Madison Explorations Inc.
Form 10QSB/A
January 17, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB/A
Amendment #2

(Mark One)

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2005.

OR

/ / TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION 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)	(I.R.S. Employer Identification No.)
525 Seymour Street, Suite 807 Vancouver, BC, Canada	V6B 3H7
(Address of principal executive offices)	(Zip code)

Issuer's telephone number: (604) 974-0568

Issuer's fax number: (604) 974-0569

N/A

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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. Yes /X/ No / /

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes / / No /X/

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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

At September 30, 2005, and as of the date hereof, there were outstanding 115,320,000 shares of the Registrant's Common Stock, $.001 par value.

Transitional Small Business Disclosure Format: Yes / / No /X/

2

PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MADISON EXPLORATIONS, INC.
(A Development Stage Enterprise)

CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED

SEPTEMBER 30, 2005
DECEMBER 31, 2004

3

MADISON EXPLORATIONS, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

CONTENTS

FINANCIAL STATEMENTS

4

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

	September 30, 2005	December 31, 2004
ASSETS		
CURRENT ASSETS		
Cash	$ 65,911	$ 30,841
Total current assets	$ 65,911	$ 30,841
Total assets	$ 65,911	$ 30,841
LIABILITIES AND STOCKHOLDERS' (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 994	$ 5,927
Deferred revenue	94,000	44,000
Due to affiliates	25,000	-
Officers loans and advances	27,621	26,654
Total current liabilities	$ 147,615	$ 76,581
STOCKHOLDERS' (DEFICIT)		
Common stock: $.001 par value; authorized 500,000,000 shares; issued and outstanding: 115,320,000 shares at December 31, 2004 and 115,320,000 shares at September 30, 2005	$ 115,320	$ 115,320
Additional paid-in capital	(109,398)	(109,398)
Accumulated other comprehensive income	(2,935)	(2,554)
Accumulated deficit during development stage	(84,691)	(49,108)
Total stockholders' (deficit)	$ (81,704)	$ (45,740)
Total liabilities and stockholders' (deficit)	$ 65,911	$ 30,841

See Accompanying Consolidated Notes to Financial Statements.

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

(UNAUDITED)

	Three months ended September 30, 2005	Three months ended September 30, 2004	Nine months ended September 30, 2005	Septemb 200
Revenues	$ -	$ -	$ -	$
Cost of revenue	-	-	-	
Gross profit	$ -	$ -	$ -	$
Operating expenses				
Exploration and development	$ 296	$ 27,094	$ 22,226	$
General and administrative	3,627	3,087	12,118	
Operating (loss)	$ (3,923)	(30,181)	$ (34,344)	(
Other expense	336	483	1,239	
Net loss	$ (4,259)	$ (30,664)	$ (35,583)	$ (
Net loss per share, basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$
Average number of shares of common stock outstanding	115,320,000	115,320,000	115,320,000	82,1

See Accompanying Consolidated Notes to Financial Statements.

MADISON EXPLORATIONS, INC.
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(UNAUDITED)

	Common Stock		Additional Paid-In Capital	Accumulated (Deficit) During Development Stage
	Shares	Amount		

June 15, 1998, issue common stock	56,250,000	$ 56,250	$ (55,800)	$ -
Net loss, December 31, 1999				
Balance, December 31, 1999	56,250,000	$ 56,250	$ (55,800)	-
Net loss, December 31, 2000				
Balance, December 31, 2000	56,250,000	$ 56,250	$ (55,800)	$ -
Net loss, December 31, 2001				
Balance, December 31, 2001	56,250,000	$ 56,250	$ (55,800)	$ -
Net loss, December 31, 2002				
Balance, December 31, 2002	56,250,000	$ 56,250	$ (55,800)	$ -
Net loss, December 31, 2003				
Balance, December 31, 2003	56,250,000	$ 56,250	$ (55,800)	$ -
Issuance of common stock	59,070,000	59,070	(58,598)	
June 14, 2004 forward stock split 5000:1				
Capital contribution			5,000	
Foreign currency translation adjustments				
Net loss, December 31, 2004				(49,108)
Balance, December 31, 2004	115,320,000	$115,320	$(109,398)	$ (49,108)
Foreign currency translation adjustments				
Net loss, nine month period ended September 30, 2005				(35,583)
Balance, September 30, 2005	115,320,000	$115,320	$(109,398)	$ (84,691)

See Accompanying Consolidated Notes to Financial Statements.

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

	Nine months ended		(
	September 30,	September 30,	

	2005	2004
Cash Flows From Operating Activities		
Net loss	$(35,583)	$(37,787)
Adjustments to reconcile net loss to cash used in operating activities:		
Changes in assets and liabilities		
(Increase) in advances to consultant	-	
Increase (decrease) in accounts payable and accruals	(4,933)	5,327
Increase in deferred revenue	50,000	44,000
Net cash used in operating activities	$ 9,484	$ 11,540
Cash Flows From Investing Activities		
Net cash provided used in investing activities	$ -	$ -
Cash Flows From Financing Activities		
Issuance of common stock	$ -	$ 472
Capital contribution	-	5,000
Officer loans and advances	967	22,362
Loan from affiliate	25,000	-
Net cash provided by financing activities	$ 25,967	$ 27,834
Effect of exchange rate changes on cash and cash equivalents	$ (381)	$ 460
Net increase (decrease) in cash	$ 35,070	$ 39,834
Cash, beginning of period	30,841	450
Cash, end of period	$ 65,911	$ 40,284

See Accompanying Consolidated Notes to Financial Statements.

MADISON EXPLORATIONS, INC.
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

NOTE 1. BASIS OF PRESENTATION

The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-QSB. They do not include all information and notes required by generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there has been no material change in the information disclosed in the notes to the consolidated financial statements included in the Annual Report on Form 10-SB of Madison Explorations, Inc. for the year ended December 31, 2004. When used in these notes, the terms "Company," "we," "us" or "our" mean Madison Explorations, Inc. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine month periods ended September 30, 2005 are not necessarily indicative of the results that may be expected for the year ending December 31, 2005.

NOTE 2. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PRINCIPLES OF CONSOLIDATION - The consolidated financial statements include the accounts of the Company and its subsidiary. All significant intercompany balances and transactions have been eliminated.

ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GOING CONCERN

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. These financial statements show that Madison Explorations, Inc. had a substantial working capital deficiency and that it has suffered losses since inception. Management believes that the Company will still need additional financing of approximately $2,000,000 to continue to operate as planned during the twelve-month period subsequent to September 30, 2005. These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on the basis of generally accepted accounting principles as applicable to a going concern, however the future of Madison Explorations, Inc. will depend upon the company's ability to obtain adequate financing, successfully resolve any outstanding contingencies and attain profitable operations. Although the successful resolution of these uncertainties is not assured, management is of the opinion that current negotiations for financing and ultimate satisfactory settlement of any contingencies will allow the company to continue its operations.

MADISON EXPLORATIONS, INC.
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

NOTE 2. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management plans to obtain such financing through private and public offerings of debt and equity securities. However management cannot assure that the Company will be able to obtain any or all of the additional financing it will need to continue to operate through at least September 30, 2006 or that, ultimately, it will be able to generate any profitable commercial mining operations. If the Company is unable to obtain the required financing, it may have to curtail or terminate its operations and liquidate its remaining assets and liabilities.

The accompanying financial statements do not include any adjustments related to the recoverability and classifications of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue its operations as a going concern

MINING COSTS

Exploration and evaluation costs are expensed as incurred. Management's decision to develop or mine a property will be based on an assessment of the viability of the property and the availability of financing. The Company will capitalize mining exploration and other related costs attributable to reserves in the event that a definitive feasibility study establishes proven and probable reserves. Capitalized mining costs will be expensed using the unit of production method and will also be subject to an impairment assessment.

NOTE 3. ACCOUNTING PRONOUNCEMENTS

RECENT ACCOUNTING PRONOUNCEMENTS

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs, an amendment of Accounting Research Bulletin No. 43, Chapter 4" ("SFAS No. 151"). SFAS No. 151 requires that abnormal amounts of idle facility expense, freight, handling costs and wasted materials (spoilage) be recorded as current period charges and that the allocation of fixed production overheads to inventory be based on the normal capacity of the production facilities. SFAS No. 151 becomes effective for our Company on January 1, 2006. The Company does not believe that the adoption of SFAS No. 151 will have a material impact on our consolidated financial statements.

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment." SFAS No. 123R replaced SFAS No. 123 and superseded Accounting Principles Board Opinion No. 25. SFAS No. 123R will require compensation costs related to share-based payment transactions to be recognized in the financial statements. The effective date of SFAS No. 123R is the first reporting period beginning after June 15, 2005. The adoption of SFAS No. 123 (revised 2004) should not have a significant impact on the Company's financial position or results of operations until such time the Company has share-based payments. The Company will adopt the provisions of SFAS No. 123R at that time.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets, an amendment of APB Opinion No. 29" ("SFAS No. 153"). SFAS No. 153 is based on the principle that exchanges of nonmonetary assets should be measured based on the fair value of the assets exchanged. APB Opinion No. 29, "Accounting for

MADISON EXPLORATIONS, INC.
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

NOTE 3. ACCOUNTING PRONOUNCEMENTS (CONTINUED)

Nonmonetary Transactions," provided an exception to its basic measurement principle (fair value) for exchanges of similar productive assets. Under APB Opinion No. 29, an exchange of a productive asset for a similar productive asset was based on the recorded amount of the asset relinquished. SFAS No. 153 eliminates this exception and replaces it with an exception of exchanges of nonmonetary assets that do not have commercial substance. SFAS No. 153 became effective for our Company as of July 1, 2005. The Company will apply the requirements of SFAS No. 153 on any future nonmonetary exchange transactions.

On April 14, 2005, the Securities and Exchange Commission issued an announcement amending the compliance dates for the FASB's SFAS 123R that addresses accounting for equity based compensation arrangements. Under SFAS 123R registrants would have been required to implement the standard as of the beginning of the first interim or annual period that begins after June 15, 2005. The Commission's new rule will allow companies to implement SFAS 123R at the beginning of the next fiscal year after June 15, 2005. The Company anticipates adopting SFAS 123R in the first quarter 2006

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections, a replacement of APB No. 20 and FASB Statement No. 3" ("SFAS No. 154"). SFAS No. 154 requires retrospective application to prior periods' financial statements of a voluntary change in accounting principle unless it is impracticable. APB Opinion No. 20 "Accounting Changes," previously required that most voluntary changes in accounting principle be recognized by including in net income of the period of the change the cumulative effect of changing to the new accounting principle. This statement is effective for our Company as of January 1, 2006. The Company does not believe that the adoption of SFAS No. 154 will have a material impact on our consolidated financial statements.

NOTE 4. 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, 2005 and December 31, 2004.

MADISON EXPLORATIONS, INC.
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

NOTE 5. RELATED PARTY TRANSACTIONS

The officers of the Company have advanced funds to the Company to continue ongoing operations. On June 25, 2004, two officers executed demand notes at 5% interest for $15,000 in CAD ($12,479 USD) each. Also, funds were advanced to the Company to form its subsidiary. A total of $147 in US dollars was advanced for this purpose. Since all funds advanced are due on demand, this amount has been classified as a liability in the accompanying financial statements. The officers of the Company also submit expense reports on a regular basis of expenses incurred on behalf of the Company in the normal performance of their duties. These payable to the officers for unreimbursed expenses totaled $0 and $1,091 in Canadian funds at September 30, 2005 and December 31, 2004, respectively.

Exploration and development expenses were paid to Montgomery Consultants, Ltd., a related party controlled by a director of the Company, for the three and nine months ended September 30, 2005 of $164 and $3,148, respectively and for the three and nine months ended September 30, 2004 of $12,186 and $12,186, respectively.

For the year ended December 31, 2004, $643 in interest was accrued on the notes payable. As of September 30, 2005, the officer advances in USD was $27,621, including $1,634 in accrued interest.

A Company affiliated through common ownership advanced funds of $25,000 for working capital. The advance is non-interest bearing, due on demand.

NOTE 6. COMPREHENSIVE INCOME

Accumulated other comprehensive income consists of the following:

	September 30, 2005	Dec. 31, 2004
Foreign currency translation adjustment	$ (2,935)	$ (2,554)

The components of other comprehensive income for the nine-month period ended September 30, 2005 and the year ended December 31, 2004:

	September 30, 2005	Dec. 31, 2004
Foreign currency translation adjustment	$ (381)	$ (2,554)

NOTE 7. INCOME TAXES

We did not provide any current or deferred Canadian federal income tax provision or benefit for any of the periods presented because we have experienced operating losses since inception. We provided a full valuation allowance on the net deferred tax asset, consisting of net operating loss carryforwards, because management has determined that it is more likely than not that we will not earn income sufficient to realize the deferred tax assets during the carryforward period.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The discussion contained herein contains "forward-looking statements" that involve risk and uncertainties. These statements may be identified by the use of terminology such as "believes," "expects," "may," "should" or anticipates" or expressing this terminology negatively or similar expressions or by discussions of strategy. The cautionary statements made in this Form 10QSB forward-looking statements wherever they appear in this Form 10QSB. Our actual results could differ materially from those discussed in this Form 10QSB.

GENERALLY.

Madison Explorations, Inc. (sometimes the "Company") was incorporated on July 15, 1998 under the laws of the State of Nevada to engage in any lawful corporate activity.

We are currently engaged in the business of diamond exploration in Southern Saskatchewan, Canada. Southern Saskatchewan has been explored for diamonds since at least 1963 by other exploration companies with limited success. Other than conducting some initial exploration work on our "Scout Lake" property in 2004 & 2005 and selling a 20% interest in our "Bulls Eye" property and a 15% interest in our "Bronco" property, we have conducted no operations to date and we do not expect to receive any revenues for at least two years. During these two years, we plan to concentrate our efforts on exploration and data gathering. Because the Company is an exploration stage company, there is no assurance that a commercially viable mineral deposit exists on any of our properties. Further exploration will be required before the economic and legal feasibility of developing the properties can be determined.

Analysis of the Company's drill program on the "Scout Lake" property was completed in the quarter ended September 30, 2005. The drill hole encountered sedimentary rocks of the Ravenscrag formation. These Tertiary sediments consisted of poorly consolidated sandstone, clay, gravel and coal seems. The unexpected intersection of Tertiary sediments of unknown thickness has resulted in a change in the direction of Madison's exploration program. After discussions with Dr Joseph Montgomery, the Company's geologist, the Company's "Scout Lake" claims will not be renewed. The main thrust of Company's program will now be in the Val Marie area of the Wood Mountain district in Southern Saskatchewan. This area covers the richest indicator mineral concentration so far encountered by the Company.

The combination of numerous indicator minerals (pyrope garnets and chrome diopsides) and magnetic anomalies continue to make this area a prime target. The indicator mineral suite is identical chemically to that of the Fort a la Corne district in Southern Saskatchewan. An early drilling program is anticipated for this area. Additional targets in the Wood Mountain district and other areas will also be investigated.

At the present time, we do not hold any interest in a mineral property that is in production. The Company's viability and potential success lie in our ability to develop, exploit and generate revenue from our interests. There can be no assurance that such revenues will be obtained. The exploration of mineral deposits involves significant financial risks over a long period of time which even a combination of careful evaluations, experience and knowledge may not eliminate. It is impossible to ensure that our current or proposed exploration programs on the exploration claims will be profitable or successful. The inability of the Company to locate a viable diamond deposit on the properties will have a material adverse effect on its operations and could result in a total loss of its business.

As of the date hereof, we are deemed to be and can be defined as a "shell" company, a registrant, other than an asset backed-issuer, that has no or nominal operations, and either (i) no or nominal assets, (ii) assets consisting solely of cash and cash equivalents, (iii) assets consisting of any amount of cash and cash equivalents and nominal other assets.

5

FINANCIAL CONDITION.

Our auditor's going concern opinion of December 31, 2004 and our notation in the financial statements indicate that we do not have significant cash or other material assets and that we are relying on advances from stockholders, officers and directors to meet limited operating expenses. We do not have sufficient cash or other material assets nor do we have sufficient operations or an established source of revenue to cover our operational costs that would allow us to continue as a going concern. Our financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts and classification of liabilities that might result should we be unable to continue as a going concern. We have a loss from inception through December 31, 2004 of $49,108 and a loss from inception through September 30, 2005 of $84,691. This is an increase for the nine months ended September 30, 2005 of $35,583.

We currently have cash of $65,911 that constitutes our total assets. We have no other liquid current assets and we have received no revenue from operations.

LIQUIDITY AND OPERATIONAL RESULTS.

We have had no revenues from December 31, 2004 to September 30, 2005.

We have limited assets and liquidity. As of December 31, 2004, we had cash of approximately $30,841. As of September 30, 2005, we had cash of approximately $65,911.

As of December 31, 2004, we had total liabilities of $76,581 and we had a negative net worth of $45,740. As of September 30, 2005, we had total liabilities of $147,615 and we had a negative net worth of $81,704. Our accounts payable as of December 31, 2004 were $5,927 and as of September 30, 2005 were $994.

Our loss from inception through December 31, 2004 was $49,108 and our loss from inception through September 30, 2005 was $80,432 or an increase for the nine months then ended of $31,324.

During the fiscal year ending December 31, 2004, we incurred expenses of $49,108. As of September 30, 2005, our total losses for the period ending September 30, 2005 were $35,583.

We had officer's advances of $26,654 from inception to December 31, 2004 and of $27,621 to September 30, 2005. This is an increase of $967.

We are dependent upon our officers to meet any de minimis costs that we may incur. Kevin M. Stunder and Joel Haskins, officers and directors of the Company, have agreed to provide the necessary funds, for us to comply with the 1934 Act; provided that he is an officer and director of the Company when the obligation is incurred. We currently owe Kevin Stunder and Joel Haskins the sum of $13,810 each.

PLAN OF OPERATION.

We were incorporated in June of 1998 under the name of "Madison-Taylor General Contractors, Inc." and we intended to engage as a general contractor for constructing temporary buildings at exploratory mining locations. We were unable to implement our business and remained inactive from 1998 until 2004. We commenced operations under our current name, Madison Explorations Inc., in April of 2004. After implementing our current plan of operation, we have relied on advances and contributions of capital of approximately $53,925 from our stockholders, proceeds of $44,000 from the sale of a 20% interest in one of the Company's claims (Bulls Eye), and proceeds of $50,000 from the sale of a 15% interest in another of the company's claims (Bronco) to support its limited operations. As of December 31, 2004, we had approximately $30,841 of cash. We will need additional equity or debt financing of up to $2,000,000 that we plan to use for the second phase of the Company's exploration program to commence in 2006.

ITEM 3. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK.

We have not considered nor conducted any research concerning qualitative and quantitative market risk.

ITEM 4. EVALUATION OF DISCLOSURE ON CONTROLS AND PROCEDURES.

We evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2005. This evaluation was conducted by Kevin Stunder, our chief executive officer and Joel Haskins, our chief financial officer.

Disclosure controls are controls and other procedures that are designed to ensure that information that we are required to disclose in the reports we file pursuant to the Securities Exchange Act of 1934 is recorded, processed, summarized and reported.

Limitations on the Effective of Controls

Our management does not expect that our disclosure controls or our internal controls over financial reporting will prevent all error and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, but no absolute, assurance that the objectives of a control system are met. Further, any control system reflects limitations on resources, and the benefits of a control system must be considered relative to its costs. These limitations also include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of a control. A design of a control system is also based upon certain assumptions about potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

Conclusions

Based upon their evaluation of our controls, our Chief Executive Officer and Chief Financial Officer have concluded that, subject to the limitations noted above, the necessary information as defined in rule 13a-15(e) is available to the Chief Executive Officer and to the Chief Financial Officer on a timely basis, and the two specified officers state, if true, that the controls and procedures are effective in this function.

There were no changes in our internal controls that occurred during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect our internal controls.

PART II
OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS ....NONE

ITEM 2 - CHANGES IN THE RIGHTS OF THE COMPANY'S SECURITY HOLDERS ....NONE

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.

BOARD MEETING.

Our board held one meeting during the current quarter, which was a special meeting by written consent.

AUDIT COMMITTEE.

Our board of directors has not established an audit committee. In addition, we do not have any other compensation or executive or similar committees. We will not, in all likelihood, establish an audit committee until such time as the Company generates a positive cash flow of which there can be no assurance. We recognize that an audit committee, when established, will play a critical role in our financial reporting system by overseeing and monitoring management's and the independent auditors' participation in the financial reporting process. At such time as we establish an audit committee, its additional disclosures with our auditors and management may promote investor confidence in the integrity of the financial reporting process.

Until such time as an audit committee has been established, the full board of directors will undertake those tasks normally associated with an audit committee to include, but not by way of limitation, the (i) review and discussion of the audited financial statements with management, and (ii) discussions with the independent auditors the matters required to be discussed by the Statement On Auditing Standards No. 61 and No. 90, as may be modified or supplemented.

Our board of directors consistent with our intent to enhance the reliability and credibility of our financial statements, have submitted the financial statements included in this Form 10-QSB to our independent auditor prior to the filing of this report.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

There were no reports on Form 8-K filed during the quarter for which this report is filed. 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

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DATED: January 17, 2006

MADISON EXPLORATION, INC.

BY: /s/ KEVIN M. STUNDER

Kevin M. Stunder
Chief Executive Officer and
Director

BY: /s/ JOEL HASKINS

Joel Haskins
Chief Financial Officer and
Director