

Edgar Filing: MADISON EXPLORATIONS INC. - Form 10QSB

MADISON EXPLORATIONS INC.
Form 10QSB
November 14, 2007

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-QSB

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2007

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number 000-51302

Madison Explorations, Inc.

(Exact name of small business issuer as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization) (IRS Employer Identification No.)

1100 E. 29th St., Suite 153, N. Vancouver, British Columbia, Canada V7K 1C2

(Address of principal executive offices)

(206) 202-4519

(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 113,020,000 shares of common stock, par value \$0.001 were outstanding at September 30, 2007.

Transitional Small Business Disclosure Format (check one):

Yes No

Edgar Filing: MADISON EXPLORATIONS INC. - Form 10QSB

PART 1 - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

2

MADISON EXPLORATIONS, INC.
(A Development Stage Enterprise)

CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007
(UNAUDITED)

MADISON EXPLORATIONS, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

CONTENTS

FINANCIAL STATEMENTS

Consolidated Balance Sheets	F-1
Consolidated Statements of Operations	F-2
Consolidated Statements of Stockholders' (Deficit)	F-3
Consolidated Statements of Cash Flows	F-4
Notes to Consolidated Financial Statements	F-5 - F-7

MADISON EXPLORATIONS, INC.
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED BALANCE SHEETS

September 30, 2007	December 31, 2006
-----	-----
(unaudited)	

ASSETS

CURRENT ASSETS

Cash	\$ 9,544	\$ 20,422
------	----------	-----------

Edgar Filing: MADISON EXPLORATIONS INC. - Form 10QSB

Deposits	--	4,290
Prepaid Expenses	\$ --	\$ 1,001
	-----	-----
Total current assets	\$ 9,544	\$ 25,713
	-----	-----
Total assets	\$ 9,544	\$ 25,713
	=====	=====
LIABILITIES AND STOCKHOLDERS' (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 8,538	\$ 2,500
Notes payable and accrued interest	57,987	28,797
Deferred revenue	--	50,000
Officers loans and advances	--	29,128
	-----	-----
Total current liabilities	\$ 66,525	\$ 110,425
	-----	-----
STOCKHOLDERS' (DEFICIT)		
Common stock: \$.001 par value;		
Authorized 500,000,000 shares;		
Issued and outstanding: 113,020,000 shares		
at September 30, 2007 and December 31, 2006	\$ 113,020	\$ 113,020
Additional paid-in capital	(57,118)	(57,118)
Accumulated other comprehensive income	(5,240)	(4,295)
Accumulated deficit during development stage	(107,643)	(136,319)
	-----	-----
Total stockholders' (deficit)	\$ (56,981)	\$ (84,712)
	-----	-----
Total liabilities and stockholders' (deficit)	\$ 9,544	\$ 25,713
	=====	=====

See Accompanying Notes to Consolidated Financial Statements.

F-1

MADISON EXPLORATIONS, INC.
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three months ended		Nine months ended	
	September 30, 2007	September 30, 2006	September 30, 2007	September 2006
	-----	-----	-----	-----
Revenues	\$ --	\$ --	\$ 50,000	\$
Operating expenses				
Exploration and development	\$ --	\$ 38,445	\$ 131	\$ 5
General and administrative	4,304	26,035	18,693	6
	-----	-----	-----	-----
Income/ (loss) before other expense	(4,304)	(64,480)	\$ 31,176	(11)

Edgar Filing: MADISON EXPLORATIONS INC. - Form 10QSB

Other expense	838	835	2,500	
	-----	-----	-----	-----
Net income (loss)	\$ (5,142)	\$ (65,315)	\$ 28,676	\$ (11,450)
	=====	=====	=====	=====
Net loss per share, basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
	=====	=====	=====	=====
Average number of shares of common stock outstanding	113,020,000	115,320,000	113,020,000	115,450,000
	=====	=====	=====	=====

See Accompanying Consolidated Notes to Financial Statements.

F-2

MADISON EXPLORATIONS, INC.
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE PERIOD JUNE 15, 1998 (DATE OF INCEPTION) TO SEPTEMBER 30, 2003
(UNAUDITED)

	Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit
	Shares	Amount	Capital	Income	Dev
	-----	-----	-----	-----	-----
June 15, 1998, issue common stock	53,750,000	\$ 53,750	\$ (53,320)	\$ --	\$ --
Net loss, December 31, 1999	--	--	--	--	--
Balance, December 31, 1999	53,750,000	\$ 53,750	\$ (53,320)	--	\$ --
Net loss, December 31, 2000	--	--	--	--	--
Balance, December 31, 2000	53,750,000	\$ 53,750	\$ (53,320)	\$ --	\$ --
Net loss, December 31, 2001	--	--	--	--	--
Balance, December 31, 2001	53,750,000	\$ 53,750	\$ (53,320)	\$ --	\$ --
Net loss, December 31, 2002	--	--	--	--	--
Balance, December 31, 2002	53,750,000	\$ 53,750	\$ (53,320)	\$ --	\$ --
Net loss, December 31, 2003	--	--	--	--	--
Balance, December 31, 2003	53,750,000	\$ 53,750	\$ (53,320)	\$ --	\$ --
Issuance of common stock for cash	59,070,000	59,070	(58,598)	--	--
June 14, 2004 forward stock split 5000:1					

Edgar Filing: MADISON EXPLORATIONS INC. - Form 10QSB

Capital contribution	--	--	5,000	--	
Foreign currency adjustments	--	--	--	(2,554)	
Net loss, December 31, 2004	--	--	--	--	
Balance, December 31, 2004	112,820,000	\$ 112,820	\$ (106,918)	\$ (2,554)	\$
Foreign currency adjustments	--	--	--	(444)	
Net loss, December 31, 2005	--	--	--	--	
Balance, December 31, 2005	112,820,000	\$ 112,820	\$ (106,918)	\$ (2,998)	\$
Issuance of common stock for cash	200,000	200	49,800	--	
Foreign currency adjustments	--	--	--	(1,297)	
Net loss, December 31, 2006	--	--	--	--	
Balance, December 31, 2006	113,020,000	\$ 113,020	\$ (57,118)	\$ (4,295)	\$
Foreign currency adjustments	--	--	--	(945)	
Net Income, September 30, 2007	--	--	--	--	
Balance, September 30, 2007	113,020,000	\$ 113,020	\$ (57,118)	\$ (5,240)	\$

See Accompanying Notes to Consolidated Financial Statements.

F-3

MADISON EXPLORATIONS, INC.
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine months ended		June 15
	September 30, 2007	September 30, 2006	(incept Septem 20
	-----	-----	-----
Cash Flows From Operating Activities			
Net income/ (loss)	\$ 28,676	\$ (119,585)	\$ (1
Adjustments to reconcile net loss to cash used in operating activities:			
Changes in assets and liabilities			
(Increase) decrease in deposits	1,001	(4,474)	
(Increase) decrease in prepaid expenses	4,290	(1,043)	
Increase (decrease) in accounts payable and accruals	6,038	2,526	
Increase (decrease) in deferred revenue	(50,000)	50,000	
	-----	-----	-----
Net cash used in operating activities	\$ (9,995)	\$ (72,576)	(
	-----	-----	-----
Cash Flows From Investing Activities			
Net cash provided used in investing activities	\$ --	\$ --	
	-----	-----	-----
Cash Flows From Financing Activities			
Issuance of common stock	\$ --	\$ 50,000	\$ 1

Edgar Filing: MADISON EXPLORATIONS INC. - Form 10QSB

Capital contribution	--	--	
Officer loans and advances	(29,128)	2,133	
Notes payable	29,190	--	
	-----	-----	-----
Net cash provided by financing activities	\$ 62	\$ 52,133	\$ 1
	-----	-----	-----
Effect of exchange rate changes on cash and cash equivalents	\$ (945)	\$ (2,166)	\$
	-----	-----	-----
Net increase (decrease) in cash	\$ (10,878)	\$ 22,609	\$
Cash, beginning of period	20,422	56,288	
	-----	-----	-----
Cash, end of period	\$ 9,544	\$ 33,679	\$
	=====	=====	=====
SUPPLEMENTAL INFORMATION			
Interest Expense	\$ 3,592	\$ 0	\$
	=====	=====	=====
Income Taxes Paid	\$ 0	\$ 0	\$
	=====	=====	=====
Assumption of officer note by Paleface Holdings	\$ 27,352	\$ 0	\$
	=====	=====	=====

See Accompanying Notes to Consolidated Financial Statements.

F-4

MADISON EXPLORATIONS, INC.
(A Development Stage Enterprise)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2007

Note 1. Interim Reporting

While the information presented in the accompanying interim nine months consolidated financial statements is unaudited, it includes all adjustments, which are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented in accordance with accounting principles generally accepted in the United States of America. These interim financial statements follow the same accounting policies and methods of their application as the Company's December 31, 2006 annual consolidated financial statements. All adjustments are of a normal recurring nature. It is suggested that these interim financial statements be read in conjunction with the Company's December 31 2006 annual financial statements. Operating results for the nine months ended September 30, 2007 are not necessarily indicative of the results that can be expected for the year ended December 31, 2007.

Note 2. Nature and Continuance of Operations

The Company was incorporated on June 15, 1998 in the State of Nevada, USA and

Edgar Filing: MADISON EXPLORATIONS INC. - Form 10QSB

the Company's common shares are publicly traded on the OTC Bulletin Board.

The Company is in the business of diamond exploration. Management plans to further evaluate, develop and exploit their interests in diamond mineral properties.

These interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next twelve months. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At September 30, 2007, the Company had not yet achieved profitable operations, has accumulated losses of \$105,143 since its inception and expects to incur further losses in the development of its business, all of which casts substantial 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 generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management has no formal plan in place to address this concern but considers that the Company will be able to obtain additional funds by equity financing and/or related party advances, however there is no assurance of additional funding being available.

F-5

MADISON EXPLORATIONS, INC.
(A Development Stage Enterprise)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2007

Note 2. Nature and Continuance of Operations

a) Recent Accounting Pronouncements

SFAS No. 159

In February 2007, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS No. 159"). SFAS No. 159 provides the option to report certain financial assets and liabilities at fair value, with the intent to mitigate volatility in financial reporting that can occur when related assets and liabilities are recorded on different bases. This statement is effective for us beginning January 1, 2008. We do not expect SFAS No. 159 to have a material impact on our consolidated financial statements.

FASB Interpretation No. 48

In July 2006, the FASB issued Financial Interpretation No. 48, "Accounting for Uncertainty in Income Taxes--an Interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 clarifies the recognition threshold and measurement of a tax position taken on a tax return. FIN 48 also requires expanded disclosure with respect to the uncertainty in income taxes. Effective January 1, 2007, we adopted the provisions of FIN 48

Edgar Filing: MADISON EXPLORATIONS INC. - Form 10QSB

EITF Issue No. 06-10

In March 2007, the Emerging Issues Task Force ("EITF") reached a consensus on EITF Issue No. 06-10, "Accounting for Deferred Compensation and Postretirement Benefit Aspects of Collateral Assignment Split-Dollar Life Insurance Arrangements" ("EITF 06-10"). EITF 06-10 provides that an employer should recognize a liability for the postretirement benefit related to collateral assignment split-dollar life insurance arrangements in accordance with either SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," or APB No. 12 "Omnibus Opinion." Entities should recognize the effects of applying EITF 06-10 through either (i) a change in accounting principle through a cumulative-effect adjustment to retained earnings or to other components of equity or net assets in the statement of financial position as of the beginning of the year of adoption or (ii) a change in accounting principle through retrospective application to all prior periods. The provisions of EITF 06-10 are effective as of January 1, 2008 and are not expected to have a material impact on our consolidated financial statements.

F-6

MADISON EXPLORATIONS, INC.
(An Exploration Stage Enterprise)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2007

b) Foreign Currency Translation

The Company translates foreign currency transactions and balances to its reporting currency, United States dollars, in accordance with SFAS No. 52, "Foreign Currency Translation". Monetary assets and liabilities are translated into the functional currency at the exchange rate in effect at the end of the year. Non-monetary assets and liabilities are translated at the exchange rate prevailing when the assets were acquired or the liabilities assumed. Revenues and expenses are translated at the rate approximating the rate of exchange on the transaction date. All exchange gains and losses are included in the determination of net income (loss) for the year.

Note 3. Stockholders' Equity

Net loss per common share

Net loss per share is calculated in accordance with SFAS No. 128, "Earnings Per Share." The weighted-average number of common shares outstanding during each period is used to compute basic loss per share. Diluted loss per share is computed using the weighted averaged number of shares and dilutive potential common shares outstanding. Dilutive potential common shares are additional common shares assumed to be exercised.

The Company has no warrants or options outstanding at September 30, 2007 or December 31, 2006.

Note 4. Notes Payable

Edgar Filing: MADISON EXPLORATIONS INC. - Form 10QSB

The Company has a note payable in the amount of \$25,000 from Pale Face Holdings, Ltd. The note provides for interest payable at 8% annually. Accrued interest on the note payable was \$5,297 as at September 30, 2007 and \$3,797 for the year ended December 31, 2006. The note payable balance including accrued interest was \$30,297 and \$28,797 at September 30, 2007 and December 31, 2006, respectively.

Two former officers of the Company have advanced funds to the Company to continue ongoing operations. On June 25, 2004, two former officers executed demand notes at 5% interest for 12,992 each. Interest on the notes payable for the quarter ended September 30, 2007, was \$338 and \$1,314 for the year ended December 31, 2006. As of September 30, 2007 and December 31, 2006, the former officer advances were \$27,690 and \$29,128, including \$1,706 and \$1,314 in accrued interest, respectively. Effective June 13, 2007 the debt to the officers was sold to Paleface Holdings and is included with the Notes Payable at September 30, 2007. The officers sold their shares on June 22, 2007 and resigned their offices. The purchasers of the shares assumed controlling interest in the Company and were appointed the officers and directors of the Company.

F-7

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

The following discussion regarding the Company and our business and operations contains "forward-looking statements." These statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward-looking terminology such as "may," "expect," "anticipate," "estimate" or "continue" or its negative or other variations or comparable terminology. All forward-looking statements are necessarily speculative and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements.

PLAN OF OPERATION

The Company was incorporated in June of 1998 under the name of "Madison-Taylor General Contractors, Inc." and intended to engage as a general contractor for constructing temporary buildings at exploratory mining locations. Madison-Taylor General Contractors, Inc. was unable to implement the business and remained inactive from 1998 until 2004. The Company commenced operations under its current name in April of 2004. After implementing the Company's current plan of operation, the Company has relied on advances and contributions of capital of approximately \$28,100 from our principal stockholders, an additional shareholder loan of \$25,000 and proceeds of approximately \$144,000 from the sale of a 20% interest in one of the Company's claims (Bulls Eye), the sale of a 15% interest in another claim (Bronco), and a further sale of 15% in another claim (Woodmountain North) to support its limited operations. The Company has also entered into a private placement agreement whereby the Company issued 200,000 Regulation S Common shares in exchange for \$50,000. As of September 30, 2007, the Company had approximately \$9544 of cash. The Company will need additional equity or debt financing of up to \$2,000,000 to fully implement its planned exploration program.

GEOLOGICAL REPORT: SOUTHERN SASKATCHEWAN

The Company has several specific exploration objectives:

- (1) To locate one or more Kimberlite/Lamproite pipes, dykes or sills;
- (2) To determine whether the Kimberlite/Lamproite contains Diamonds; and
- (3) To determine if the diamond-bearing pipe could be the source of an

Edgar Filing: MADISON EXPLORATIONS INC. - Form 10QSB

economically viable mine.

Even if the Company locates Kimberlite, the finding of diamonds in Kimberlite is rare and the finding of a commercial grade of diamonds is rarer.

We believe that exploration is by its very nature is evolutionary. Each subsequent step is based on the foundation established by previous results. Even then, diverse factors affect the process. Weather and seasons influence when work can be commissioned. Previous results determine the direction for future exploration and the availability of funds dictates what work can be budgeted for each phase of exploration.

3

The Company has completed its initial phase of work on the Scout Lake properties and now intends to continue the initial phase of work on some of its other properties in the Wood Mountain District. The results at our Scout Lake properties do not warrant spending further time and money at this location. Phase one work should consist of a ground magnetometer survey at approximately 500 meter line-spacing. At the same time, surface samples should be taken of till for heavy mineral evaluation. About 50 samples would cover the grid area satisfactorily. If results warrant, a few lines of gravimetric surveying could be done. Two or three RC drill holes (about 500 meter) would then test the anomaly.

Phase 1 - Initial Wood Mountain Evaluation

- Ground Magnetometer - 1 month Instrument Rental	1,800
- 50 Sample Collections - Processing @ \$50 each	2,500
- Gravimetric Survey - Instrument Rental	600
- Chemical Analysis - 50 @ \$10 each	500
- Personnel - Geologist 2 weeks @ \$300/day	4,200
- Personnel - Assistant 2 weeks @ \$200/day	2,800
- Accommodation - \$100/day x 2	2,800
- Transportation - Truck Rental, Maintenance	2,000
Engineering & Supervision	
- Engineering & Supervision	2,000
- Contingencies approximately 5%	900

Phase 1 Total \$20,100

Phase Two - Regional Program

The regional program of exploration is being proposed to locate kimberlite diatremes. At present, we have regional to detailed heavy mineral anomalies and regional to detailed magnetic anomalies. Unfortunately, the heavy mineral dispersion is too widespread and the magnetic anomalies are too numerous to allow reasonable drill target selection. The following systematic approach may help us to alleviate this problem:

4

Regional Structural Study

Kimberlite pipe emplacement is governed by deep-seated structures that penetrate stable Archean Cratons and allow the rapid rise of lower mantle ultramafic magmas through diamond-bearing strata. Some of the major structures in southern

Edgar Filing: MADISON EXPLORATIONS INC. - Form 10QSB

Saskatchewan are known, but it appears that a satellite imagery interpretation, in particular of radar data, would be of value to us.

Regional Heavy Mineral Study

Heavy mineral data is already available to us from the government and other available for purchase proprietary surveys. However, a large proportion of the area of our interest remains without data.

It is proposed that a detailed heavy mineral survey be conducted over the area with one sample being taken per township to start. The usual method of processing heavy mineral samples, which includes, washing, sizing, gravity separation by jig, tables or heavy liquids, microscopic hand-picking and microprobe analysis would be prohibitively expensive. Therefore, the following processing methodology is suggested:

- (a) Sample till or stream sediments (about 20 kg).
- (b) Wash and sieve sample in the field or nearby portable equipment to obtain a clean, sized fraction suitable for hydrosizing.
- (c) Use a laboratory-sized elutriator (hydrosizer) to obtain a sized, heavy mineral fraction. Adjust density to retain all indicator minerals.
- (d) Analyze for chromium and nickel and other trace elements by total fusion and ICP. This will provide an indicator for ultramafic rocks.
- (e) Plot results and evaluate for trends.
- (f) Some detailed HM testing, - microprobing grain-picking.

Wood Mountain Formation Study

Heavy minerals including standard indicator minerals and micro-diamonds have been recovered from the unconsolidated sand and gravel deposits of the Wood Mountain formation. We believe that a heavy mineral study of this formation and a paleo-current study should be undertaken. The samples should be processed in the same manner as in the "Regional Heavy Mineral Study."

Compilation of Geophysical Data

- (a) Aeromagnetic
- (b) Ground magnetic
- (c) Gravimetric
- (d) Seismic

5

G.I.S. Compilation of all Data

A G.I.S. (Geographic Information Systems) compilation of the following data should be undertaken in order to select the best drill targets:

- (a) Bedrock Geology
- (b) Surficial Geology (i.e. land surface to approximately 5 feet below)
- (c) Our HM Surveys
- (d) Government surveys
- (e) Federal-provincial geochem and HM
- (f) Aeromagnetic Data surveys
- (g) Gravity Data
- (h) Seismic Data
- (i) Ground Magnetic Data
- (j) Cratonic Age Data
- (k) Satellite Radar Imagery Interpretation

Edgar Filing: MADISON EXPLORATIONS INC. - Form 10QSB

Phase 2 - Regional Program

Regional Structural Study	
- Satellite Photos - 10 @ \$200 each	2,000
- Interpretation - 10 hours @ \$500	5,000
- Digitizing	3,000
Regional Heavy Mineral Study	
- Sample collection - 600 samples @ \$15 each	9,000
- Vehicle - FWD - 3 months @ \$2,000/month	6,000
- Detail Sample Collection - 1000 samples @ \$15 each	15,000
- Initial Processing	24,000
- Washer/Sieve rental - 3 months @ \$2,000/month	6,000
- Sample Bags - 1,600 20Kg bags @ \$1 each	1,600
- Sample Bags - 1,600 2Kg bags @ \$1 each	1,600
- Elutriation (Hydraulic Separation of HM) - 1600 @ \$18.75 each	30,000
- ICP (Induced Coupled Polarization) (total) - 1600 @ \$10 each	16,000
- Digitizing	3,000
Regional Surficial Geology Study	
- Data Interpretation	4,000
- Digitizing	3,000
Compilation of Geophysical Data	
- Data Collection	2,500
- Data Interpretation	5,000
- Digitizing	4,000
G.I.S. Compilation	
- Additional Data Collection	5,000
- Data Interpretation	5,000
- Digitizing	5,000
Engineering & Supervision	
- Engineering & Supervision	15,000
- Contingencies approximately 5%	7,800
Phase 2 Total	\$178,500

6

Phase Three - Drilling and Confirmation

The goal of this phase will be to locate anomalous areas by the use of ground magnetic surveys, and to prioritize each for test drilling.

Gravimetric Surveys will be completed over the ground magnetic anomalies - 1 or 2 lines per anomaly. Test Drilling will then be conducted to test the best targets.

Phase 3 - Drilling and Confirmation

Ground Magnetic Surveys	
- Instrument Rental - 3 months @ \$1,600/month	4,800
- Field computer Rental - 3 month @ \$300/month	900
- Operator/Assistant - 70 Days @ \$300/day	21,000
Gravimetric Survey	
- Instrument Rental - 3 months @ \$1,600/month	3,000
- Operator/Assistant - 70 Days @ \$300/day	21,000
- Surveying	6,000

Edgar Filing: MADISON EXPLORATIONS INC. - Form 10QSB

Test Drilling	50,000
- 5,000 ft. @ \$10	50,000
- Cutting Analysis - 50 samples @ \$500 each	25,000
Engineering & Supervision	
- Engineering & Supervision	13,000
Contingencies approximately 5%	6,700
 Phase 3 Total	 \$151,400

24 Month Exploration Budget on new and future claims

The Company intends to option additional property by way of claim staking or acquiring companies with promising mineral claims in the area of Southern Saskatchewan and Northern Montana

7

Planned Exploration on future Claims	Year 1	Year 2
Claim Staking/property acquisition	50,000	50,000
Property Exploration Expenditures	500,000	650,000
	\$500,000	\$700,000

The Company's business plan for the year 2007 will consist of further exploration on the properties over which we hold mineral exploration claims and options. As part of Phase Two, the Company also plans to continue staking strategically important areas as more information becomes available with respect to the geology of Southern Saskatchewan. The Company intends to use third party contractors to collect soil samples, process and analyze the results, plot drill targets, drill the identified targets and other exploration related work. The Company completed its drill program at Scout Lake in 2005. The results of the drill program do not warrant spending further time and money at this location. The main thrust of our program will now be in the Val Marie area of the Wood Mountain district in Southern Saskatchewan. As of September 30, 2007 the Company has 55 mineral claims in Southern Saskatchewan.

The combination of numerous indicator minerals (pyrope garnets and chrome diopsides) and magnetic anomalies make this area a prime target. The indicator mineral suite is identical chemically to that of the Fort a la Corne district. An early drilling program is anticipated for this area. Additional targets in the Wood Mountain district and other areas will also be investigated. Keating analysis of existing geophysical data over the Company's claim holdings has identified 6 potential diamond targets, including the 3 targets that were previously designated as high priority drill targets. Preliminary investigation of these targets will be carried out to assess the possibility of diamond deposits existing on the Company's properties.

Edgar Filing: MADISON EXPLORATIONS INC. - Form 10QSB

The Company estimates that we will require approximately \$2,000,000 Canadian to conduct its full exploration program over a two year period. This amount will be used to pay for prospecting and geological mapping, airborne surveys, lodging and food for workers, transportation of workers to and from the work sites, fuel, pick-up truck rentals, assays, drilling, equipment rental, additional claim staking, and supervision.

8

The officers and directors have agreed to pay all costs and expenses of having the Company comply with the federal securities laws (and being a public company) should the Company be unable to do so. We estimate that these costs will be approximately \$20,000 per year. Our officers and directors have also agreed to pay the other expenses of the Company, excluding those direct costs and expenses of data gathering and mineral exploration, should the Company be unable to do so. To implement our business plan, we will need to secure financing for our business development. We have no source for funding at this time.

If we are unable to raise additional funds to satisfy our reporting obligations, investors will no longer have access to current financial and other information about our business affairs.

Additional funding to conduct either our full exploration program or a partial exploration program will depend upon our ability to secure loans or obtain either private or public financing. We have had some preliminary negotiations for funding that have been unsuccessful and we currently have not undertaken any further negotiations. There is no assurance that we will be able to obtain such funding on any terms or terms acceptable to us and if adequate funds are not available, we believe that our business development will be adversely affected. Accordingly, there is no assurance that we will be able to continue in business.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

ITEM 3. CONTROLS AND PROCEDURES.

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures as of September 30, 2007 were effective at a level that provides reasonable assurance to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

There have been no changes in our internal controls over financial reporting or in other factors that could materially affect, or are reasonably likely to affect, our internal controls over financial reporting during the quarter ended September 30, 2007.

PART II
OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

None

ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no unregistered sales of equity securities during the three month period ended September 30, 2007.

ITEM 3 - DEFAULTS BY THE COMPANY ON ITS SENIOR SECURITIES

None

ITEM 4 - SUBMISSION OF MATTER TO VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION.

None

ITEM 6. EXHIBITS

The following exhibits are filed with this report:

31.1 Certification of Chief Executive Officer.

31.2 Certification of Chief Financial Officer.

32.1 Section 906 Certification of Chief Executive Officer.

32.2 Section 906 Certification of Chief Financial Officer.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MADISON EXPLORATIONS, INC.

By: /s/ Joseph Gallo

Date: November 13, 2007