shares	\$	2,000,000
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Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 28, 2022

(Expressed in Canadian Dollars)

Unaudited

4. Marketable securities

As at February 28, 2022, the following securities were included in marketable securities:

	Number of shares	Acquisition cost	Fair value adjustment	Fair value at February 28, 2022
Graycliff Exploration Ltd.	150,000	\$ 99,805	\$ (54,055)	\$ 45,750

As at November 30, 2021, the following securities were included in marketable securities:

	Number of shares	Acquisition cost	Fair value adjustment	Fair value at February 28, 2022
Graycliff Exploration Ltd.	150,000	\$ 99,805	\$ (60,805)	\$ 39,000
		\$ 99,805	\$ (60,805)	\$ 39,000

5. Exploration and evaluation assets

The Company's exploration and evaluation assets comprise of properties located in Kenora, Ontario (the "Kenora Uranium Project"). Capitalized expenditures are as follows:

	Kenora Uranium Project	Rossing North Project	Total
Balance, November 30, 2020	\$ -	\$ -	\$ -
Acquisition and claims	29,715	-	29,715
Assay and analysis	3,806	-	3,806
Geologists	156,963	-	156,963
Balance, November 30, 2021	190,484	\$ -	190,484
Acquisition and claims	2,012,700	-	2,012,700
Assay and analysis	8,800	-	8,800
Geologists	26,793	7,351	34,144
Travel	2,337	-	2,337
Balance, February 28, 2022	\$ 2,241,114	\$ 7,351	\$ 2,248,465

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 28, 2022

(Expressed in Canadian Dollars)

Unaudited

6. Share capital

Authorized share capital

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

On July 16, 2021, the Company affected a consolidation of its issued and outstanding share capital on the basis of 12.465 pre-consolidation common shares for each 1 post-consolidation common share, which has been retrospectively applied in these financial statements.

Issued

	Number of shares	Share capital
Balance, November 30, 2020 and February 28, 2021	4,000,013	\$ 3,983,000
Balance, November 30, 2021	9,238,667	\$ 4,973,817
Issued for property acquisition	8,050,000	2,012,500
Balance, February 28, 2022	17,288,667	\$ 6,986,317

7. Warrants

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

	Number of warrants	Weighted average exercise price
Balance, November 30, 2020 and February 28, 2021	-	\$ -
Balance, November 30, 2021 and February 28, 2022	5,238,654	\$ 0.35

The following table reflects the warrants outstanding as of February 28, 2022:

Expiry date	Number of warrants outstanding	Exercise price (\$)
January 26, 2023	5,238,654	0.35

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 28, 2022

(Expressed in Canadian Dollars)

Unaudited

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, 2020, February 28, 2021 and November 30, 2021	-	\$ -
Granted (i)	650,000	0.25
Balance, February 28, 2022	650,000	\$ 0.25

(i) On December 23, 2021, the Company granted 650,000 stock options to directors and consultants. The stock options have exercise price of \$0.25 per share, expire in 5 years, and vested immediately. The stock options were granted a grant date value of \$121,000 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.25, risk-free rate of return of 1.26%, expected volatility of 100%, and an expected maturity of 5 years.

The following table reflects the stock options outstanding as of February 28, 2022:

Expiry date	Number of stock options outstanding	Weighted average exercise price (\$)	Weighted average remaining contractual life (years)
December 23, 2026	650,000	0.25	4.82

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 months ended February 28, 2022, the Company incurred management services of \$45,000 (three months ended February 28, 2021 - \$13,125) to a director and officer of the Company.

(b) During the three months ended February 28, 2022, the Company incurred accounting fees of \$7,635 (three months ended February 28, 2021 - \$8,628) 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 February 28, 2022, included in accounts payable is an aggregate of \$5,752 (November 30, 2021 - \$nil) payable to the MSSI.

(c) During the three months ended February 28, 2022, the Company incurred geological consulting fees of \$17,800 (three months ended February 28, 2021 - \$nil) included in exploration and evaluation assets to a director of the Company.

(d) During the three months ended February 28, 2022, the Company incurred share-based payments of \$121,000 (three months ended February 28, 2021 - \$nil) to directors of the Company.

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Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 28, 2022

(Expressed in Canadian Dollars)

Unaudited

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:

February 28, 2022	Level 1	Level 2	Level 3	Total
Marketable securities	\$ 45,750	\$ -	\$ -	\$ 45,750

November 30, 2021	Level 1	Level 2	Level 3	Total
Marketable securities	\$ 39,000	\$ -	\$ -	\$ 39,000

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.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended February 28, 2022

(Expressed in Canadian Dollars)

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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 period ended February 28, 2022.

12. Proposed transactions

On January 17, 2022, the Company entered into a binding letter of intent (the "LOI") with Giraffe Energy Investments Close Corporation and Otjiwa Mining and Prospecting Close Corporation (the "Vendors") to acquire 85% interest in 3 separate concessions 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 of the Company to the Vendors. The transaction has not closed to the date of these financial statements.