
MADISON METALS INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE AND SIX MONTHS ENDED
MAY 31, 2023
(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 Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	As at May 31, 2023	As at November 30, 2022
ASSETS		
Current assets		
Cash	\$ 586,946	\$ 678,516
Marketable securities (note 4)	7,500	10,500
Amounts receivable	192,294	119,337
Prepaid expenses	37,126	186,897
Total current assets	823,866	995,250
Non-current assets		
Equipment	7,660	8,512
Exploration and evaluation assets (note 5)	3,251,750	2,675,288
Total assets	\$ 4,083,276	\$ 3,679,050
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	\$ 40,185	\$ 42,237
Total liabilities	40,185	42,237
Equity		
Share capital (note 6)	9,738,321	\$ 8,227,098
Warrants (note 7)	128,056	408,190
Contributed surplus (note 8)	1,131,544	905,171
Deficit	(6,954,830)	(5,903,646)
Total equity	4,043,091	\$ 3,636,813
Total equity and liabilities	\$ 4,083,276	\$ 3,679,050

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)

Madison Metals Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended May 31, 2023	Three Months Ended May 31, 2022	Six Months Ended May 31, 2023	Six Months Ended May 31, 2022
Operating expenses				
Professional fees (note 9)	\$ 17,185	\$ 71,715	\$ 53,258	\$ 131,399
Consulting fees (note 9)	137,052	51,520	308,052	113,520
General office expenses	46,993	20,542	126,017	38,408
Investor relations	130,522	9,085	388,601	14,170
Shareholder information and communication	13,974	13,109	25,775	19,560
Transfer agent and filing fees	-	230	7,618	3,080
Foreign exchange (gain) loss	(1,163)	1,150	(7,897)	3,336
Depreciation	426	544	852	1,275
Share-based payments (notes 8 and 9)	-	54,100	226,373	175,100
Loss before other items	(344,989)	(221,995)	(1,128,649)	(499,848)
Other items				
Unrealized loss on fair value of marketable securities (note 4)	(2,250)	(14,250)	(3,000)	(7,500)
Net loss and comprehensive loss for the period	\$ (347,239)	\$ (236,245)	\$ (1,131,649)	\$ (507,348)
Basic and diluted net loss per share	\$ (0.01)	\$ (0.01)	\$ (0.05)	\$ (0.03)
Weighted average number of common shares outstanding	23,478,150	17,288,667	22,459,047	15,428,777

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

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

	Six Months Ended May 31, 2023	Six Months Ended May 31, 2022
Operating activities		
Net loss for the period	\$ (1,131,649)	\$ (507,348)
Adjustments for:		
Depreciation	852	1,275
Share-based payments	226,373	175,100
Unrealized loss on fair value of marketable securities	3,000	7,500
Shares issued for services	90,000	-
Changes in non-cash working capital items:		
Amounts receivable	(72,957)	(57,806)
Prepaid expenses	149,771	2,170
Accounts payable and accrued liabilities	(2,052)	8,261
Net cash used in operating activities	(736,662)	(370,848)
Investing activities		
Exploration activities and maintenance of properties	(576,462)	(103,348)
Purchase of equipment	-	(3,750)
Net cash used in investing activities	(576,462)	(107,098)
Financing activities		
Warrants exercised	1,221,554	-
Net cash provided by financing activities	1,221,554	-
Net change in cash	(91,570)	(477,946)
Cash, beginning of period	678,516	1,259,141
Cash, end of period	\$ 586,946	\$ 781,195
Supplemental cash flow information		
Shares issued for property acquisition	\$ -	\$ 2,012,500

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

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, 2021	\$ 4,973,817	\$ -	\$ 299,700	\$ (3,776,538)	\$ 1,496,979
Shares issued for property acquisition	2,012,500	-	-	-	2,012,500
Share-based payments	-	175,100	-	-	175,100
Net loss for the period	-	-	-	(507,348)	(507,348)
Balance, May 31, 2022	\$ 6,986,317	\$ 175,100	\$ 299,700	\$ (4,283,886)	\$ 3,177,231
Balance, November 30, 2022	\$ 8,227,098	\$ 905,171	\$ 408,190	\$ (5,903,646)	\$ 3,636,813
Warrants exercised	1,421,223	-	(199,669)	-	1,221,554
Warrants expired	-	-	(80,465)	80,465	-
Shares issued for services	90,000	-	-	-	90,000
Share-based payments	-	226,373	-	-	226,373
Net loss for the period	-	-	-	(1,131,649)	(1,131,649)
Balance, May 31, 2023	\$ 9,738,321	\$ 1,131,544	\$ 128,056	\$ (6,954,830)	\$ 4,043,091

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 Six Months Ended May 31, 2023

(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. 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 and on the OTCQB Venture Market under the symbol "MMTLF" on September 29, 2022.

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 \$1,131,649 for the six months ended May 31, 2023 (2022 - net loss of \$507,348) and an accumulated deficit of \$6,954,830 as at May 31, 2023 (November 30, 2022 - \$5,903,646). 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. 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 July 25, 2023, 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, 2022, 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, 2023 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, 2023.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2023

(Expressed in Canadian Dollars)

Unaudited

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 and Six Months Ended May 31, 2023

(Expressed in Canadian Dollars)

Unaudited

4. Marketable securities

As at May 31, 2023, the following securities were included in marketable securities:

	Number of shares	Acquisition cost	Fair value adjustment	Fair value at May 31, 2023
Graycliff Exploration Ltd.	150,000	\$ 99,805	\$ (92,305)	\$ 7,500

As at November 30, 2022, the following securities were included in marketable securities:

	Number of shares	Acquisition cost	Fair value adjustment	Fair value at November 30, 2022
Graycliff Exploration Ltd.	150,000	\$ 99,805	\$ (89,305)	\$ 10,500

5. Exploration and evaluation assets

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

	Kenora Uranium Project	Rossing Project	Total
Balance, November 30, 2021	\$ 190,484	\$ -	\$ 190,484
Acquisition and claims	2,012,700	282,666	2,295,366
Assay and analysis	1,792	-	1,792
Geologists	119,116	67,049	186,165
Travel and accommodation	1,481	-	1,481
Balance, November 30, 2022	2,325,573	349,715	2,675,288
Acquisition and claims	-	266,657	266,657
Geologists	4,739	198,400	203,139
Supplies	-	54,934	54,934
Travel and accommodation	-	51,732	51,732
Balance, May 31, 2023	\$ 2,330,312	\$ 921,438	\$ 3,251,750

Kenora Uranium Project

In December 2021, the Company acquired a 100% interest in the Richards Lake Uranium Project located around Kenora, Ontario. See note 3.

In January 2022, the Company issued 50,000 shares (valued at \$12,500) to acquire additional claims.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2023

(Expressed in Canadian Dollars)

Unaudited

5. Exploration and evaluation assets (continued)

Kenora Uranium Project (continued)

On May 16, 2023, the Company signed a binding joint venture 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 after May 31, 2023) and incur \$900,000 in exploration over three years (\$300,000 per year) to earn a 60% interest. Upon completing the earn-in, Madison will retain a 40% free-carry interest in the project.

Rossing Project

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 and issue 1,600,000 common shares (533,333 common shares issued, valued at \$282,666) 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 subsequent to May 31, 2023.

In November 2022, the Company entered into a binding agreement with an arm's length vendor to acquire a 90% direct interest in Mining Licence 86A ("ML86A") and Exclusive Prospecting Licence 8905 ("EPL-8905") with 10% free carry in favour of the vendor. During the six months ended May 31, 2023, the Company paid \$266,657 (US\$195,000) to extend the closing date of the agreement. The agreement has not been finalized as at May 31, 2023.

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, 2021	9,238,667	\$ 4,973,817
Issued for property acquisition	8,050,000	2,012,500
Balance, May 31, 2022	17,288,667	\$ 6,986,317
Balance, November 30, 2022	19,837,996	\$ 8,227,098
Warrants exercised	3,490,154	1,421,223
Issued for services (i)	150,000	90,000
Balance, May 31, 2023	23,478,150	\$ 9,738,321

(i) On January 30, 2023, the Company issued 150,000 common shares valued at \$90,000 to an officer and a consultant of the Company.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2023

(Expressed in Canadian Dollars)

Unaudited

7. Warrants

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

	Number of warrants	Weighted average exercise price
Balance, November 30, 2021 and May 31, 2022	5,238,654	\$ 0.35
Balance, November 30, 2022	5,758,391	\$ 0.43
Exercised	(3,490,154)	0.35
Expired	(1,406,500)	0.35
Balance, May 31, 2023	861,737	\$ 0.90

The following table reflects the warrants outstanding as of May 31, 2023:

Expiry date	Number of warrants outstanding	Exercise price (\$)
July 26, 2024	861,737	0.90

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, 2021	-	\$ -
Granted (i)(ii)	800,000	0.26
Balance, May 31, 2022	800,000	\$ 0.26
Balance, November 30, 2022	1,700,000	\$ 0.65
Granted (iii)	500,000	0.55
Balance, May 31, 2023	2,200,000	\$ 0.63

(i) On December 23, 2021, the Company granted 650,000 stock options to directors and consultants. The stock options have an exercise price of \$0.25 per share, expire in 5 years, and vested immediately. The stock options were granted a grant date value of \$131,647 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 116%, and an expected maturity of 5 years.

(ii) On May 20, 2022, the Company granted 150,000 stock options to a consultant of the Company. The stock options have an exercise price of \$0.30 per share, expire in 5 years, and vested immediately. The stock options were granted a grant date value of \$57,285 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.45, risk-free rate of return of 2.70%, expected volatility of 114%, and an expected maturity of 5 years.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2023

(Expressed in Canadian Dollars)

Unaudited

8. Stock options (continued)

(iii) On January 27, 2023, the Company granted 500,000 stock options to directors and consultants. The stock options have an exercise price of \$0.55 per share, expire in 5 years, and vested immediately. The stock options were granted a grant date value of \$226,373 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.55, risk-free rate of return of 3.01%, expected volatility of 117%, and an expected maturity of 5 years.

The following table reflects the stock options outstanding as of May 31, 2023:

Expiry date	Number of stock options outstanding	Weighted average exercise price (\$)	Weighted average remaining contractual life (years)
December 23, 2026	650,000	0.25	3.57
May 20, 2027	150,000	0.30	3.97
September 12, 2027	800,000	0.98	4.29
October 4, 2027	100,000	1.16	4.35
October 4, 2027	500,000	0.55	4.66
	2,200,000	0.63	4.14

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, 2023, the Company incurred management services of \$90,000 and \$180,000, respectively (2022 - \$45,000 and \$90,000, respectively) included in consulting fees to a director and officer of the Company.

(b) During the three and six months ended May 31, 2023, the Company incurred accounting fees of \$7,635 and \$15,270, respectively (2022 - \$10,313 and \$17,948) 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;

(c) During the three and six months ended May 31, 2023, the Company incurred geological consulting fees of \$27,600 and \$45,600, respectively (2022 - \$9,000 and \$26,800, respectively) included in exploration and evaluation assets to a director of the Company.

(d) During the three and six months ended May 31, 2023, the Company incurred consulting fees of \$30,000 and \$105,000, respectively (2022 - \$nil) included in consulting fees to an officer of the Company.

(e) During the three and six months ended May 31, 2023, the Company incurred share-based payments of \$nil and \$158,460, respectively (2022 - \$nil and \$111,692, respectively) to directors of the Company.

Madison Metals Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2023

(Expressed in Canadian Dollars)

Unaudited

10. Other transactions

On September 12, 2022, the Company entered into an agreement to acquire a 24% interest in Mining Licence 121 ("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, 2023.

On September 30, 2022, the Company signed an uranium forward sales agreement with Lux Partners Ltd. ("Lux"), who operates a decentralized blockchain integrated with and operated by a net work of regulated bank and money transmitter partners. The five-year exclusive supply agreement provides for a delivery of up to 20 million pounds of U₃O₈ from the Company's uranium projects in Namibia following the commencement of commercial production. On October 27, 2022, the Company announced the first capital inflow from the initial first tranche mint launch of the Lux Uranium token, with proceeds totalling net to the Company US\$5.12 million (the "Proceeds"). The agreement was amended in February 2023 for the Company and Lux to mutually free each other from any exclusivity requirements. In April 2023, the Company and Lux agreed to mutually terminate the agreement. The Company did not receive the Proceeds from Lux and has no obligation to deliver the U₃O₈ to Lux.

On May 30, 2023, the Company signed a multi-year uranium forward sales agreement with an international banking organization ("IBO"). The 10-year supply agreement provides for the commitment and delivery of the first 20 million pounds of U₃O₈ from Madison's ground resources. The IBO 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 U₃O₈. 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 will issue 2,000,000 common shares to an arm's length party who facilitated the transaction. An additional 1,000,000 common shares will be issued upon achieving a 5 million pound sales milestone.

11. Subsequent events

Subsequent to May 31, 2023, the Company received approval from the Namibian Ministry of Mines and Energy for the transfer of EPL-8531 and EPL-8155 to the Company issued 1,066,667 common shares to the vendors and 75,000 common shares to an arm's length party advisor who facilitated the transaction.

On June 13, 2023, the Company issued 725,000 stock options to management and consultants. The stock options have an exercise price of \$0.38 per share, expire in 5 years, and vested immediately.