Madison Technologies Inc.
Form 10-Q
August 14, 2017

United states

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] quarterly report under section 13 0r 15(d) of the securities exchange act of 1934

For the quarterly period ended **June 30, 2017**

[ ] transition report under section 13 0r 15(d) of the securities exchange act of 1934

For the transition period from ____________________ to ____________________

Commission file number 000-51302

madison technologies inc.

(Exact name of registrant as specified in its charter)

Nevada 00-0000000

(State or other jurisdiction of	(I.R.S. Employer
incorporation or organization)	Identification No.)

4448 Patterdale Drive, North Vancouver, BC	V7R 4L8
(Address of principal executive offices)	(Zip Code)

206-203-0474

(Registrant's telephone number, including area code)

n/a

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[X] Yes [ ] No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (s. 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

[X] Yes [ ] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company in Rule 12b-2 of the Exchange Act.

Larger accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[ ]	**Smaller reporting company**	**[X]**

(Do not check if a smaller
reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

[ ] Yes [X] 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.

Class	**Outstanding at June 30, 2017**
Common Stock - $0.001 par value	12,257,565

part I – financial information

Item 1. Financial Statements.

interim Financial Statements

JUNE 30, 2017

(unaudited)

MADISON TECHNOLOGIES INC.

Contents

MADISON TECHNOLOGIES INC.

INTERIM BALANCE SHEETS

(UNAUDITED)

	June 30, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS		
Cash	$10,350	$14,259
	10,350	14,259
Intangible asset, at amortized cost License agreement (Note 5)	30,260	42,760
Total Assets	$40,610	$57,019
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$40,202	$36,510
License fee payable (Note 5)	33,500	33,500
Notes and accrued interest payable (Note 6)	118,895	114,683
Convertible notes payable (Note 9)	159,673	146,013
Related party advance (Note 7)	261	261
TOTAL LIABILITIES	352,531	330,967
STOCKHOLDERS' DEFICIT		
Common Stock (Note 8) Par Value: $0.0001 Authorized 500,000,000 shares Issued and outstanding: 11,302,000 shares	11,302	11,302
Additional Paid in Capital	285,600	285,600
Accumulated deficit	(608,823)	(570,850)

Total stockholders’ deficiency	(311,921)	(273,948)
Total liabilities and stockholders’ deficiency	$40,610	$57,019

See Accompanying Notes to the Financial Statements.

MADISON TECHNOLOGIES INC.

INTERIM STATEMENTS of Operations

(uNAUDITED)

	For the three month ended June 30, 2017	For the three month ended June 30, 2016	For the six month ended June 30, 2017	For the six month ended June 30, 2016
Revenues				
Sales	$3,378	$0	$4,798	$0
Cost of sales	3,004	0	3,561	0
Gross Margin	374	0	1,237	0
Operating expenses				
Amortization expense	6,250	0	12,500	0
General and administrative	3,434	2,973	9,984	8,732
	9,684	2,973	22,484	8,732
Loss before other expense	(9,310)	(2,973)	(21,247)	(8,732)
Other expense - interest	(8,366)	(7,487)	(16,726)	(15,024)
Net loss	(17,676)	(10,460)	(37,973)	(23,756)
Other Comprehensive income				
Translation gain(loss)	0	(27)	0	(2,191)
Total comprehensive loss	$(17,676)	$(10,487)	$(37,973)	$(25,947)
Net loss per share				
-Basic and diluted	$(0.002)	$(0.001)	$(0.003)	$(0.003)
Average number of shares of common stock outstanding	11,302,000	11,302,000	11,302,000	11,302,000

See Accompanying Notes to Interim Financial Statements.

MADISON TECHNOLOGIES INC.

INTERIM StatementS of stockholders' DEFICIency

(UNAUDITED)

	Common Shares	Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
Balance December 31, 2015	11,302,000	$11,302	$224,600	$ 3,109	$ (504,761)	$(265,750)
Foreign currency adjustments	-	-	-	(3,109)	-	(3,109)
Convertible debt - Note 7	-	-	61,000	-	-	61,000
Net loss, December 31, 2016	-	-	-	-	(66,089)	(66,089)
Balance December 31, 2016	11,302,000	11,302	285,600	-	(570,850)	(273,948)
Net loss, June 30, 2017	-	-	-	-	(37,973)	(37,973)
Balance June 30, 2017	11,302,000	$11,302	$285,600	$ -	$ (608,823)	$(311,921)

See Accompanying Notes to the Financial Statements.

MADISON TECHNOLOGIES INC.

INTERIM StatementS of cash flows

(UNAUDITED)

	For the six months ended June 30, 2017	For the six months ended June 30, 2016
Cash Flows from operating activities:		
Net loss	$(37,973)	$(23,756)
Adjustments to reconcile net loss to cash used in operating activities		
Amortization of convertible debt discount recorded as interest	13,660	11,950
Amortization of license	12,500	-
Accrued interest on notes payable	3,066	3,074
Foreign exchange on notes payable	1,146	-
Changes in assets and liabilities		
Accounts payable and accruals	3,692	(12,151)
Net cash used in operating activities	(3,909)	(20,883)
Cash Flows from investing activities:		
Purchase of Intangible asset	-	-
Net cash used in investing activities	-	-
Cash Flows from financing activities:		
Proceeds of convertible notes payable	-	21,000
Net cash provided by financing activities	-	-
Net increase (decrease) in cash	(3,909)	117
Cash, beginning of period	14,259	501

Cash, end of period	$10,350	$618

SUPPLEMENTAL DISCLOSURE

Interest	$16,726	$15,024
Taxes paid	$-	$-

See Accompanying Notes to the Financial Statements

MADISON TECHNOLOGIES INC.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

(UNAUDITED)

June 30, 2017

Note 1 Interim Reporting

While the information presented in the accompanying interim three 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, 2016 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, 2016 annual financial statements. Operating results for the six months ended June 30, 2017 are not necessarily indicative of the results that can be expected for the year ended December 31, 2017.

Note 2 Nature and Continuance of Operations

The Company was incorporated on June 15, 1998 in the State of Nevada, USA and the Company’s common shares are publicly traded on the OTC Bulletin Board.

Up until fiscal 2014, the Company was in the business of mineral exploration. On May 28, 2014, the Company formalized an agreement whereby it purchased assets associated with a smokeless cannabis delivery system. The Company planned to develop this system for commercial purposes. On December 14, 2014, this asset purchase agreement was terminated.

On January 21, 2015, a majority of the Company's stockholders approved a consolidation of the issued and outstanding shares of common stock, on a 10 for 1 basis, thereby decreasing the issued and outstanding share capital from 113,020,000 to 11,302,000. On March 11, 2015, the Company effectively changed its name from Madison Explorations, Inc. to Madison Technologies Inc. and effected the stock consolidation. These financial statements give retroactive effect to both these changes.

On September 16, 2016, the Company entered into an exclusive distribution product license agreement with Tuffy Packs, LLC to distribute products into the United Kingdom and 43 other essentially European countries. The Company will be selling ballistic panels which are personal body armors, that conforms to the National Institute of Justice (NIJ) Level IIIA threat requirements. The Company's plan of operations and sales strategy include online and social media marketing, as well as attending various tradeshows and conferences.

Effective December 31, 2016, the Company dissolved its wholly owned subsidiary, Scout Resources Inc. ("Scout") and assumed all the debt that Scout owed.

These 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 June 30, 2017, the Company had not yet achieved profitable operations, had accumulated losses of $608,823 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. That said, there is no assurance of additional funding being available.

Note 3 Summary of Significant Accounting Policies

There have been no changes in accounting policies from those disclosed in the notes to the audited consolidated financial statements for the year ended December 31, 2016.

Note 4 Recent Accounting Pronouncements

The Company adopts new pronouncements relating to generally accepted accounting principles applicable to the Company as they are issued, which may be in advance of their effective date. Management does not believe that any pronouncement not yet effective but recently issued would, if adopted, have a material effect on the accompanying financial statements.

Note 5 License Agreement

The Company entered into an exclusive product license agreement on September 16, 2016 with Tuffy Packs, LLC, a Texas corporation, to sell Ballistic Panels in certain countries, essentially in Europe. The license is for a period of two years unless terminated and may be renewed for successive terms of two years each. The payment terms for the license is as follows:

1. $10,000 payable within seven days after the effective date;
2. An additional $15,000 payable within 30 days after the effective date; and
3. A final payment of $25,000 payable within 90 days of the effective date.

At June 30, 2017, the Company had paid $16,500 to the Licensor, leaving an unpaid balance of $33,500. To Date, the Company has recorded a total license amortization of $13,490.

As a result of the failure to make payments as required under the agreement, the Company was informed on March 20, 2017, that going forward, the agreement would be on a non-exclusive basis.

Note 6 Notes and Accrued Interest Payable

The Company has two notes payable to Paleface Holdings Inc. Each note is unsecured and payable on demand.

a) $25,000 note with annual interest payable at 8%.

   As at June 30, 2017, accrued interest on the note was $24,797 (June 30, 2016 - $22,797). The note payable balance including accrued interest was $49,797 as at June 30, 2017 (June 30, 2016 - $47,797). Interest on the debt for each of the six months ended June 30 was $1,000.

b) $23,077 ($30,000 CDN) with annual interest payable at 5%

   As at June 30, 2017, accrued interest on the note was $11,827 (June 30, 2016 - $10,708). The note payable balance including accrued interest was $34,904 as at June 30, 2017 (June 30, 2016 - $33,857). Interest on debt for the six months ended June 30 was $577 in 2017 and $578 in 2016.

The company also has an unsecured note payable on demand to Gens Incognito Inc. for $25,000, bearing interest at 12%. As at June 30, 2017, accrued interest on the note was $9,194 (June 30, 2016 - $6,202). The note payable balance including accrued interest was $34,194 as at June 30, 2017 (June 30, 2016 - $31,202).

Note 7 Related Party Advance

In 2008, the former President advanced the Company $561 repayable without interest or any other terms. The unpaid balance as at June 30, 2017 is $261. There were no related party transactions during the six-month periods ended June 30, 2017 or 2016.

Note 8 Common Stock

On January 21, 2015, a majority of the Company's stockholders approved a consolidation of the issued and outstanding shares of common stock, on a 10 for 1 basis, thereby decreasing the issued and outstanding share capital from 113,020,000 to 11,302,000. This was effected on March 11, 2015. This consolidation has been applied retroactively and all references to the number of shares issued reflect this consolidation.

On March 30, 2006, the Company entered into a private placement agreement whereby the Company issued 20,000 Regulation-S shares in exchange for $50,000. ($2.50 per share).

On June 7, 2004, the Company issued 5,907,000 in consideration of $472 in cash. ($.00008 per share.)

On June 14, 2001, the Company approved a forward stock split of 5,000:1. These financial statements have been retroactively adjusted to effect this split.

On June 15, 1998, the Company authorized and issued 5,375,000 shares of its common stock in consideration of $430 in cash. ($.00008 per share.)

There are no shares subject to warrants or options as of June 30, 2017.

Note 9 Convertible Notes Payable

In total, there are eleven convertible notes payable. All notes are non-interest bearing, unsecured and payable on demand. The notes are convertible into common stock at the discretion of the holder at six different conversion rates: $0.01 debt to 1 common share, $0.045 to 1 common share; $0.005 to 1 common share; $0.15 to 1 common share; $0.05 to 1 common share; and $0.04 to 1 common share. The effect that conversion would have on earnings per share has not been disclosed due to the anti-dilutive effect.

There are four convertible notes payable convertible on the basis of $0.01 of debt to 1 common share.

The balance of the first convertible note payable convertible on the basis of $0.01 of debt to 1 common share is as follows:

	Jun 30, 2017	Dec 31, 2016
Balance		
Proceeds from promissory note	$40,000	$40,000
Value allocated to additional paid-in capital	40,000	40,000
Balance allocated to convertible note payable	-	-
Amortized discount	40,000	40,000
Balance, convertible note payable	$40,000	$40,000

The total discount of $40,000 was amortized over 5 years (20%) starting April 2008 and was fully amortized as at April 2013.

The balance of the second convertible note payable convertible on the basis of $0.01 of debt to 1 common share is as follows:

	Jun 30, 2017	Dec 31, 2016
Balance		
Proceeds from promissory note	$20,000	$20,000
Value allocated to additional paid-in capital	20,000	20,000
Balance allocated to convertible note payable	-	-
Amortized discount	20,000	20,000
Balance, convertible note payable	$20,000	$20,000

The total discount of $20,000 was amortized over 5 years (20%) starting June 2010 and was fully amortized as at June 2015.

The balance of the third convertible note payable convertible on the basis of $0.01 of debt to 1 common share is as follows:

	Jun 30, 2016	Dec 31, 2016
Balance		
Proceeds from promissory note	$25,000	$25,000
Value allocated to additional paid-in capital	25,000	25,000
Balance allocated to convertible note payable	-	-
Amortized discount	25,000	22,500
Balance, convertible note payable	$25,000	$22,500

The total discount of $25,000 is being amortized over 5 years starting July 2012. Accordingly, the annual interest rate is 20% and for the six months ended June 30, 2017 and 2016, $2,500 was recorded as interest expense. As at June 30, 2017 the note was fully amortized.

The balance of the fourth convertible note payable convertible on the basis of $0.01 of debt to 1 common share at is as follows:

Balance	Jun 30, 2017	Dec 31, 2016
Proceeds from promissory note	$25,000	$25,000
Value allocated to additional paid-in capital	25,000	25,000
Balance allocated to convertible note payable	-	-
Amortized discount	21,250	18,750
Balance, convertible note payable	$21,250	$18,750

The total discount of $25,000 is being amortized over 5 years starting April 2013. Accordingly, the annual interest rate is 20% and for the six months ended June 30, 2017 and 2016, $2,500 was recorded as interest expense. As at June 30, 2017 the unamortized discount is $3,750.

There are two convertible notes payable convertible on the basis of $0.005 of debt to 1 common share

The balance of the first convertible note payable convertible on the basis of $0.005 of debt to 1 common share is as follows:

Balance	Jun 30, 2017	Dec 31, 2016
Proceeds from promissory note	$10,000	$10,000
Value allocated to additional paid-in capital	10,000	10,000
Balance allocated to convertible note payable	-	-
Amortized discount	10,000	10,000
Balance, convertible note payable	$10,000	$10,000

The total discount of $10,000 was amortized over 5 years (20%) starting April 2011 and was fully amortized as at April 2016.

The balance of the second convertible note payable convertible on the basis of $0.005 of debt to 1 common share is as follows:

	Jun 30 2017	Dec 31, 2016
Balance		
Proceeds from promissory note	$10,000	$10,000
Value allocated to additional paid-in capital	10,000	10,000
Balance allocated to convertible note payable	-	-
Amortized discount	10,000	9,250
Balance, convertible note payable	$10,000	$9,250

The total discount of $10,000 was amortized over 5 years (20%) starting May 2011 and was fully amortized as at May 2016.

There is one convertible notes payable convertible on the basis of $0.045 of debt to 1 common share

The balance of this convertible note payable is as follows:

	Jun 30, 2017	Dec 31, 2016
Balance		
Proceeds from promissory note	$25,000	$25,000
Value allocated to additional paid-in capital	25,000	25,000
Balance allocated to convertible note payable	-	
Amortized discount	15,833	13,333
Balance, convertible note payable	$15,833	$13,333

The total discount of $25,000 is being amortized over 5 years starting May 2014. Accordingly, the annual interest rate is 20% and for the six months ended June 30, 2017 and 2016, $2,500 was recorded as interest expense. As at June 30, 2017 the unamortized discount is $9,167.

There is one convertible notes payable convertible on the basis of $0.15 of debt to 1 common share

The balance of this convertible note payable is as follows:

	Jun 30, 2017	Dec 31, 2016
Balance		
Proceeds from promissory note	$25,000	$25,000
Value allocated to additional paid-in capital	25,000	25,000
Balance allocated to convertible note payable		
Amortized discount	11,250	8,750
Balance, convertible note payable	$11,250	$8,750

The total discount of $25,000 is being amortized over 5 years starting April 2015. Accordingly, the annual interest rate is 20% and for the six months ended Jun 30, 2017 and 2016, $2,500 was recorded as interest expense. As at June 30, 2017 the unamortized discount was $13,750.

There are two convertible notes payable convertible on the basis of $0.05 of debt to 1 common share

The balance of the first convertible note payable is as follows:

	Jun 30, 2017	Dec 31, 2016
Balance		
Proceeds from promissory note	$21,000	$21,000
Value allocated to additional paid-in capital	21,000	21,000
Balance allocated to convertible note payable	-	-
Amortized discount	2,940	1,680
Balance, convertible note payable	$2,940	$1,680

The total discount of $21,000 is being amortized at 12% starting May 2016. For the six months ended Jun 30, 2017, $1,260 was recorded as interest expense, and $1,680 was recorded as interest expense during year ended December 31, 2016. As at Jun 30, 2017 the unamortized discount is $18,060.

The balance of the second convertible note payable convertible on the basis of $0.05 of debt to 1 common share is as follows:

	Jun 30, 2017	Dec 31, 2016
Balance		
Proceeds from promissory note	$20,000	$20,000
Value allocated to additional paid-in capital	20,000	20,000
Balance allocated to convertible note payable	-	-
Amortized discount	1,600	400
Balance, convertible note payable	$1,600	$400

The total discount of $20,000 is being amortized at 12% starting November 2016. For the six months ended June 30, 2017, $1,200 was recorded as interest expense, and $400 was recorded as interest expense during the year ended December 31, 2016. As at June 30, 2017 the unamortized discount is $18,400.

There is one convertible notes payable convertible on the basis of $0.04 of debt to 1 common share

The balance of this convertible note payable is as follows:

	Jun 30, 2017	Dec 31, 2016
Balance		
Proceeds from promissory note	$20,000	$20,000
Value allocated to additional paid-in capital	20,000	20,000
Balance allocated to convertible note payable		-
Amortized discount	1,800	600
Balance, convertible note payable	$1,800	$600

The total discount of $20,000 is being amortized at 12% starting October 2016. For the six months ended June 30, 2017, $1,200 was recorded as interest expense, and $600 was recorded as interest expense during the year ended December 31, 2016. As at June 30, 2017 the unamortized discount is $18,200.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operation.

The following discussion of Madison Technologies Inc’s financial condition, changes in financial condition and results of operations for the three months ended June 30, 2017 should be read in conjunction with Madison’s unaudited consolidated financial statements and related notes for the three months ended June 30, 2017.

Forward Looking Statements

This quarterly report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements involve risks and uncertainties, including statements regarding Madison’s capital needs, business plans and expectations. Such forward-looking statements involve risks and uncertainties regarding Madison’s ability to carry out its planned exploration programs on its mineral properties. Forward-looking statements are made, without limitation, in relation to Madison’s operating plans, Madison’s liquidity and financial condition, availability of funds, operating and exploration costs and the market in which Madison competes. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may”, “will”, “should”, “expect”, “plan”, “intend”, “anticipate”, ‘ “estimate”, “predict”, “potential” or “continue”, the negative of such terms or other comparable terminology. Actual events or results may differ materially. In evaluating these statements, you should consider various factors, including the risks outlined below, and, from time to time, in other reports Madison files with the SEC. These factors may cause Madison’s actual results to differ materially from any forward-looking statement. Madison disclaims any obligation to publicly update these statements, or disclose any difference between its actual results and those reflected in these statements. The information constitutes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

GENERAL

Madison Technologies Inc. ("**Madison**") is a Nevada corporation that was incorporated on June 15, 1998. Madison was initially incorporated under the name "Madison-Taylor General Contractors, Inc." Effective May 24, 2004, Madison changed its name to "Madison Explorations, Inc." by a majority vote of the shareholders. Effective March 9, 2015, Madison changed its name to "Madison Technologies Inc.," by a majority vote of the shareholders. See Exhibit 3.3 – Certificate of Amendment for more details.

On September 6, 2016, Joseph Gallo resigned as the Chief Financial Officer, the Chief Financial Officer, and the Corporate Secretary, and as a director of Madison. In addition, on September 6, 2016, Mr. Thomas Brady consented to and was appointed the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary of Madison by the board of directors.

The board of directors of Madison currently consists of Thomas Brady as the Chief Executive Officer and the Corporate Secretary and Joseph Gallo, the Chief Financial Officer of Madison. Please see Item 5.02 of the Form 8-K filed on September 8, 2016 and May 31, 2017 for information relating to these director and officer changes

On September 16, 2016 Madison entered into a material definitive agreement with Tuffy Packs, LLC to acquire an exclusive licensing agreement for the distribution of Tuffy Pack's product line into the United Kingdom and 43 European countries. According to the terms and conditions of the product license agreement Madison will pay an aggregate amount of $50,000 for the exclusive license to distribute Tuffy Packs' product line. Tuffy Packs manufactures a line of custom inserts that provide a level of personal protection from ballistic threats similar to what law enforcement officers wear daily as bulletproof vests. The ballistic panels conform to the National Institute of Justice (NIJ) Level IIIA threat requirements.

Please see Item 1.01 of the Form 8-K filed on September 19, 2016 for information relating to the Product License Agreement as well please see Item 1.01 and Item 2.01 of the Form 8-K filed on September 23, 2016 for information relating to the Product License Agreement and for a description of Madison's business.

On September 26, 2016, Thomas Brady and Steven Cozine entered into a share purchase agreement for the purchase and sale of 3,088,500 shares in the capital of Madison for the purchase price of $1,000.00. Please see Item 5.01 of the Form 8K filed on October 3, 2016 and see Exhibit 10.1 – Share Purchase Agreement for information relating to the change in control of the registrant.

On October 12, 2016, Madison Technologies Inc. ("Madison") received approval from Amazon Europe to begin sales of its Tuffy Pack line of products in the United Kingdom through the Amazon Marketplace. On October 14, 2016, Madison received approval from Amazon Europe to begin sales of its Tuffy Pack line of products in Germany, Italy, Spain and France through the Amazon Marketplace. As of October 21, 2016, Madison had completed its first sale through the Amazon Marketplace also on October 21, 2016 Madison ceased to be a shell company as defined in Rule 12b-2 of the Exchange Act. Please see Item 5.06 of the Form 8-K filed on October 21, 2016 for information relating to the change in shell status.

On May 26, 2017, Joseph Gallo consented to and was appointed as an additional director of Madison. Also, on May 26, 2017, Mr. Gallo consented to and was appointed the Chief Financial Officer of Madison by the board of directors. Please see item 5.02 of the Form 8-K filed on May 31, 2017 for information relating to the director and officer changes

RESULTS OF OPERATIONS

Our financial statements have been prepared assuming that we will continue as a going concern and, accordingly, do not include adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should we be unable to continue in operation. We expect we will require additional capital to meet our long term operating requirements. We expect to raise additional capital through, among other things, the sale of equity or debt securities.

Three months ended June 30, 2017 and June 30, 2017

Our net loss for the three-month period ended June 30, 2017 was $17,676(2016: $10,460), which consisted of general and administration expenses and amortization. We generated $3,378 in revenue during three-month period in fiscal 2017 compared to nil during the three-month period in 2016. The increase in expenses in the current fiscal year relate to an increase in both general and administrative expense and amortization expense related to our online store operations and the amortization of our Tuffy Pack licence agreement obligations.

The weighted average number of shares outstanding was 11,302,000 for the three-month period ended June 30, 2017 and 11,302,000 for the three-month period ended June 30, 2016.

Liquidity and Capital Resources

Cash and Working Capital

As at June 30, 2017, Madison had cash of $10,350 and a working capital deficit of $342,181, compared to cash of $14,259 and working capital deficit of $316,708 as at December 31, 2016.

There are no assurances that Madison will be able to achieve further sales of its common stock or any other form of additional financing. If Madison is unable to achieve the financing necessary to continue its plan of operations, then Madison will not be able to continue and its business will fail.

The officers and directors have agreed to pay all costs and expenses of having Madison comply with the federal securities laws (and being a public company, should Madison be unable to do so). Madison's officers and directors have also agreed to pay the other expenses of Madison, should Madison be unable to do so. To continue its business plan, Madison will need to secure financing for its business development. Madison currently has no source for funding at this time.

If Madison is unable to raise additional funds to satisfy its reporting obligations, investors will no longer have access to current financial and other information about its business affairs

Net Cash Used in Operating Activities

Madison used cash of $3,909 in operating activities during the first three months of fiscal 2017 compared to cash used of $20,883 in operating activities during the same period in the previous fiscal year. The increase in the operating activities was principally a result of an increase in operating expenses.

Net Cash Provided (Used in) Investing Activities

Net cash used in investing activities was nil for the first three months of fiscal 2017 as compared with cash flow from investing activities of nil for the same period in the previous fiscal year.

Net Cash Provided by Financing Activities

Net cash flows provided by financing activities were nil for the first three months of fiscal 2017, from proceeds of a convertible note payable. Madison generated $21,000 from financing activities during the first three months of fiscal 2016.

Plan of Operation

Our plan of operation is to continue to deliver the Tuffy Pack licensed products into the European and UK retail and wholesale markets via the use of online market and fulfilment services including but not limited to Amazon.eu, Ebay and Ecwid. By implementing these companies' services Madison will be able to establish a reliable supply chain that will receive delivery of the Licensed Products, warehouse the Licensed Products, package the Licensed Package as per each customer order, and ship the Licensed Products to the customer efficiently and cost effectively.

Management expects Madison's sales distribution strategy to be operational by September 2017, this includes the following components:

1. Initial inventory with an estimated cost of $10,000
2. Social media and online advertising of $10,000
3. Payments to be made under Product License Agreement of $33,500

Payments to be made under Product License Agreement of $50,000. At the date of this filing Madison has paid $16,500 of the $50,000.

Madison sales strategy is to develop online exposure through the use of social media marketing and sending demo packs of the Licensed Products to both online bloggers and established gun owner clubs. The demo packs will include both new products as well as examples of the products that have been tested and exposed to gunfire to demonstrate the products effectiveness.

Management anticipates incurring the following expenses during the next 12 month period:

Management anticipates spending approximately $2,500 in ongoing general and administrative expenses per month for the next 12 months, for a total anticipated expenditure of $30,000 over the next 12 months. The general and administrative expenses for the year will consist primarily of professional fees for the audit and legal work relating to Madison's regulatory filings throughout the year, as well as transfer agent fees, and general office expenses.

Management anticipates spending approximately $15,000 in complying with Madison's obligations as a reporting company under the *Securities Exchange Act of 1934* and as a reporting issuer in Canada. These expenses will consist primarily of professional fees relating to the preparation of Madison’s financial statements and completing and filing its annual report, quarterly report, and current report filings with the SEC and with SEDAR in Canada.

As at June 30, 2017, Madison had cash of $10,350 and a working capital deficit of $342,181. Accordingly, Madison will require additional financing in the amount of $387,181 in order to fund its obligations as a reporting company under the *Securities Act of 1934* and its general and administrative expenses for the next 12 months.

Going Concern

Madison has not attained profitable operations and is dependent upon obtaining financing to pursue any extensive business activities. For these reasons, Madison’s auditors stated in their report that they have substantial doubt Madison will be able to continue as a going concern.

Future Financings

Management anticipates continuing to rely on equity sales of Madison’s common stock in order to continue to fund its business operations. Issuances of additional common stock will result in dilution to Madison’s existing stockholders. There is no assurance that Madison will achieve any additional sales of its common stock or arrange for debt or other financing to fund its planned activities.

Off-balance Sheet Arrangements

Madison has no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Material Commitments for Capital Expenditures

At June 30, 2017 Madison had an outstanding liability of $33,500 owing to Tuffy Packs LLC for the purchase of the Product Licensing agreement. As of the date of this filing Madison is in arrears $33,500 according to the Product Licensing Agreement. Please see Exhibit 10.5 Product License Agreement dated March 16, 2016 between Tuffy Packs, LLC and Madison Technologies Inc.

Tabular Disclosure of Contractual Obligations

Madison is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

Critical Accounting Policies

Madison's financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's application of accounting policies. Management believes that understanding the basis and nature of the estimates and assumptions involved with the following aspects of Madison's financial statements is critical to an understanding of Madison's financial statements.

Use of Estimates

The preparation of financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses in the reporting period. Madison regularly evaluates estimates and assumptions related to the recovery of long-lived assets, donated expenses and deferred income tax asset valuation allowances. Madison bases its estimates and assumptions on current facts, historical experience and various other factors that management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by Madison may differ materially and adversely from Madison's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Madison is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Management maintains “disclosure controls and procedures,” as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the “**Exchange Act**”), that are designed to ensure that information required to be disclosed in Madison’s Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to management, including Madison’s President and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

In connection with the preparation of this quarterly report on Form 10-Q, an evaluation was carried out by management, with the participation of the President and the Chief Financial Officer, of the effectiveness of Madison’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of June 30, 2017.

Based on the evaluation and the identification of the material weaknesses in Madison’s internal control over financial reporting, as described in its Form 10-K for the year ended December 31, 2009, the President and the Chief Accounting Officer concluded that, as of June 30, 2017, Madison’s disclosure controls and procedures were effective.

Changes in Internal Controls over Financial Reporting

There were no changes in Madison’s internal controls over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the quarter ended June 30, 2017, that materially affected, or are reasonably likely to materially affect, Madison’s internal control over financial reporting.

Limitations on the Effectiveness of Controls and Procedures

Management, including our President and Chief Financial Officer, does not expect that Madison's controls and procedures will prevent all potential error and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Part II – Other Information

Item 1. Legal Proceedings.

Madison is not a party to any pending legal proceedings and, to the best of Madison's knowledge, none of Madison's property or assets are the subject of any pending legal proceedings.

Item 1A. Risk Factors.

Madison is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the quarter of the fiscal year covered by this report, (i) Madison did not modify the instruments defining the rights of its shareholders, (ii) no rights of any shareholders were limited or qualified by any other class of securities, and (iii) Madison did not sell any unregistered equity securities.

Item 3. Defaults upon Senior Securities.

During the quarter of the fiscal year covered by this report, no material default has occurred with respect to any indebtedness of Madison. In addition, during this quarter, no material arrearage in the payment of dividends has occurred.

Item 4. Mining Safety Disclosures.

There are no current mining activities at the date of this report.

Item 5. Other Information.

During the quarter of the fiscal year covered by this report, Madison reported all information that was required to be disclosed in a report on Form 8-K.

Madison has adopted a new code of ethics that applies to all its executive officers and employees, including its CEO and CFO. See Exhibit 14 – Code of Ethics for more information. Madison undertakes to provide any person with a copy of its financial code of ethics free of charge. Please contact Madison at 206-203-0474 to request a copy of Madison's code of ethics. Management believes Madison's code of ethics is reasonably designed to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code.

Item 6. Exhibits

(a) Index to and Description of Exhibits

All Exhibits required to be filed with the Form 10-Q are included in this quarterly report or incorporated by reference to Madison's previous filings with the SEC, which can be found in their entirety at the SEC website at www.sec.gov under SEC File Number 000-51302.

Exhibit	Description	Status
3.1	Articles of Incorporation, filed as an exhibit to Madison's registration statement on Form 10-SB filed on May 4, 2005, and incorporated herein by reference.	Filed
3.2	By-Laws, filed as an exhibit to Madison's registration statement on Form 10-SB filed on May 4, 2005, and incorporated herein by reference.	Filed
3.3	Certificate of Amendment dated March 9, 2015,filed as an Exhibit to Madison's current report on Form 8-K filed March 11, 2015, and incorporated herein by reference	Filed
10.5	Product License Agreement dated September 16, 2016 between Tuffy Packs, LLC and Madison Technologies Inc. filed as an exhibit to Madison's Form 8-K (Current Report) filed on September 19, 2016, and incorporated herein by reference	Filed
10.1	Share Purchase Agreement dated September 26, 2016 between Thomas Brady and Steve Cozine filed as an exhibit to Madison's Form 8K filed on October 3, 2016, and incorporated herein by reference.	. Filed
14	Code of Ethics, filed as an exhibit to Madison's 2010 annual report on Form 10-K filed on March 31, 2010, and incorporated herein by reference.	Filed
31	Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Included
32	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Included

Signatures

In accordance with the requirements of the Securities Exchange Act of 1934, Madison Technologies, Inc. has caused this report to be signed on its behalf by the undersigned duly authorized person.

Madison Technologies, Inc.

Dated:	**August 14, 2017**	By:	***/s/ Thomas Brady***
		Name:	**Thomas Brady**
		Title**:**	**President**
			(Principal Executive Officer)